



ANNUAL REPORT 2020 | MALEE GROUP PLC.

Malee
100% FRUIT JUICE



วิตามิน
ซีรวมชาเขียว
ที่ชีวิตต้องการทุกวัน





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Malee's focus is on the health and well-being of everyone and everything around us because we believe that being healthy means that you can be at your best. And when you're at your best, you can live life to its fullest.

Malee grows together with our consumers, so they stay healthy and happy. We grow together with our employees, so we can achieve success in our careers and lives.

We grow together with the farmers that grow our food, so they are proud of their work and maintain a great quality of life. And we grow together with the environment, which needs to flourish and remain with us for generations to come. As a company, Malee Group must continue to grow and become stronger so that we can in turn take care of more.

Because by "Growing Well Together," we will all prosper together.





Growing well together

O R M A L



O U P P L C .



MESSAGE FROM CHAIRMAN



Mrs. Chintana Boonyarat
Chairman of the Board of Directors
Malee Group Public Company Limited



The pandemic of coronavirus disease 2019 (COVID-19) has been hitting the world rapidly and severely, making 2020 the most devastated year for livelihood and economy in centuries, as well as the challenging year for people around the world. The crisis has affected many kinds of businesses so abruptly and severely that they had to close their businesses. Meanwhile, several companies had to make some difficult decisions including salary cuts, no salary payments, alternate workday shifts, long-term leaves without pay, as well as termination of employment. However, Malee Group Public Company Limited has been fortunate to operate in food and beverage business. We also have certain policies in diversification of risks by not depending too much on any client, any kind of product, and any country. Still, the good fortune does not mean that we have not been affected by the crisis at all. The Company experienced its sales decline by 21% in 2020.

Over the past few years, Malee Group Public Company Limited has focused on improving internal work processes to be more effective in every aspect to establish operational stability and sustainability, and to control costs and expenses appropriately. All those ongoing measures began to pay off, resulting in the Company's first positive operating result in two years during the first quarter of 2020, prior to the COVID-19 outbreak in Thailand. But after the end of the first quarter of 2020, the COVID-19 pandemic became worsen in Thailand. The government had to enact several measures, including lockdown and countrywide curfew. People had to change their livelihood a lot, which in turn caused a great deterioration for Thailand's economy. To overcome the crisis, the Company has made several adjustments to

strictly control and reduce more costs and expenses, to adjust its work methods, to improve efficiency on work processes, to reorganize some parts of organization structures, as well as to constantly look for new clients. However, these actions could not compensate for the impact of a dramatic 21% drop in sales, resulting in an ongoing negative performance after the first quarter. Still, the overall performance has improved compared to the past two years.

With the second-wave outbreak of COVID-19 in Thailand, the Company anticipates that the crisis will not resolve any time soon. Therefore, 2021 will be yet another difficult and challenging year. Although the pandemic has subsided, consumer purchasing power is still very low and the economy is unlikely to improve in the near future. However, the Company is confident that our continued operation improvement planned over the years and prompt adjustments to the Covid-19 situation will be our New Normal of business operations. Those measures will have a positive effect and provide effective responses to the possible worst-case scenario. We will join with all stakeholders to fight and overcome this crisis together.

As for our awards, the Company realizes the importance of good corporate governance and management. We are aware of operating business with responsibility, fairness, and transparency that is examinable in order to help increase competitiveness and managerial efficiency. We focus on creating values and promoting sustainable business growth in addition to building investors' confidence. This will lead to long-term value added for the Company, shareholders and all stakeholders. The Company has established a good corporate governance policy and publicized it on Malee Intranet network and the Company's website, www.malee.co.th, to allow directors, executives, employees, as well as third parties who visit the website to gain knowledge and understanding, and be able to apply the governance policy in operations in concrete terms. There has been more disclosure of non-financial information and more proactive adjustments on the leadership of the Board of Directors. Stricter anti-corruption control policy has been leveraged by extending broader communication and implementation of these issues to external partners. This is an important step in developing

Good Corporate Governance, and as a result, the Company continued to achieve the CG top score of "5 stars" (Excellent CG Scoring), certified by the Thai Institute of Directors Association (IOD) in 2020.

Finally, on behalf of the Board of Directors, management and all employees, the Company would like to show our gratitude to shareholders, business partners, consumers and all other related parties for your favorable contribution and support to our business operations. Please rest assured that the Company is committed to operating our business and driving forward to the greater step with discretion, while also adhering to the good corporate governance, transparency, all forms of anti-corruptions, and corporate social and environmental responsibility activities. All of which will sustainably help take care of our stakeholders in the long term.



Malee
In Season

ใหม่! น้ำแอปเปิ้ล 100%

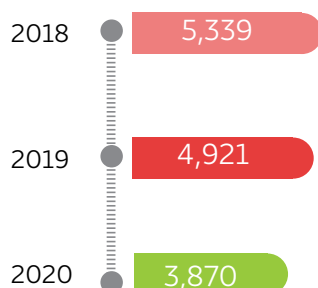
Aomori

ดื่ม
สด
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คน
ญี่ปุ่น

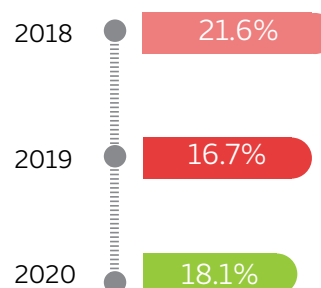


FINANCIAL HIGHLIGHTS

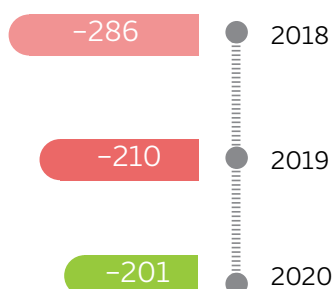
TOTAL REVENUE



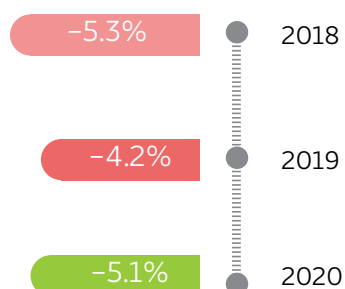
GROSS PROFIT (%)



NET PROFIT (THB MILLION)



NET PROFIT MARGIN (%)



REVENUE STRUCTURE DURING THE PAST THREE YEARS

	2018		2019		2020	
	THB (MIL)	%	THB (MIL)	%	THB (MIL)	%
Domestic Sales	3,615	68%	3,037	62%	2,469	64%
Export Sales	1,724	32%	1,884	38%	1,401	36%
Total Sales	5,339	100%	4,921	100%	3,870	100%

FINANCIAL STATUS AND RETURN RATIOS OF THE COMPANY

	Unit	2018	2019	2020
Net Sales	THB (MIL)	5,339	4,921	3,870
Cost of Sales	THB (MIL)	4,185	4,101	3,169
Gross Profit	THB (MIL)	1,154	820	702
Selling, General and Administrative Expenses	THB (MIL)	1,521	1,084	909
EBITDA	THB (MIL)	-111	36	82
Depreciation and Amortization	THB (MIL)	216	245	286
EBIT	THB (MIL)	-327	-209	-196
Net Profit (Loss)	THB (MIL)	-286	-210	-201
Earnings Per Share	THB	-1.04	-0.76	-0.73
Total Assets	THB (MIL)	4,668	4,208	4,003
Total Liabilities	THB (MIL)	3,508	3,179	3,163
Issued and Fully paid-up Capital	THB (MIL)	140	140	138
Equity Attributable to Owners of the Parent	THB (MIL)	1,049	922	734
Dividend per Share	THB	0.00	0.00	0.00

LIQUIDITY RATIOS

Current Ratios	Times	0.72	0.65	0.60
Quick Ratios	Times	0.38	0.43	0.34

PROFITABILITY RATIOS

Gross Profit Margin	%	21.6	16.7	18.1
EBIT Margin	%	-6.1	-4.2	-5.0
Net Profit Margin	%	-5.3	-4.2	-5.1
Asset Turnover	%	-7.0	-4.7	-4.8
Return on Equity	%	-20.5	-21.3	-24.3

LEVERAGE RATIOS

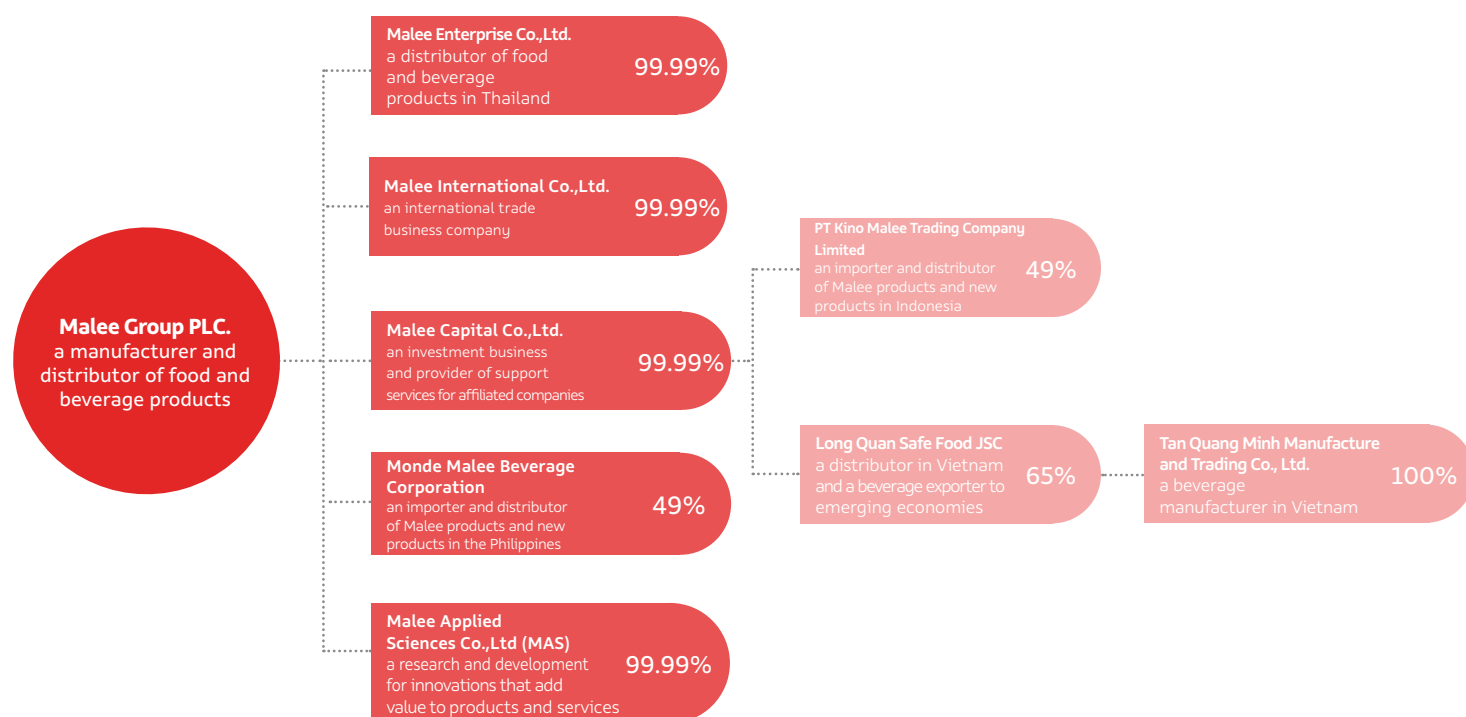
Debt to Equity Ratio	Time	3.34	3.45	4.31
Interest-Bearing Debt to Equity Ratio	Time	2.30	2.39	2.70

CASH CYCLE

Inventory	Days	85	63	61
A/R	Days	51	53	57
A/P	Days	39	35	41
Cash Cycle	Days	96	81	78

GROUP STRUCTURE AND GENERAL INFORMATION

STRUCTURE OF MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES AS OF DECEMBER 31, 2020



MALEE GROUP PUBLIC COMPANY LIMITED

Registration Number :	0107535000079
Address :	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone :	+662 080 7899
Fax :	+662 080 7800
Website :	http://www.malee.co.th
Factory Location :	26/1 Moo 5, Sampran Road, Yaicha, Sampran, Nakhon Pathom, 73110
Business :	Manufacturer and Distributor of Food and Beverage Products
Number and Type of Shares Issued :	276,000,000 ordinary shares with a par value of 0.50 Baht per share
Coordinator :	Naharuthai Chuachalad – Telephone: +662 080 7899 ext. 1136 E-mail: naharuthai_chu@malee.co.th

SUBSIDIARIES

MALEE ENTERPRISE COMPANY LIMITED

Registration Number :	0105535109621
Address :	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone :	+662 080 7899
Fax :	+662 080 7800
Website :	http://www.malee.co.th
Business :	A Distributor of Food and Beverage Products in Thailand
Number and Type of Shares Issued :	10,000,000 ordinary shares with a par value of 10 Baht per share
Number of Shares Held by the Company :	9,998,800 (99.99%)

MALEE CAPITAL COMPANY LIMITED

Registration Number :	0135551007374
Address :	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone :	+662 080 7899
Fax :	+662 080 7800
Website :	http://www.malee.co.th
Business :	An Investment Business and Provider of Support Services for Affiliated Companies
Number and Type of Shares Issued :	50,000,000 ordinary shares divided into: 4,000,000 ordinary shares with a par value of 10 Baht per share 46,000,000 ordinary shares with a par value of 7.50 Baht per share
Number of Shares Held by the Company :	49,999,994 (99.99%)

MALEE INTERNATIONAL COMPANY LIMITED

Registration Number :	0135551007374
Address :	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone :	+662 080 7899
Fax :	+662 080 7800
Website :	http://www.malee.co.th
Business :	An International Trade Business Company
Number and Type of Shares Issued :	400,000 ordinary shares with a par value of 100 Baht per share
Number of Shares Held by the Company :	399,998 shares (99.99%)

MONDE MALEE BEVERAGE CORPORATION

Registration Number :	0520960154
Address :	No.9 Sheriden St., Mandaluyong City 550, Metro, Manila, Philippines
Telephone :	+63-754-2100 +63-810-9207
Business :	An Importer and Distributor of Malee Products and New Products in the Philippines
Number and Type of Shares Issued :	1,500,000 ordinary shares with a par value of 200 Pesos per share
Number of Shares Held by the Company :	734,998 shares (49%)

MALEE APPLIED SCIENCES COMPANY LIMITED

Registration Number :	0135560000948
Address :	INC 2 No. 142 Thailand Science Park, 8 th Floor, No. INC2C 801-807 Moo 9 Phaholyothin Road, Subdistrict Klong 1, District Klong Luang, Pathum Thani, 12120
Telephone :	+662 117 8381-4
Business :	A Research and Development Services for Innovations to Add Value to Products and Services
Number and Type of Shares Issued :	100,000 ordinary shares with a par value of 100 Baht per share
Number of Shares Held by the Company :	99,997 shares (99.99%)

PT KINO MALEE TRADING COMPANY LIMITED

Registration Number :	812009742565
Address :	Kino Office Tower 22 nd Floor Jalan Sutera Boulevard No.1, Alam Sutera, Panunggangan Timur, Pinang, Kota Tangerang, Banten Province, Indonesia
Telephone :	+62-21-8082 1100
Fax :	+62 21 8082 1123
Business :	An Importer and Distributor of Malee Products and New Products in Indonesia
Number and Type of Shares Issued :	1,500 ordinary shares with a par value of 10,000,000 IDR per share
Number of Shares Held by the Company :	735 shares (49%)

LONG QUAN SAFE FOOD JSC

Registration Number :	0314776308
Address :	A100 Le Thi Rieng, Thoi An Ward, Distric 12, Ho Chi Minh City, Viet Nam
Telephone :	+84 3765 2979
Business :	A Distributor in Vietnam and a Beverage Exporter in Emerging Economies
Number and Type of Shares Issued :	2,818,000 ordinary shares with a par value of 10,000 VND per share
Number of Shares Held by the Company :	1,831,700 shares (65%)

TAN QUANG MINH MANUFACTURE AND TRADING COMPANY LIMITED

Registration Number :	0302395763
Address :	Lot C21/I, Street 2F, Vinh Loc Industrial Park, Vinh Loc A Commune, Binh Chanh Dist., Ho Chi Minh City, Viet Nam
Telephone :	+84 8765 2567
Fax :	+84 8765 2979
Website :	www.bidrico.com.vn
Business :	A Beverage Manufacturer in Vietnam
Number and Type of Shares Issued :	2,818,000 ordinary shares with a par value of 10,000 VND per share
Number of Shares Held by the Company :	A subsidiary of Long Quan Safe Food JSC

REFERENCES

Registrar of Securities :

Thailand Securities Depository Company Limited

Address:	The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Bangkok, 10400
Telephone:	+662 009 9000
Fax:	+662 009 9991

Auditor :

Mr. Chaiguth Angsuwithaya

Certified Public Accountant, Registration Number: 3885

A.M.T. & Associates

(Audited the company from 2011–2019 for 10 years)

Address:	491/27 Silom Plaza, Silom Road, Bang Rak, Bangkok, 10500
Telephone:	+662 234 1676

Legal Counsel :

Bunchong and Vidhya Law Office Company Limited

Address:	No. 33/35, 33/39–40 Wall Street Tower, 9 th Floor Surawong Road, Suriyawong Subdistrict, Bang Rak, Bangkok 10500
Telephone:	+662 236 2334 or +662 233 1666
Fax:	+662 236 3916
Email:	bcvidhya@bcvidhya.com

Investor Relations Department

Telephone:	+662 080 7899 ext. 1131 and 1135
Email:	ir@malee.co.th



SHAREHOLDING STRUCTURE



SHAREHOLDERS

TOP 10 MAJOR SHAREHOLDERS AS OF MARCH 12, 2021

RANK	LIST OF SHAREHOLDERS	NUMBER OF SHARES	PERCENT
1.	Abico Holdings Public Company Limited	75,100,000	27.21
2.	Mrs. Kamolchat Juangroongruangkit	48,500,000	17.57
3.	Mr. Songphol Techakarin	13,003,600	4.71
4.	Mrs. Chintana Boonyarat	9,128,566	3.31
5.	Thai NVDR Co., Ltd.	8,173,719	2.96
6.	Mr. Thaveei Churangkul	7,790,000	2.82
7.	Mr. Wat Chirathivat	7,408,566	2.68
8.	Mr. Pichai Chirathivat	6,608,567	2.39
9.	Mr. Kobchai Chirathivat	6,418,56	2.33
10.	Ms.Thaksaporn Boonlub	3,018,600	1.09

Board of Director Shareholding during March 13, 2020 to March 12, 2021

RANK	NAME	AS OF MARCH 13, 2020	CHANGE DURING THE YEAR	AS OF MARCH 12, 2021
1.	Mrs. Chintana Boonyarat	3.13 %	0.19 %	3.31 %
2.	Mr. Pichai Chirathivat	2.36 %	-	2.39 %
3.	Ms. Roongchat Boonyarat	0.40 %	-	0.41 %
4.	Mr. Opas Lopansri	-	-	-
5.	Mr. Kitti Vilaivarangkul	-	-	-
6.	Ms. Nattharin Talthong	-	-	-
7.	Ms. Nart Fongsmut	0.04 %	-	0.05 %
8.	Mr. Arin Jira	-	-	-
9.	Ms. Supavadee Tantiyanont	-	-	-

Remark: On December 15, 2020, The Company decreased its registered capital and paid-up capital by writing off 4 million shares repurchased shares from 280 million shares existing shares to 276 million new shares.

DIVIDEND POLICY

The Company has the policy to pay dividend at the rate of not less than 30% of the net profit after tax and any reserve as specified by law and the Company from normal operations according to the consolidated financial statement. However, the actual dividend payment will depend on cash flows and investment plans of the Company and its Affiliates, as well as other necessities and appropriateness in the future.

DIVIDEND PAYOUT DURING THE PAST THREE YEARS

YEAR	EARNINGS PER SHARE (BAHT/SHARE)	DIVIDEND PAYOUT PER SHARE (BAHT/SHARE)	DIVIDEND PAYOUT PER NET PROFIT (PERCENT)
2018	(1.04)	–	0%
2019	(0.76)	–	0%
2020	(0.73)	–	0%

MAJOR DEVELOPMENTS IN 2020

2020

May

- Dissolution of joint venture
- **Mega Malee Company Limited**, a business developer of new businesses for health food and beverage products in which the Company held 49% of shares.
- **Malee Kino (Thailand) Company Limited**, a distributor of Kino products in Thailand in which the Company's subsidiary held 51% of shares.
- **PT Kino Malee Indonesia Company Limited**, a manufacturer of a new beverage brand in Indonesia in which the Company's subsidiary held 49% of shares.

April

Launched seasonal product Malee Coco Lychee Coconut Water and Malee Coco Watermelon Coconut Water, distributed through convenient stores channels.



September

Repackaged Malee Fruit Fresh 100% Fruit Juice in three flavors: Orange Juice, Grape Juice, and Apple Juice. And launched Pomegranate Juice as a new flavor.

October

- Launched "Malee In-Seasons" Malee Aomori Apple Juice
- The company launched new products, Homestyle Orange and Mango Juice, 250 ml, available in convenience stores and online markets in South Korea.



November

The Company achieved the CG top score of "5 stars" (Excellent CG Scoring), certified by the Thai Institute of Directors Association (IOD) for the year 2020.

December

on December 15, 2020, The Company decreased its registered capital and paid-up capital by writing off 4,000,000 repurchased shares from 280,000,000 existing shares to 276,000,000 shares.

Malee

เสียเหงื่อ

เสียเหงื่อ...ดื่ม
MALEE COCO



#เกลือแร่ธรรมชาติ

น้ำมะพร้าว 100%

มีโพแทสเซียมจากธรรมชาติ

ไม่เติมน้ำตาล ไม่มีไขมัน



COMPANY POLICY AND BUSINESS OVERVIEW



BUSINESS OVERVIEW AND DEVELOPMENT

Malee Group Public Company Limited was originally established as Malee Sampran Factory Company Limited on February 2, 1978, with registered capital of Baht 10 million, as a manufacturer and distributor of canned food and canned fruits. After growing over time, the Company expanded its production capacity by building a factory on the area of 30 rais in Sampran District, Nakhon Pathom Province in 1981. Later, the Company was listed on the Stock Exchange of Thailand on March 13, 1992. In April 1995, the Company went through a change in its shareholding structure when Abico Holdings Public Company Limited acquired 10,000,000 shares, accounted for 40% of the registered capital of Baht 250 million, from the existing shareholders. On May 15, 1998, the Company changed its name to Malee Sampran Public Company Limited. On December 9, 1998, the Company increased its capital from Baht 500 million to Baht 999.99 million, with total paid-up capital of Baht 700 million, in order to support its continually growing business.

Later, on April 9, 2013, the Company decreased its registered capital to Baht 182 million, with paid-up capital of Baht 140 million. In 2014, the Company again decreased its registered capital to Baht 140 million, the amount that was fully paid up. On April 28, 2016, the Company changed its name to "Malee Group Public Company Limited", and its seal was also changed accordingly. And most recently on December 15, 2020, the Company decreased its registered capital by writing

off 4 million repurchased shares from 280 existing shares to 276,000,000 new shares, accounted for paid-up registered capital of Baht 138 million.

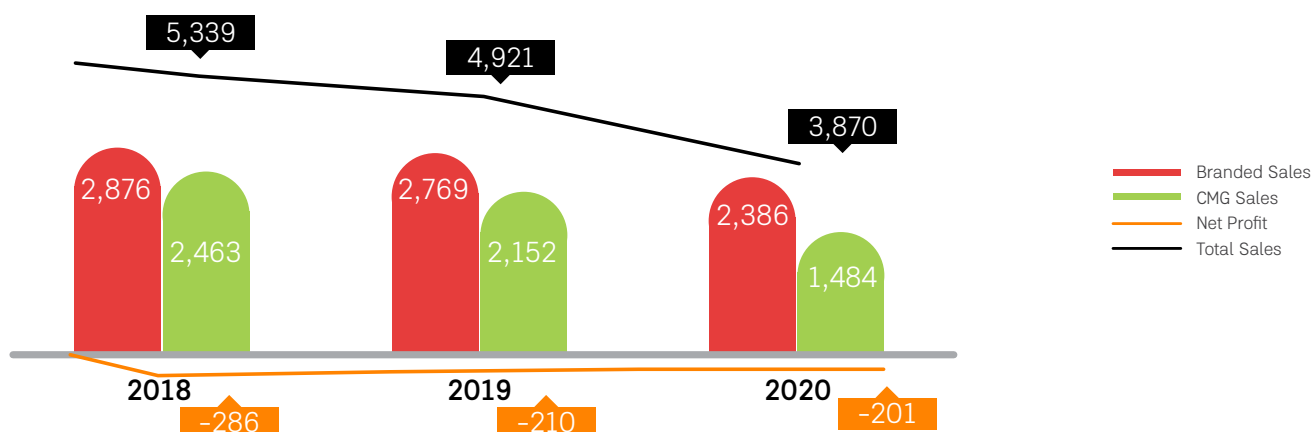
As for the factory area, the Company purchased additional lands around the current factory to support business expansions, with about 3 rais purchased in late 2011 and about 4 rais purchased in late 2014.

Over the past 40 years, the Company has been continually conducting the business based on canned fruits and UHT and pasteurized fruit juices. The Company is currently manufacturing and distributing canned fruits and UHT and pasteurized fruit juices under "Malee" brand; while also distributing and marketing UHT and pasteurized milk under "Farm Chokchai" brand, as well as other beverages. In addition, the Company also engages in Contract Manufacturing Business (CMG) in which the Company produces beverage products under contracts for domestic and international customers. The main businesses of the Company can be divided into two categories as follows:

1. Branded Business (Brand): A business that manufactures and distributes beverage products under "Malee" Brand and other brands owned by the Company for domestic and international markets.

2. Contract Manufacturing Business (CMG): A business in which the Company manufactures beverage products for other brand owners, both domestically and internationally.

Sales ratio from Branded Business and CMG Business



The Company is determined to become the Top Beverage Brand of Choice for consumers, while considering the production standards, product quality and safety. Our production process and quality standard are widely accepted and recognized by both domestic and international institutes, such as BRC (Global Standard for Food Safety), IFS: International Food Standard, HACCP Codex Alimentarius Commission, Halal Certificate, Kosher Certificate, GMP Codex Alimentarius Commission Recommended International Code of Practice General Principles of Food Hygiene, ISO22000, and Food Safety System Certification 22000.



Vision and Objectives in Operating Business

Malee is ready and determined to perform its duty in taking care of health and well-being for our consumers, because we believe that being healthy is a foundation in living the best and happiest lives.

Malee grows along with our consumers, so that they stay healthy and happy. We grow along with our employees, so that we can succeed both in our careers and our lives. We grow along with farmers who produce our food, so that they are proud of their works and maintain great quality of lives. And we grow along with the environment, so that it can endlessly flourish and nourish us for generations to come.

As an organization, "Malee Group" will be moving forward so that we can be better at performing our duty in taking care of these people. Because the more we are growing each day, the more we will all prosper together.

The Company's Operating Strategy

The Company has a long-term goal to become a "Top Beverage Brand of Choice" in Thailand and also aims to be a "World-Class Health Food and Beverage Manufacturer." Nowadays, the domestic and foreign economic conditions are highly volatile, businesses face many uncertainties whether they are intensified trade competition, rapid changes in consumer behavior, trade wars, or even the COVID-19 pandemic. However, in order to achieve the set goals, the Company has adjusted its operating strategies to deal with the various uncertainties as follows:

- Focus on increasing capacity utilization by providing the right capabilities and offerings, and shift our business model to stay relevant and flexible.
- Adjust work process to gain flexibility and be ready to adapt changing situations in a timely manner.
- Business portfolio, product portfolio, and customer portfolio management and optimization.
- Drive ongoing development and innovation.
- Manage the organization so that it is more efficient in order to create stability and sustainability in long-term operations.

The Company's Business Objectives

The Company has set common goals within the organization in the following areas:

1 Sales, profits and new product development goals.

The Company has reviewed plans and placed more emphasis on net profit rather than increasing sales. The Company has better understanding on each distribution channel and offers products that meet the needs of customers in each channel. The Company does not only focus on short-term sales, but also offers products that meet customer needs that will generate long-term net profits in order to build sustainable business growth in the future. In regards to products, the Company has focused on increasing product variety apart from the original 100% fruit juice group by launching more premium products and products with a greater mass. This includes new products



from the implementation of new production technology which allows the Company to expand the customer base and reach more new customer groups. In regards to customers, the Company has focused on increasing a variety of product groups and customers in the Contract Manufacturing business (CMG) for new products and new customers. In regards to domestic distribution channels, the Company does not want to rely solely on the distribution channels from Modern Trade but desires to expand more products for mass market or the Traditional Trade channels. In respect of the international market, the Company has laid a foundation to expand the international market in ASEAN countries that have a population over 630 million people over the past four years through collaboration with overseas trade partners by establishing joint venture businesses in the Philippines and Indonesia. This includes the acquisition of beverage manufacturers and distributors in Vietnam. The Company aims to bring the strengths of the alliances in each country to strengthen one another in accordance with the Company's regional networking strategy. This will help strengthen the competitiveness in order to create sustainable regional growth in the future. It can be considered that the Company has implemented and invested in various projects which were necessary to complete business growth. There will be no additional investments in the upcoming term but the Company will focus on utilizing and creating from various resources which the Company has invested and convert it into profits as soon as possible.



2 R&D, quality standards and manufacturing process goals.

The Company is well-aware that its products are consumer products. Therefore, the Company has emphasized on the quality of the products that goes through its manufacturing process to ensure that all products are manufactured in accordance with food safety standards. The Company also develop the manufacturing process to match with the changes in food safety standards. In addition, the Company targets to improve production efficiency production costs and maintain its competitiveness against other domestic and international manufacturers. This will drive the Company to achieve its operating performance as targeted.

3 efficiency and operating performance goals.

The Company has set the goal to improve and standardize work processes. A cautious financial plan is also in place to support the Company's business plan. In addition, the Company has also focused on developing capability and mindset of employees, as well as on building corporate culture, in order to bring in sustainable happiness and success at work, since employees are considered as crucial resources for the Company's operations.

4 Corporate Sustainability Goals

The Company is committed to developing products that meet the needs of the economy, society and environment which includes stakeholders. The Company is responsible for products and the process, which is not only limited to regulatory compliance, but also focuses on reducing the impact that may occur in communities, society and the environment, create a coexistence between the Company and the community. This includes respecting the rights of stakeholders and a commitment to sustainable development of surrounding communities as well as providing continuous training for employees regarding these responsibilities.

Shareholding Structure

Abico Holdings Public Company Limited is a major shareholder of Malee Group Public Company Limited, holding 27.21% of the shares.

As of December 31, 2020 the affiliated companies of Malee Group Public Company Limited are as follows:

- 1 Malee Enterprise Company Limited, a subsidiary that oversees all of the marketing and domestic distribution. The products are distributed through the Company's sales staff and distributors nationwide.
- 2 Malee Capital Company Limited, a subsidiary that operates business in investments and provides services to affiliated companies.
- 3 Malee International Company Limited, a subsidiary that operates an international trading business.
- 4 Monde Malee Beverage Corporation, a joint venture that operates an import and distribution business for Malee's products and new products in the Philippines in which the Company holds 49% of the shares. Monde Malee Company Limited is a joint venture partner with Monde Nissin Corporation, Philippines.
- 5 Malee Applied Sciences Company Limited, a subsidiary that provides research services and develops innovation to add value to products and services.

- 6 PT Kino Malee Trading Company Limited operates an import and distribution business for Malee's products and new products in Indonesia.
- 7 Long Quan Safe Food Company Limited, a joint venture that operates a distribution business in Vietnam and exports beverages, in which the Company holds 65% of the shares.
- 8 Tan Quang Minh Manufacture and Trading ("TQM") (a subsidiary of the joint venture Long Quan Safe Food Company Limited) operates a beverage production business in Vietnam.

Relationships with the Business Group of Major Shareholders

The Company has relationships with the following companies that are major shareholders:

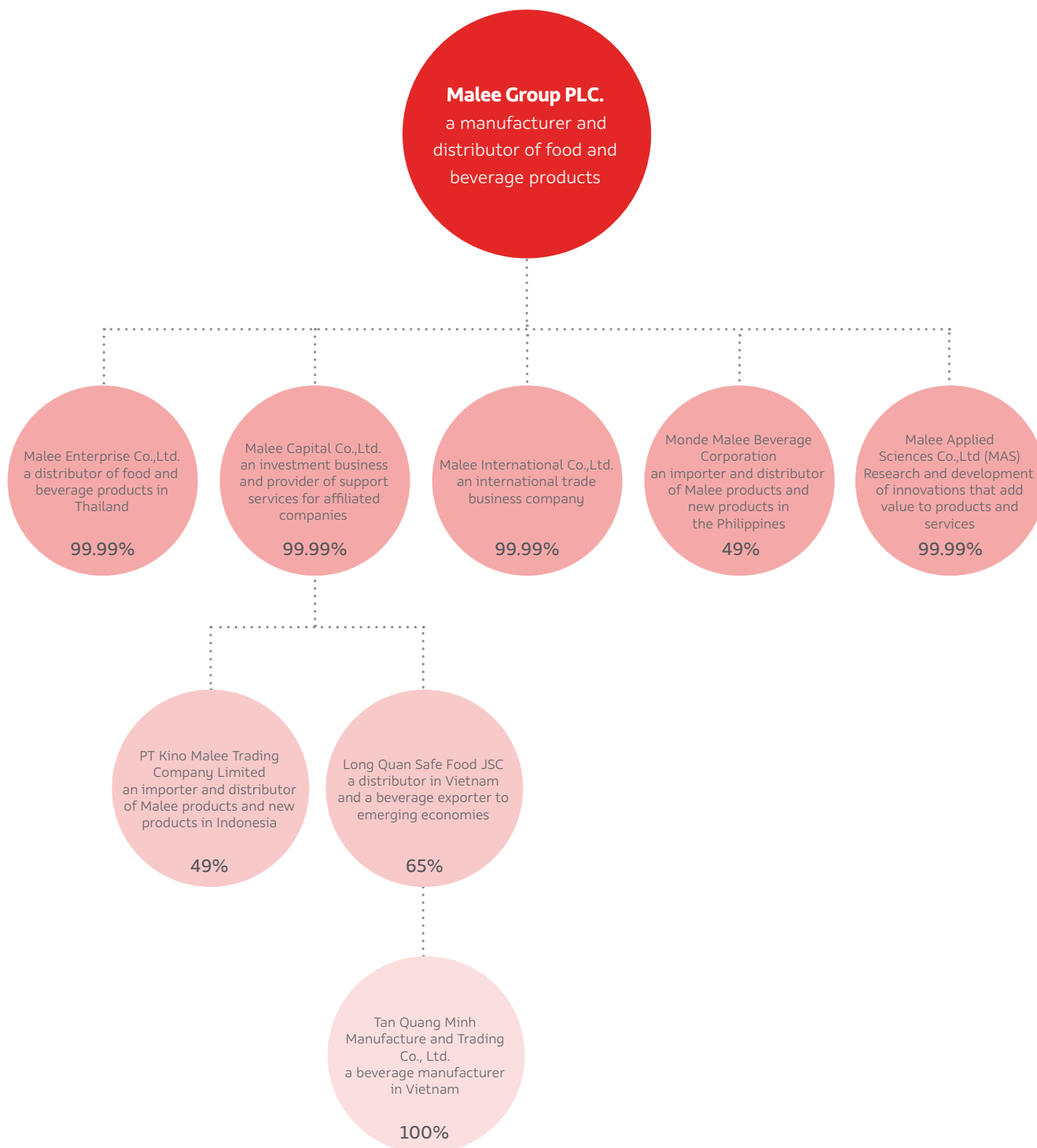
Abico Holdings Public Company Limited, holding 27.21% of the Company's shares.

Businesses: Invests in other businesses such as agricultural businesses, an OEM of beverage and dairy products.

Relationships: The Company carries out trades with the subsidiary of Abico Holdings Public Company Limited for dairy products and pasteurized fruit juices.



STRUCTURE OF MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES





NATURE OF BUSINESS



The details of the Company's sales structure categorized by geographic distribution are as follows:

	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Total domestic sales	3,615	68%	3,037	62%	2,469	64%
Total export sales	1,723	32%	1,883	38%	1,401	36%



62%

Branded Business

38%

Contract Manufacturing Business

Product Characteristics and Business Operations

Malee Group Public Company Limited is a manufacturer and distributor of both domestic and international products which are divided into two main business groups.

1. Branded Business of Malee Group Public Company Limited can be categorized into two groups as follows:

The Beverage Business: The main product groups are UHT and pasteurized vegetable and fruit juices under the brands "Malee", "Malee Food Service", "Malee Tropical", "Malee Coco", "Malee In Season", "Malee Homestyle" and fruit juices that are preserved using pressure instead of heat (Cold Pressure Processing). This is the latest technology in which the Company has invested in modern machinery under the brand "Malee Fruit Fresh". Other brand includes UHT box drinking water under the brand "Good Water", PET bottles under the brand "Malee", fresh milk in UHT boxes and pasteurized bottles under the brand "Farm Chokchai", and corn milk under the brand "Malee I-Corn".

The Processed Fruit Business: Canned seasonal fruits (rambutan, rambutan stuffed with pineapple, lychee, longan, water chestnut, sugar palm, mango, etc.), canned sweet corn, canned pineapple, and canned mixed fruits under the brands "Malee", "First Choice", "Farmer" and "Malee Food Service".

The Company's products are distributed both domestically and internationally through the Company's distribution channels.

2. Contract Manufacturing Business: CMG

The Company develops products based on clients' needs and manufactures products under the clients' brands so that clients can manage the marketing and distribution of products both domestically and internationally.

The Company is able to produce products that meet the needs of clients and is also able to control the production quality that meet the standards and criteria of the FSSC 22000, GMP Codex, HACCP Codex, HALAL Thailand and Indonesia, USFDA, Kosher, UNION, Organic, Q-MARK from the Federation of Thai Industries, and

SR-MARK from the Ministry of Commerce. The Company also meets the operating system standards under the food safety system ISO22000. Therefore, the Company is able to sell products, certified by the international standards, both domestically and internationally.

Malee Enterprise Company Limited is a subsidiary under Malee Group Public Company Limited which is assigned to oversee the marketing and domestic distribution of all products under the "Malee" brand and other brands that the Company owns. These are distributed by the sales staff of the Company and agents nationwide.

In 2020, there were some changes in many external factors that bore the overall impact on the domestic and international economy. Such factors included the COVID-19 pandemic, the political demonstrations, etc. However, under the management with consideration

of the efficiency and profitability of the Company since 2019, the Company was able to operate businesses as usual and create a marketing boost for 100% ready-to-drink fruit juice business in Thailand. The Company adjusted the strategy to develop new products and rearrange sales channels to suit current market conditions and consumer behavior under the main product groups of the Company which were:

1. 100% fruit juice, which is the Company's main market. This can be divided into 3 subgroups which are:
 - 100% fruit juice, Malee brand, UHT type
 - 100% fruit juice, Malee brand, pasteurized type
 - 100% fruit juice, Malee Fruit Fresh brand (manufactured with the cold pressure processing process)
2. 100% coconut water, Malee Coco Brand
3. Malee Canned Fruit

The overview of the Company's products can be categorized in the following chart:



Vegetable and Fruit Juices

1. 100% UHT Fruit Juice Malee Brand



2. 100% Pasteurized Fruit Juice Malee Brand



3. 100% Coconut Water Malee Coco Brand



4. 100% Cold Pressure Processing Malee Fruit Fresh Brand



5. Less than 100% Vegetable and Fruit Juice Malee Tropical Brand



6. Less than 100% Fruit Juice Malee Food Service Brand



Canned Fruits

1. Canned fruit Malee Brand



2. Canned fruit First Choice Brand



3. Canned fruit Farmer Brand



Milk and Cereal Beverages

1. Corn milk Malee I-Corn Brand



2. Fresh UHT Milk Chokchai Farm Brand



3. Fresh Pasteurized Milk Farm Chokchai Brand



Other Beverages and Foods

1. Jelly Carrageenan Jelijoop Brand



2. Drinking Water Good Water Brand



Brand Business

Domestic Business

• Fruit Juice Business

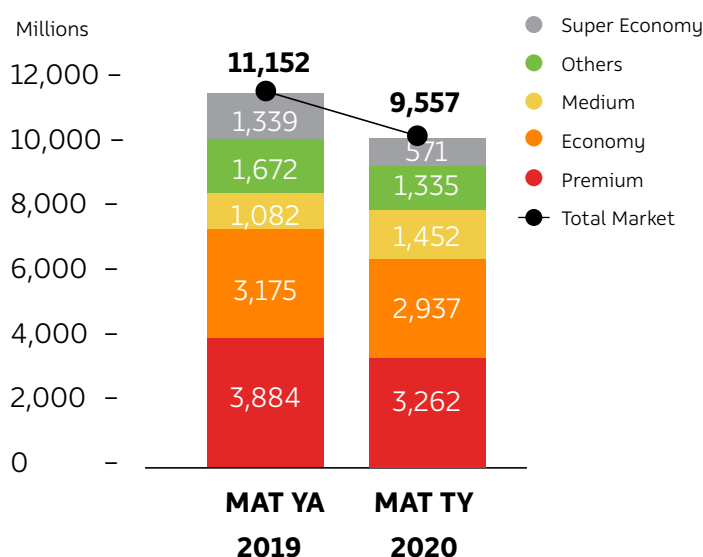
In 2020, the economy was highly volatile due to the nearly year-round impacts of the Covid-19 pandemic and the political demonstrations. Those impacts slowed down the overall economy. Consumers reduced their spending on various purchases both in terms of the frequency of purchase and the basket size of each purchase. They chose to buy products that they considered to be most necessary first. After showing signs of growth in the first quarter of the year, the fruit juice market has contracted again until the end of 2020.

However, despite the decline in the fruit juice market, there has still been the customer base that continues to consume fruit juice and considers fruit juice to be necessary. Especially during the second quarter when the Emergency Decree was announced to restrict areas and prevent the outbreak of COVID-19, this group of consumers continues to choose fruit juice based on the fact that it could be stored longer and bought in large amount at a time, reducing the frequency of

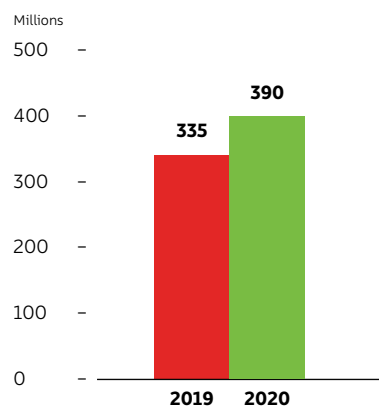
entering public places such as markets or department stores. The overall picture of the fruit juice market was still at a lower growth rate of 14% (value) and 12% (volume) compared to 2019.

The 100% fruit juice market (premium), which is the main market of the Company, was worth 3,262 million baht or about 47 million liters and had a lower growth rate of 16% (value) and 17% (volume), which constituted 34% of the entire ready to drink fruit juice market. The ready to drink fruit juice market can be divided into subgroups such as UHT, which has a market size of 2,456 million baht and pasteurized at Baht 390 million. In 2020, the Company has adjusted product designs and marketing communication to be more consistent with different distribution channels, using the integration method based primarily on the market research database and consumers' behaviors both in the past and in the current situations where various trends occur daily. The formats of distribution channels

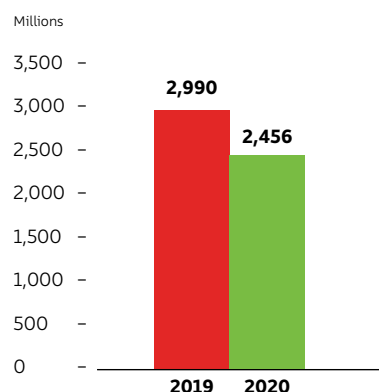
• Total Fruit Juice Market Value (Y2020 VS Y2019)



• Pasteurized Juice Market (Y2020 VS Y2019)



• UHT Juice Market (Y2020 VS Y2019)



were divided into the normal channel such as convenience store, supermarket, hypermarkets, wholesaler, and stores (offline); and e-commerce (online).

As for the new products that the company launched to the market in 2020, there were three main items:

1. Seasonal Lychee Coconut Water and Watermelon Coconut Water under the brand Malee Coco in 350 ml packages, distributed through specific channels in convenience stores during April and May of the year. Moreover, there were advertisements released on online channels, targeting specific consumers according to the marketing communication goals of Malee Coco during July as well.
2. Seasonal Malee Aomori apple juice in brand-new packages made from eco-friendly materials with two options of 200 ml and 1000 ml. There were advertising media in the form of animation, creating novelty and consumer feedback and was one of the success of the Company in boosting sales and consumer awareness for 100% fruit juice under the brand Malee during October and November.

Another factor of success in boosting sales was the marketing campaign called "Malee In Season: Why can't fruit juice in a box be fresh?", held from October 1 to November 15, 2020. Consumers who bought Malee 100% fruit juice could join the lucky draw with prizes. There were many participants joining this campaign both in Bangkok and other provinces, broadly increasing the awareness of the Malee brand to consumers.



3. Malee Fruit Fresh 100% fruit juice, repackaging in three flavors: orange, grape and apple, and launching one new flavor, pomegranate during September and October. Since the market for fruit juice distributed in refrigerated sections has enjoyed the growth of 20% in the previous year, and Malee Fruit Fresh has also been a major contributing factor to the market growth. Repackaging and lower pricing was a strategy to help increase distribution and allow consumers to access the products more easily. It also supports the Malee Brand image on innovation.



Malee Fruit Fresh

100% FRUIT JUICE



รักษาประโยชน์ด้วย



ใช้แรงดันน้ำ
ไม่ผ่านความร้อน

• Canned Fruit Business

In 2020, due to many factors such as COVID-19 pandemic and a lockdown in accordance with the Emergency Decree, canned fruit was a highly demanded product in the market. Moreover, Malee canned fruit is a brand with good image for consumers in terms of taste, unique deliciousness, quality, production standards, as well as packaging with distinctive designs. As a result, sales of Malee canned fruit products increased during March and April compared to the previous year.

• Dairy Business

According to Nielsen Cross Category data as of December 2020, the milk market experienced decrease of 8.9 % compared to 2019. This was a negative sign caused by various factors mentioned above. In addition, the market was very competitive among both domestic companies and multinational companies, while there were also alternative milk products trying to gain more market shares such as lactose-free milk and plant-based milk. As a result, the Company's dairy products under the brand Farm Chokchai have to adjust and develop their strategies to be more in line with market changes. However, with the uniqueness and taste of real fresh milk of Farm Chokchai brand that has been with Thai people for decades, its products still generated income for the Company and Thai dairy farmers. The Company still adheres to this as a business practice.



International Business

Malee International Company Limited is a subsidiary of which the Company holds 99.99% of shares and oversees international business both in terms of the Company's branded products or joint venture businesses in the Philippines and Indonesia. In 2020, the Company was able to achieve a slight sales growth slightly compared to 2019, despite the worldwide COVID-19 pandemic that has severe and widespread impacts on many businesses, so they were unable to travel abroad or participate in a trade show. Our success was caused by the Company's plans to manage and cooperate closely with distributors and joint venture businesses. This made it possible to distribute products during the COVID-19 pandemic to consumers.

Major Events in 2020

1. During the COVID-19 pandemic throughout the past year, the Company has established marketing communications in accordance with trends among health-concerned consumers. The company emphasized the value of vitamins from fruit juice, especially vitamin C from 100% orange juice, to strengthen the immune system. As a result, sales of Malee 100% fruit juice have grown significantly in the ASEAN market.
2. The Company still maintained sales of Farm Chokchai UHT milk in the Cambodia and Myanmar markets similar to the 2019 level, despite the impact of COVID-19 which resulted in a lockdown



and school closure where all activities were not allowed on campuses.

3. In South Korea, Malee Lychee Juice, 1000ml, has been selected as an ingredient for special beverage in winter 2020 by a major international food chain which has more than 1,400 branches. The transaction was made through the Company's distributor and the menu has received good feedback from consumers.
4. The impact of COVID-19 has caused the rapid and ongoing expansion of online trade. The Company has launched Malee Official Store in China's number one online platform to expand its online distribution of products, and enjoyed a growth in online sales and more numbers of followers. In addition, there has been ongoing sales promotion activities in online markets both in China and South Korea, resulting in a satisfactory increase in sales.
5. The company has launched new products, Homestyle Orange and Mango Juice, 250 ml, available in convenience stores and online markets in South Korea. Both flavors initially received good feedback from customers. The Company will expand the market to other countries in the future.
6. The Company has appointed eight additional distributors for 100% fruit juice and 100% coconut water under the brand Malee in Asia, Europe and Australia in order to boost continuous growth.



2020 was one of the most volatile year due to the COVID-19 pandemic that has severe and widespread impacts around the world. Moreover, the appreciation of Thai baht and the container shortage problem from the fourth quarter of 2020 to 2021 have forced exporters to adjust to keep up with the situation. Although the global economy is in recession and is expected to take at least a few years to recover, the Company continues to place great importance on working closely with its trading partners and developing new products that meet the needs of consumers for further sustainable growth.

Joint Venture Business in the Philippines

Monde Malee Beverage Corporation: operates in the Philippines.

Due to the COVID-19 outbreak in the Philippines, the government has declared a total lockdown on Luzon island since March 16, 2020 onwards, forcing consumers under the "enhanced community quarantine" (ECQ), which blocks the movement of labors between cities and forces the temporary closure of unnecessary stores and businesses. The declaration has forced retail business, convenience store (7-Eleven), and supermarkets to be closed. The government allows some stores to open for only a few hours a day. In June 2020, the government announced a less restricted lockdowns in some cities and areas, causing more stores to gradually open up their business. As of now, about 90% of workers and stores have resumed their operations as usual.

However, the overall economy of the Philippines is affected by the pandemic and natural disasters in the third quarter, resulted in the overall economic decline of about 7% compared to 2019. The consumption of beverages has declined in almost every category including drinking water. Therefore, the joint venture had no new product launches in 2020, but focused mainly on promoting current products.

• Jelly Vit Jelly Drink

2020 was another challenging year for this brand because COVID-19 forced consumers to change their behaviors, focusing on buying essential products due to their limited spending and on buying healthy products. Additionally, Jelly Vit's main distribution channel is 7-Eleven which had to close 10% of their operations, and more than 60% of them open only in the morning, so throughout 2020, the joint venture had to cut its marketing activities in order to reduce marketing costs and select only some promotions that generated sales.

• Jelly Vit Kids Jelly Drink

Early 2020, after expanding distribution channels in various supermarkets and receiving good feedback, the joint venture continuously expanded its distribution channels to meet the needs of the product until the lockdown came into effect in March. As a result, the distribution and sales of the product were disrupted and slowed. The joint venture was able to expand its distribution channels again in July and meet the target in August. But sales are not as good as the beginning of the year. Due to the regression of consumer

purchasing power and that school only allows children to study online throughout the year, the consumption of drinks contained in the pouch format is reduced as well. Therefore, the promotion in the previous year focused on boosting consumption by giving free samples along with the products that have higher distributions in order to create more trial consumption and draw new consumers to the brand.

• Malee 100% UHT vegetable and fruit juices

Since the COVID-19 crisis, consumers in the Philippines are increasingly aware of healthy drinks. As a result, Malee 100% UHT vegetable and fruit juices have grown because they meet the needs of consumers very well, resulting in the increased sales of 74% for Malee 100% UHT vegetable and fruit juices in 2020 compared to 2019. The promotion in the past year focused on increasing the visibility such as display settings, and making it easier for consumers to access any product, boosting demands for purchase and offering promotional items at points of sale, such as special discounts or buy two at a special price.

Joint Ventures in Indonesia

PT Kino Malee Trading: operates business in Indonesia

PT Kino Malee Trading is an importer and distributor of Malee brand products in order to expand the Malee brand market to consumers in Indonesia. Throughout 2020, the Company has marketed and distributed products under the Malee brand which include:

- Malee 100% Mandarin Orange Juice, 200 ml
- Malee 100% Mandarin Orange Juice mixed with orange pulp, 1000 ml
- Malee 100% Apple Juice, 200 ml and 1000 ml
- Malee Coco 100% Coconut Water, 330 ml and 1000 ml
- Malee rambutan in syrup, 20 oz.
- Malee fruit cocktail mixed longan in syrup, 20 oz.
- Malee Longan in Heavy Syrup, 20 oz.

Indonesia is another market hit by the COVID-19 pandemic. In 2020, domestic sales have slowed down and not as vigorous as in the past years. The Company has started distributing Malee brand products in two islands, Java and Bali, available in hypermarkets, independent supermarkets, supermarkets that sell imported products, bakery shops, fruit stores, and



general trade stores with refrigerators, etc. The Company focused on middle-class consumers and above and emphasized the selling point on being 100% fruit juice, while coconut water with no sugar added is made from good quality raw materials with an affordable price. In 2020, the promotional activities focused on special promotions, displaying products, and giving out free samples to create drinking trials and build consumers' confidence in delicious taste of the products. The other focuses were on adding point-of-sale media such as shelf talker stickers and social media to increase brand awareness of Malee. There were also some media in the main selling point of the products in order to raise the awareness. In addition, special packaging was also set up during festivals such as Ramadan and New Year, which were the selling seasons for beverage. In 2020, over 60% of the main sales came from Malee 100% fruit juice, followed by Malee Coco 100% Coconut Water and Malee canned fruit.

Subsidiary in Vietnam

The Company has an important strategy to build growth by expanding its business abroad. That was the reason for the acquisition of Long Quan Safe Food Company Limited ("LQSF"), a company that holds shares in Deng Kwang Min Manufacturing and Trading ("TQM"). Since TQM is competitive in terms of costs and has a wide variety of products, the aforementioned

acquisition will help increase the capability of beverage production in order to support the growth in the mass market, both for the branded business and the contract manufacturing business. The Company aims to push LQSF and TQM to be the beverage production base for emerging markets. This enables the Company Group to increase the limit of mass beverage marketing which was not previously in the portfolio as well as helping increase penetration into international markets because when combining the production capacity of TQM, the entire group will increase its production capacity from 300 million liters to 600 million liters.

Due to the COVID-19 pandemic, the Company has adjusted the sales plan and the number of local sales staff according to the situation. Drinking water products have seen more growth, while the contract manufacturing business has gained the existing client's trust. Therefore, TQM has extended the manufacturing contract. As for the production, the operations met its specified goals.

Contract Manufacturing Business (CMG)

Contract Manufacturing Business is regarded as another important service business of the Company. This provides research service to develop formulas and procure various raw materials and packaging to manufacture products as requested by clients. The Contract Manufacturing Business is categorized into two types:

1. Full Service Type: The Company invents formulas and procures raw materials, packaging and manufactures products in accordance with the plan that clients require and delivers them at an agreed delivery point.
2. Partial Service Type: The client provides the formula for the product and all raw materials or in part and/or packaging to the Company to manufacture the product in accordance with the plan that clients require and deliver the products at the agreed delivery point.

The Company is well accepted among leading beverage brands, both domestic and international. Currently, the Company provides contract manufacturing services to more than 30 clients in this business. But since the situation of COVID-19

in the past two quarter has affected the world economy and also Thailand economy; especially in the beverage business in the forms of sealed containers such as fruit juice, tea, and coffee; sales have decreased significantly, and fluctuated rapidly. Therefore, the Company has adjusted the strategy to be more flexible, to adapt to the uncertain situations, and to be able to respond to market changes in a timely manner. Moreover, the company adjusted its strategies to intensively focus on reducing costs of production, raw materials, and packaging; conducting appropriate production plan; and expanding product types that match with market trends.



The Company's Manufacturing Plant

The Company has two manufacturing plants in two countries, Thailand and Vietnam. The details are as follows:

1. The Manufacturing plant in Thailand is located on the address : 26/1, Entrance Road to Sam Pran District, Yai Cha Subdistrict, Sam Pran District, Nakhon Pathom Province, with a total area of 36 rai that produces canned fruit and various beverage products in various kind of package such as Cans, UHT boxes, PET, pouch, etc. The production capacity is approximately 300 million liters per year.
2. Manufacturing Plant in Vietnam is located on the address Lot C21/I, Street 2F, Vinh Loc Industrial Park, Vinh Loc A Commune, Binh Chanh District, Ho Chi Minh City, Viet Nam which produces canned fruit juice, green tea in bottled PET Plastic, and carbonated Plastic bottled beverages, etc. The production capacity of approximately 300 million liters per year.



Procurement of Products and Services

The Company procures important raw materials and packaging materials from various sources around the world, such as concentrated fruit juice, sugar, milk and packaging, such as cans, paper boxes and pouch packs. The Company does not rely heavily on one particular supplier. The Company has a policy that the purchasing department is responsible for price comparison from different quality vendors. In addition, the Company procures products from long-standing business alliances.





QUALITY ASSURANCES AND AWARDS



QUALITY ASSURANCES AND AWARDS

All the standards and awards we have received are our driving force that encourages our employees to maintain high quality standards and be committed to improving their performance to achieve higher success in the future.

Food Industry Standards

	Standard/Award	Details
	FSSC 22000	• Certified by TUV Nord, Thailand • Accredited by DAKKS, Germany
	ISO 22000:2018	• Certified by TUV Nord, Thailand • Accredited by ACFS, Thailand
	GMP Codex	• Certified by TUV Nord, Thailand • Accredited by ACFS, Thailand
	HACCP Codex	• Certified by TUV Nord, Thailand • Accredited by ACFS, Thailand
	ISO 9001:2015	• Certified by TUV Nord, Thailand • Accredited by DAKKS, Germany
	Halal CICOT Certificate	Certified by The Central Islamic Committee of Thailand
	HALAL MUI	Certified by MUI, Indonesia
	Kosher	Certified by Thai Kashrut Services, Thailand
	Orthodox Union	Certified by Union of Orthodox Jewish Congregations of America, USA
	USDA National Organic Program	Certified by Bio Agri Cert (BAC), Thailand
	ISO/IEC 17025:2017	Accredited by Department of Science Service, Thailand
	SMETA	• Certified by SGS, Thailand • Accredited by SEDEX, UK

Standard/Award		Details
	AEO	Certified by Thai Customs, Thailand
	TLS 8001:2010	• Certified by SGS, Thailand • Accredited by NAC, Thailand
	Green Industry	Certified by Ministry of Industry, Thailand
	Thailand Trust Mark; T-Mark	Certified by Department of International Trade Promotion, Ministry of Commerce, Thailand

Good Governance Awards

Award		Details
	Certified as a member of Thai Private Sector	Certified as a member of Thai Private Sector Collective Action Against Corruption (CAC) since May 17, 2018.
	5-star CG scoring for 2020	Granted an excellent level of the highest 5-star CG scoring for 2020 (Excellent CG Scoring) by the Thai Institute of Directors Association (IOD) for the 2 nd consecutive year.



RISK FACTORS



RISK FACTORS



1 Risk from unexpected pandemic such as COVID-19

The pandemic of COVID-19 since beginning of 2020 has had an unexpected impact both domestically and internationally, resulting in the global economic downturn, the slowdown or closure of many businesses, and the reduction of consumers' purchasing power. The Company also had to adjust rapidly by imposing some measures to take care of employees and protect factories from COVID-19. There were some workforce arrangements both in office and factories for effective control and prevention. There were some arrangements for production planning, receipt of raw materials and packaging materials, delivery and receipt of products with accuracy and safety by proceeding background checks, temperature measurement, etc., to ensure that the Company continue to operate and manufacture to meet the needs of its clients.

2 Risk of fluctuation in volume and price of raw materials

Global and Thailand's climates continue to change dramatically, resulting in volatile crops. Farmers are affected and needed to adapt to the changing situation. Some faced yield fluctuations during normal seasons, some had low agricultural productivity and the quality of agricultural products may change. This definitely had a direct impact on the overall price of raw materials.

To manage the risk in advance, the Company works closely to farmers and suppliers worldwide in order to have information regarding advanced purchase order and is able to adapt to the problems. This allows the Company to procure sufficient amount of raw materials at reasonable prices. The Company exerts several methods including finding new sources of raw materials with good quality, booking in advance from various suppliers in different areas and regions to diversify the risks. Risk management on volume of raw materials is currently easier to be done than the past 2-3 years by building up raw materials base in the appropriate areas and spread the areas to diversify the risks from natural disasters and pandemics.

3 Risk from competition of new manufacturers

Currently, beverage industry draws many domestic and international manufacturers into competing under the framework of the ASEAN Economic Community (AEC). This intensifies the competitive challenges, especially new manufacturers that are able to support smaller volume of productions, Since the market nowadays is changing rapidly, new products being sold in the market have shorter life cycles and are constantly launched to create excitement for the market.

4 Risk of reliance on Contract Manufacturing Business (CMG)

The Company has run the CMG Business for more than two decades. We have been developing plans for operations and manage risks by diversifying both clients and products to balance revenues and stability. The Company has a variety of products including tea, coffee, juices, several types of beverages, and canned fruits. In accordance with customers' demands, the Company offers a wide range of services including the development of recipes, production process until the products are ready for sales. The Company regularly discusses with business partners about operation plans to share the same goals and benefits in the long term, so that customers have confidence and trust in the quality of products. The Company always collaborates closely with business partners for new product development. By doing so, the Company is lessening the possibility of contract termination or renewal rejection, whereas it is able to negotiate for suitable returns.

5 Risk from global economic and political uncertainty

The unstable situation of global economy and politics for the past year, which still reflected a weak global trade, has affected the emerging Asian markets that are mostly exporting countries. This also affected the Company's export.

6 Risk from Foreign Exchange Rates

For the export business in 2020, since the fluctuating exchange rate resulted in the higher product prices for customers, there were some managements to enable the continual growth of sales. To hedge the foreign exchange risk, the Company has sold most of its exported products in Thai baht. The rest are done by maintaining the balance on income and expenditure in foreign currency (Natural Hedge). Therefore, the Company has exchange rate risk at a manageable level.



7 Risk from energy price

The volatile global oil price has affected the costs of production and transportation (Logistic) in terms of increased price. Therefore, the Company has adjusted the system to enable a large selection of several sources the offer lower prices for fuel oil, LPG and Biogas.

8 Risk from changing behaviors and fast-moving trends of consumers

Quick access to information through online media with no limits causes the behavior and the popularity among consumers to change rapidly. The Company has close communication channels with consumers, learns from and follows trends closely in order to improve, change and develop in various aspects to meet consumers' needs and expectations and to keep up with situations which are an important part of successful business operations.



Malee
jelijoop

XOXO
JOOP! JOOP!

HIGH
VITAMIN C

FUN
CHEWING

TASTY FROM
REAL JUICE



TASTY JELLY DRINK REAL FRUIT JUICE
AND COCONUT BITS

BOARD OF DIRECTORS



MRS. CHINTANA BOONYARAT

- Director
- Chairman of the Board of Directors



MS. ROONGCHAT BOONYARAT

- Director
- Chairman of the Executive Committee
- Chief Executive Officer

MR. PICHAI CHIRATHIVAT

- Director
- Member of Executive Committee

MR. OPAS LOPANSRI

- Director
- Member of Executive Committee
- Chief Commercial Officer


MR. KITTI VILAIVARANGKUL

- Director
- Member of Executive Committee
- Member of Risk Management Committee

MS. NART FONGSMUT

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee
- Member of Risk Management Committee

MS. NATTHARIN TALTHONG

- Independent Director
- Chairman of Audit Committee
- Member of Risk Management Committee
- Member of Nominating and Remuneration Committee


MR. ARIN JIRA

- Independent Director
- Chairman of Risk Management Committee
- Member of Audit Committee
- Member of Nominating and Remuneration Committee

MS. SUPAVADEE TANTIYANON

- Independent Director

MR. PAITON EIAMSIKULMIT

- Company Secretary
- Vice President Corporate Affairs

THE BOARD OF DIRECTORS PROFILES



1. MRS. CHINTANA BOONYARAT

Age : 69 Years Old

Position :

- Chairman of the Board of Directors

Date of First Director's Appointment : August 17, 1999

No. of Rotation (Term of office) : 6 Terms or 21 Years

Education :

- Bachelor's Degree in Business Administration, Menlo College, USA

Director Accreditation Program :

- Director Certification Program (DCP 5/2000), Thai Institute of Directors Association (IOD)
- Role of Chairman Program (RCP 15/2011), Thai Institute of Directors Association (IOD)
- Top Executive Program in Commerce and Trade (TEPCot3), The University of the Thai Chamber of Commerce

Training in the Past Year : None

Work Experiences :

- 2018–Present :** Chairman of the Board of Directors
Malee Group Public Company Limited
- 1999–2018 :** Director /
Member of the Executive Committee
Malee Group Public Company Limited
- 2013–Present :** Director
Central Marketing Group Co., Ltd
- 1992–Present :** Chairman of the Board of Directors
Abico Holdings Public Company Limited

Director/Executive Director in Other Listed Companies :

2 Companies

- Chairman of the Board of Directors
Abico Holdings Public Company Limited
- Director
Central Plaza Hotel Public Company Limited

Director/Executive Director in Other Non-Listed

Companies : 1 Company

- Director
Central Group Company Limited

Family Relationship between Director and Executive Management :

- Parent of Ms. Roongchat Boonyarat
Director / Chairman of the Executive Committee /
Chief Executive Officer
- Sister of Mr. Pichai Chirathivat
Director / Member of the Executive Committee

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: 8,569,700 Shares or 3.13%
- As of March 12, 2021: 9,128,566 Shares or 3.31%

Stock Trading During the Year 2020 : Buy 558,866 shares

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings



2. MR. PICHAI CHIRATHIVAT

Age : 60 Years Old

Director Accreditation Program :

- Directors Accreditation Program DAP 169/2020, Thai Institute of Directors Association (IOD)
- Strategic Planning & Management in Retailing Program, IGDS
- PSA Program (Class 98), The Psychological Security Association of Thailand
- NCD Program (Class 53), National Defense College of Thailand
- Advanced Security Management Program, The National Defence College Association of Thailand (NDCAT)
- Capital Market Academy Leader Program, Class 22, Capital Market Academy
- Executive Management with Business Development and Investment, Class 5, Institute of Business and Industrial Development (IBID)

Training in the Past Year :

- Directors Accreditation Program DAP 169/2020, Thai Institute of Directors Association (IOD)

Work Experiences :

- 2012–Present :** Director /
Member of the Executive Committee
Malee Group Public Company Limited
- 2018–Present :** Vice Chairman,
Climate Change, Renewable Energy
Industry Club – The Federation of Thai
Industries (FTI)
- 2018–Present :** Co-Chairman of the Strategic Plan Committee,
Digital Economy and E-Commerce
Board of Trade of Thailand
- 2018–Present :** Vice Chairman
Driven Committee of TCC Digital Platform Project
- 1999–Present :** Member of the Executive Committee
Central Marketing Group Co., Ltd

Position :

- Director
- Member of the Executive Committee

Date of First Director's Appointment : April 5, 2012

No. of Rotation (Term of office) : 3 Terms or 8 Years

Education :

- Bachelor's Degree in Business Administration, Claremont College, USA
- Master's Degree in Business Administration, Azusa Pacific University, USA

Director/Executive Director in Other Listed Companies :

- 1 Company
- Director
Central Retail Corporation Public Company Limited

Director/Executive Director in Other Non-Listed Companies :

- 20 Companies

Family Relationship between Director and Executive Management :

- Brother of Mrs. Chintana Boonyarat
Chairman of the Board of Directors
- Uncle of Ms. Roongchat Boonyarat
Director / Chairman of the Executive Committee /
Chief Executive Officer

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: 6,597,900 Shares or 2.36%
- As of March 12, 2021: 6,608,567 Shares or 2.39%

Stock Trading During the Year 2020 :

Transferred 10,667 shares

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 12/12 Executive Committee Meetings



3. MR. KITTI VILAVARANGKUL

Age : 64 Years Old

Position :

- Director
- Member of the Executive Committee
- Member of the Risk Management Committee

Date of First Director's Appointment : May 6, 2003

No. of Rotation (Term of office) : 6 Terms or 17 Years

Education :

- Bachelor's Degree in Accounting (2nd Class Honors), Ramkhamhaeng University
- Master's Degree in Business Administration, Thammasat University

Director Accreditation Program :

- Board Nomination and Compensation Program BNCP 2019, Thai Institute of Directors Association (IOD)
- Directors Accreditation Program (DAP 2005), Thai Institute of Directors Association (IOD)
- Directors Certification Program (DCP 2010), Thai Institute of Directors Association (IOD)

Training in the Past Year : None

Work Experiences :

- 2003–Present : Director
Malee Group Public Company Limited
- 2003–Present : Director
Malee Enterprise Co., Ltd.
- 1999–Present : Director
Abico Holdings Public Company Limited
- 1999–Present : Director
Abico Land Co., Ltd.
- 1997–Present : Director
Abico Dairy Farm Co., Ltd.
- 1997–Present : Director
PPO Farm Co., Ltd.

Director/Executive Director in Other Listed Companies :

1 Company

- Director
Abico Holdings Public Company Limited

Director/Executive Director in Other Non-Listed

Companies : 3 Companies

- Director – Abico Dairy Farm Co., Ltd
- Director – Abico Land Co., Ltd.
- Director – PPO Farm Co., Ltd.

Family Relationship between Director and Executive Management :

None

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: None
- As of March 12, 2021: None

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 12/12 Executive Committee Meetings
- 4/4 Risk Management Committee Meetings



4. MS. NATTHARIN TALTHONG

Age : 52 Years Old

Position :

- Independent Director
- Chairman of the Audit Committee
- Member of the Risk Management Committee
- Member of the Nominating and Remuneration Committee

Date of First Director's Appointment : March 29, 2013

No. of Rotation (Term of office) : 3 Terms or 8 Years

Education :

- Bachelor's Degree in Economics and Business Administration, Kasetsart University
- Master's Degree of Science in Finance, University of Colorado, Denver, USA

Director Accreditation Program :

- Directors Accreditation Program (DAP), Class 69, Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP), Class 18/2015, Thai Institute of Directors Association (IOD)
- The Executive Program in Energy Literacy for a Sustainable Future (TEA15), Thailand
- Tourism Management program for Executives 2018, Tourism Authority of Thailand
- Ultra Wealth-Invest Like A Master (2016), Thailand
- The Capital Market Academy Leader program (CMA) Class 11
- Top Executive Program in Commerce and Trade (TEPCoT)
- Private Banking Strategies & Techniques for Growth by Euromoney Training, London, United Kingdom
- Private Bank – Rebuilding Private Banking after the Crisis, VRL Institute, Singapore
- Leadership Greatness – Great Leader, Great Team, Great Results

Training in the Past Year :

- The Executive Program in Energy Literacy for a Sustainable Future (TEA15), Thailand

Work Experiences :

- 2013–Present :** Director / Independent Director / Chairman of the Audit Committee / Member of the Risk Management Committee / Member of the Nominating and Remuneration Committee
Malee Group Public Company Limited
- 2017–Present :** Director
Dusit Thani Properties Reit Company Limited
- 2014–Present :** The Panel of Expert Market for Alternative Investment (MAI)

- 2010–2013 :** Chairman of the Executive Committee
Kasikorn Securities Public Company Limited
- 2010–2013 :** Head of K Group Private Banking Business
Kasikorn Securities Public Company Limited
- 2005–2009 :** Managing Director
Kasikorn Securities Public Company Limited

Director/Executive Director in Other Listed Companies :
None

Director/Executive Director in Other Non-Listed Companies : 1 Company

- Director Dusit Thani Properties Reit Company Limited

Family Relationship between Director and Executive Management : None

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: None
- As of March 12, 2021: None

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 4/4 Audit Committee Meetings
- 4/4 Risk Management Committee Meetings
- 1/1 Nominating and Remuneration Committee Meeting



5. MS. NART FONGSMUT

Age : 58 Years Old

Position :

- Independent Director
- Member of the Audit Committee
- Chairman of the Nominating and Remuneration Committee
- Member of the Risk Management Committee

Date of First Director's Appointment : May 9, 2014

No. of Rotation (Term of office) : 3 Terms or 7 Years

Education :

- Bachelor's Degree in Doctor of Medicine (M.D.), Chulalongkorn University
- Master's Degree in Business Administration, School of Management, Boston University, USA.

Director Accreditation Program :

- Director Accreditation Program (DAP), Class122/2015, Thai Institute of Directors Association (IOD)
- Top Executive Program in Commerce and Trade (TEPCoT9), The University of Thai Chamber of Commerce

Training in the Past Year : None

Work Experiences :

- 2014–Present : Independent Director /
Member of the Audit Committee /
Chairman of the Nominating and Remuneration Committee /
Member of the Risk Management Committee
Malee Group Public Company Limited
- 2017–Present : Member of the Executive Committee
Otium Living Pte., Ltd.
- 2012–Present : Director
Mater Dei Alumnae Association
- 2001–Present : Managing Director
Nap Nutriscience Co., Ltd.

Director/Executive Director in Other Listed Companies :

None

Director/Executive Director in Other Non-Listed

Companies : 2 Companies

- Member of the Executive Committee Otium Living Pte., Ltd.
- Managing Director – Nap Nutriscience Co., Ltd.

Family Relationship between Director and Executive Management :

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: 148,200 Shares or 0.04%
- As of March 12, 2021: 148,200 Shares or 0.05%

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 4/4 Audit Committee Meetings
- 4/4 Risk Management Committee Meetings
- 1/1 Nominating and Remuneration Committee Meeting



6. MR. ARIN JIRA

Age : 71 Years Old

Position :

- Independent Director
- Member of the Audit Committee
- Chairman of the Risk Management Committee
- Member of the Nominating and Remuneration Committee

Date of First Director's Appointment : May 10, 2018

No. of Rotation (Term of office) : 1 Terms or 3 Years

Education :

- Bachelor's Degree in Chemical Engineering, University of California, Berkeley, USA
- MBA, University of California, Berkeley, USA

Director Accreditation Program :

- Director Accreditation Program (DCP) Class 155/2018, Thai Institute of Directors Association (IOD)

Training in the Past Year : None

Work Experiences :

- 2018–Present :** Independent Director /
Member of the Audit Committee /
Chairman of the Nominating and Remuneration Committee
Malee Group Public Company Limited
- 2019–Present :** Chairman
ASEAN Business Advisory Council
- 2017–Present :** Chairman
Amata Industrial Gas Co., Ltd.
- 2017–Present :** Chairman
Yangon Industrial Gas Co., Ltd.
- 2010–Present :** Chairman
Map Ta Phut Industrial Gas Co., Ltd.
- 2009–Present :** Vice Chairman
The Federation of Thai Industries
- 2008–Present :** Chairman
ASEAN Business Advisory Council, Thailand
- 2008–2009 :** Chairman
ASEAN Business Advisory Council
- 2006–Present :** Senior Executive Advisor
Bangkok Industrial Gas Co., Ltd.

Director/Executive Director in Other Listed Companies :

- 1 Company
- Chairman of Board of Director /
Chairman of Independent Director,
Thai O.P.P Public Company Limited

Director/Executive Director in Other Non-Listed

Companies : 3 Companies

- Chairman – Amata BIG Industrial Gas Co., Ltd.
- Chairman – Yangon Industrial Gas Co., Ltd.
- Chairman – Map Ta Phut Industrial Gas Co., Ltd.

Family Relationship between Director and Executive Management :

None

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: None
- As of March 12, 2021: None

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 4/4 Audit Committee Meetings
- 4/4 Risk Management Committee Meetings
- 1/1 Nominating and Remuneration Committee Meeting



7. MS. ROONGCHAT BOONYARAT

Age : 36 Years Old

Director Accreditation Program :

- Directors Certification Program DCP (195/2014), Thai Institute of Directors Association (IOD)
- Director Briefing 4/2017 "The Sleeping Giants of Succession: 3 Forces You can Awaken to Accelerate Leadership Growth", Thai Institute of Directors Association (IOD)

Training in the Past Year : None

Work Experiences :

- 2018–Present :** Director /
Chairman of the Executive Committee /
Chief Executive Officer
Malee Group Public Company Limited
- 2018–Present :** Director /
Chairman of the Executive Committee /
Chief Executive Officer
Malee Enterprise Company Limited
- 2013–2018 :** Director /
Member of the Executive Committee /
Chief Operating Officer
Malee Group Public Company Limited
- 2013–2018 :** Director /
Member of the Executive Committee /
Chief Operating Officer
Malee Enterprise Company Limited
Vice Managing Director, Domestic Business
Malee Enterprise Company Limited

Director/Executive Director in Other Listed Companies :

None

Position :

- Director
- Chairman of the Executive Committee
- Chief Executive Officer

Date of First Director's Appointment : March 29, 2013

No. of Rotation (Term of office) : 3 Terms or 8 Years

Education :

- Bachelor's Degree in Art in Economics, Bowdoin College, USA
- Master's Degree in Business Administration, Business Strategy and Marketing From Sasin Graduate Institute, Chulalongkorn University

Director/Executive Director in Other Non-Listed

Companies : 5 Companies

- Director / Chairman of the Executive Committee / Chief Executive Officer
Malee Enterprise Company Limited
- Chairman of Board of Director
Malee Capital Co., Ltd.
- Chairman of Board of Director
Malee International Co., Ltd.
- Chairman of Board of Director
Malee Kino (Thailand) Co., Ltd.
- Chairman of Board of Director
Malee Applied Sciences Co., Ltd.

Family Relationship between Director and Executive Management :

- Daughter of Mrs. Chintana Boonyarat
Chairman of the Board of Directors
- Spouse of Mr. Opas Lopansri
Director / Member of the Executive Committee / Chief Commercial Officer

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: 1,130,000 Shares or 0.40%
- As of March 12, 2021: 1,130,000 Shares or 0.41%

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 12/12 Executive Committee Meetings



8. MR. OPAS LOPANSRI

Age : 39 Years Old

Position :

- Director
- Member of the Executive Committee
- Chief Commercial Officer

Date of First Director's Appointment : November 10, 2016

No. of Rotation (Term of office) : 2 Terms or 5 Years

Education :

- Bachelor's Degree in Business Administration, Business Entrepreneurship, Marshall School of Business, University of Southern California, USA
- Master's Degree in Business Administration, Business Strategy and Marketing from Sasin Graduate Institute, Chulalongkorn University

Director Accreditation Program :

- Directors Certification Program DCP (2016), Thai Institute of Directors Association (IOD)

Training in the Past Year : None

Work Experiences :

- 2018–Present :** Director /
Member of the Executive Committee /
Chief Commercial Officer
Malee Group Public Company Limited
- 2018–Present :** Director /
Member of the Executive Committee /
Chief Commercial Officer
Malee Enterprise Company Limited
- 2015–2018 :** Executive Vice President,
International Business
Malee Group Public Company Limited
- 2011–2015 :** Chief Executive Officer
Mobiliti Company Limited

Director/Executive Director in Other Listed Companies :

None

Director/Executive Director in Other Non-Listed

Companies : 5 Companies

- Director / Member of the Executive Committee / Chief Commercial Officer –Malee Enterprise Co., Ltd.
- Director – Malee Capital Co., Ltd.
- Director – Malee International Co.,Ltd.
- Director – Malee Kino (Thailand) Co., Ltd.
- Director – Malee Applied Sciences Co., Ltd.

Family Relationship between Director and Executive Management :

- Spouse of Ms. Roongchat Boonyarat
Director / Chairman of the Executive Committee /
Chief Executive Officer
- Son-in-Law of Mrs. Chintana Boonyarat
Chairman of the Board of Directors

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: None
- As of March 12, 2021: None

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings
- 12/12 Executive Committee Meetings



9. MS. SUPAVADEE TANTIYANON

Age : 54 Years Old

Director Accreditation Program :

- Directors Certification Program DCP Class 282/2019, Thai Institute of Directors Association (IOD)
- Foundation in Design Thinking by IDEO

Training in the Past Year :

- Foundation in Design Thinking by IDEO

Work Experiences :

- 2019–Present : Director / Independent Director
Malee Group Public Company Limited
- 2019–Present : Vice President
Marketing Association of Thailand
- 2018–Present : Managing Director
Creative Spice Co., Ltd. Associated Agency of Tribal Worldwide
- 2016–2018 : – Managing Director / Founder
Experience Matters Co., Ltd.
– Chief Executive Officer,
MullenLowe Group Thailand
– Digital Service Director,
Minor International Group
- 2012–2016 : General Manager,
Mysale Thailand (JV subsidiary of Minor Group)
- 2010–2012 : Regional Consultant,
APAC, Ogilvy Asia
- 2006–2010 : Managing Director,
OgilvyOne Thailand
- 2002–2006 : Business Director (CRM & Digital),
Leo Burnett Thailand
- 1995–2002 : Client Service Director,
OgilvyOne Thailand
- 1989–1995 : Brand Manager (Pond's),
Unilever Thailand

Position :

- Independent Director

Date of First Director's Appointment : April 11, 2019

No. of Rotation (Term of office) : 1 Term or 2 Year

Education :

- Bachelor's Degree in Business Administration, Eastern Michigan University, USA
- PG Certificate, MIT: Digital Transformation, 2561
- PG Diploma: Institute of Direct Marketing, UK
 - Direct Marketing 2003
 - Digital Marketing 2013

Director/Executive Director in Other Listed Companies :

None

Director/Executive Director in Other Non-Listed Companies : 2 Companies

- Managing Director Business Development
Creative Spice Co., Ltd.
- Managing Director / Founder
Experience Matters Co., Ltd.

Family Relationship between Director and Executive Management : None

Shareholding included shareholding by spouse and minor child (%) :

- As of March 13, 2020: None
- As of March 12, 2021: None

Stock Trading During the Year 2020 : None

Number of Meeting Attendance :

- 4/4 Board of Directors Meetings



10. MR. PAITHOON EIAMSIRIKULMIT

Age : 56 Years Old

Director Accreditation Program :

- Company Secretary Program (Class 57/2014), Thai Institute of Directors Association (IOD)
- Board Report Program (Class 13/2014), Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP 9/2014), Thai Institute of Directors Association (IOD)
- Strategic CFO in Capital Market Program, course 7/20 Stock Exchange of Thailand
- Outbound Investment: Legal & Tax Strategies, OMEGA WORLD CLASS Research Institute
- Preliminary to Corporate Sustainability Stock Exchange of Thailand

Training in the Past Year :

- Role of Company Secretary, Beyond Regulation, Thai Listed Companies Association
- Risk Management During Covid-19, Thai Listed Companies Association
- New Normal and Business Model Changer, University of the Thai Chamber of Commerce
- Rethinking Corporate Restructure, ONE Law Academy
- Train the Trainers for Big Brother Program from Sasin Graduate Institute of Business Administration of Chulalongkorn University
- SUPPLYCHAIN TRANSFORMATION: Beyond COVID-19 & Economic Crisis, OMEGA WORLD CLASS Research Institute
- BUSINESS CONTINUITY: Ensuring Business Survival beyond COVID-19 & Economic Crisis, OMEGA WORLD CLASS Research Institute
- RETHINK 'STRATEGIC PLANNING' Towards New Growth beyond COVID-19 Crisis, OMEGA WORLD CLASS Research Institute
- THE NEW ENTERPRISE RISKS Amid & After COVID-19 Crisis, OMEGA WORLD CLASS Research Institute

Position :

- Company Secretary
- Vice President of Corporate Affairs

Date of First Director's Appointment : May 13, 2013

Education :

- Bachelor of Science (Agricultural Economics) (Agricultural), Kasetsart University
- Master of Science (Agricultural Economics) (Agricultural), Kasetsart University

- THE NEW NORMAL in FINANCE & INVESTMENT Amid & After COVID-19 Crisis, OMEGA WORLD CLASS Research Institute
- M&A after COVID-19: Preventing the Business Collapse, OMEGA WORLD CLASS Research Institute
- ADVANCED NEGOTIATIONS in MERGER & ACQUISITIONS, OMEGA WORLD CLASS Research Institute
- JOINT VENTURE New Growth after COVID-19 Crisis, OMEGA WORLD

Work Experiences :

- 2011-Present :** Vice President of Corporate Affairs
Malee Group Public Company Limited
- 2013-Present :** Company Secretary
Malee Group Public Company Limited
- 2010-2011 :** Vice President of Supply Chain Management
Malee Group Public Company Limited
- 2009-2010 :** Vice President of Financial Management
Malee Group Public Company Limited

Director/Executive Director in Other Listed Companies :

None

Director/Executive Director in Other Non-Listed Companies :

None

Family Relationship between Director and Executive Management :

None

Shareholding included shareholding by spouse and minor child (%) :

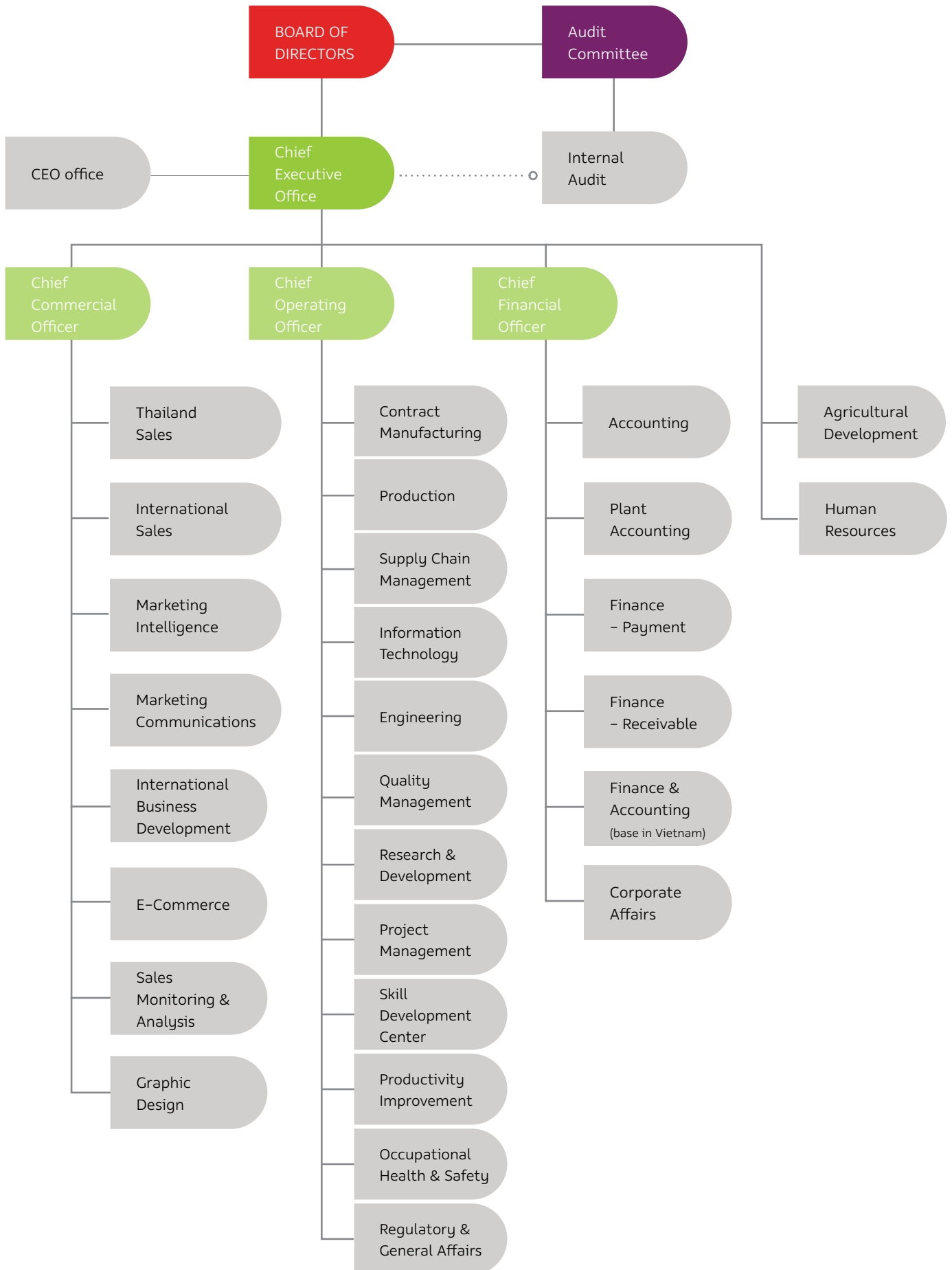
- As of March 13, 2020: None
- As of March 12, 2021: None



ORGANIZATION CHART



ORGANIZATION CHART 2020





CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

The Company is well aware of operating business with responsibility and fairness. Therefore, the Company realizes the importance of good corporate governance and management which increases competitiveness and efficiency of management by focusing on creating value and promoting sustainable business growth, and on creating investor confidence which leads to long-term value creation for the Company, shareholders and all stakeholders, corporate governance. This enables the Company's operations to be transparent and verifiable. The Company established good corporate governance policies for the directors, executives and employees to adhere to as an operational guideline. The Company disseminated the corporate governance on the Malee Intranet network and on the Company's website, www.malee.co.th, so that directors, executives, employees, as well as third parties who visit the website know, understand and adapt the governance policy for the perceivable operation.

In regards to the anti-corruption operations, the Company declared its intention to be a Private Sector Collective Action Coalition Against Corruption (CAC), organized by the Thai Institute of Directors Association, in cooperation with the Thai Chamber of Commerce, the International Chamber of Commerce, the Thai Listed Companies Association, the Thai Bankers Association, the Federation of Thai Capital Market Organizations, the Federation of Thai Industries, the Federation of Tourism Industries. The Company has been certified by the board of the CAC for its anti-corruption standards, and become a member of the Private Sector Collective Action Coalition Against Corruption since May 17, 2018. The validity of the certification is a three-year period.

Over the three-year period of certification, the Company has established a plan to maintain this certified qualification through, for example, training and communicating with the workforce to sustain their awareness in the Company's policies, organizing the ongoing promotional activities to shape employee behaviors and create awareness among the personnel within the organization, and promoting whistle blowing when encountering corruption within the organization. The Company has planned to extend the CAC coalition with its business partners by organizing training programs to educate about the purposes and goals of this declaration of intentions, to create good and sustainable success together with partners, and invite them to jointly declare the intention of anti-corruption with the Company.

In the fourth quarter of 2020, the Company has submitted an application for the renewal of the Anti-Corruption Standard Certification.

In 2020, Malee has been evaluated in the Corporate Governance Report of Thai Listed Companies, and received a "5-Star CG Scoring (Excellent)" among the Top Quartile Ranking from the National Corporate Governance Committee and the Thai Institute of Directors Association (IOD) for the second consecutive year.

Corporate Governance Policy

Over the past years, the Board of Directors has approved the corporate governance policy in accordance with the Good Corporate Governance Principles for Listed Companies 2012 by the Office of the Securities and Exchange Commission. There are five primary principles (CG Principles). The corporate governance policy was established in written order, and the Board of Directors reviews the policy and the implementation of such policy on an annual basis.

In 2017, the Office of the Securities and Exchange Commission issued the "Principles of Good Corporate Governance for Registered Companies in 2017" (CG Code 2017) as a replacement for "Good Corporate Governance Principles for Listed Companies in 2012" (CG Principles 2012). The Board of Directors resolved to adjust the corporate governance principles of the Company to be in the same direction with this new CG Code by continuing to focus on 5 principles as practical guidelines and added the principles of the Board of Directors of the Company as the leaders or the highest responsible person in the organization to create sustainable value for the business to meet the expectations of the business sector, the shareholders and stakeholders, as well as the capital market and society as a whole. The Management Team gradually adjusted the details of the corporate governance of the Company. According to the Meeting of the Board of Directors which was held on November 12, 2019, the Meeting reviewed the implementation of CG Code 2017 and found that the policy and guidelines of the Company are in line with CG Code 2017. However, certain practice guidelines are still under the ongoing revision to be more appropriate.

Supervision of Operations for Subsidiaries and Joint Venture Companies

The Company has a policy to invest in subsidiaries or associate companies that support the business operations or have synergy with the Company, as well as companies that have goals, a vision, and strategic plans that are aligned with the Company's growth. This will enable the Company to increase operating results and profits, and increase competitiveness so that the Company achieves its target of being a leading operator in the main business of the Company.

The Company adheres to the principles of good corporate governance for listed companies. In managing and making decisions to invest in various businesses, the Company not only considers to invest with prudence and takes into account the benefits of all stakeholders to gain profit from such business, but we also focus on conducting business in accordance with good corporate governance. The Company established a supervision policy for subsidiaries and associate companies (collectively called, "joint ventures") in order to closely monitor the benefits of the Company's investments so that they are sustainable and create added value and confidence for the Company's stakeholders. The details are as follows:

1. The Company appointed representatives to be directors in joint ventures according to the shareholding proportion in each company ("Representative Directors of the Company") or in accordance with the joint venture agreement in order to supervise the joint ventured companies to operate business in accordance with the Company's plans, laws, and the good corporate governance policy, supervised operating policies for joint ventured companies as well as other policies of the Company.
2. In the Meeting of the Board of Directors of the joint venture, the Company's representative of each company is able to vote as deemed appropriate regarding matters related to the general business operations of the joint venture for the maximum benefit of the joint venture and the Company. However, there are some exceptions in the following matters, of which the Board of Directors and/or the Shareholders' Meeting of the Company shall approve before the Company's representative make a consideration and casts a vote, as the case maybe:
 - Related transactions
 - Acquisitions and disposition
 - Amendments to the Memorandum of Association of the joint venture.

- Transaction engagements that may have a significant impact on the financial position and operational performance of the joint venture

3. The joint venture must have an internal control system, risk management system, and fraud prevention system. This includes establishing the appropriate monitoring measures for joint ventures.
4. The representative director is responsible for overseeing joint ventures, has the duty to prepare an operating performance report of the joint venture to the Meeting of the Board of Directors for acknowledgement on a regular basis.
5. The Company has a policy to monitor the management of subsidiaries and associated companies in order to protect the benefit of Company investments. The subsidiaries and associated companies shall have the duty to submit quarterly operating performances and financial statements that have been reviewed by a certified auditor, as well as the information for the preparation of the joint venture's financial statements to the Company; to give consents to allow the Company to use such information in preparing the consolidated financial statements or operating performance report for the quarter or the year, as the case may be. The joint venture is also responsible for reporting any significant issues or financial problems to the Company when they are detected or requested by the Company to conduct an inspection and report. This includes transactions between the said joint venture and any connected persons, the acquisition and disposition of assets or any other item of the said joint venture. This must be done completely and accurately.

The practice guidelines for five Corporate Governance Principles (CG Principles) are as follows:

1. Rights of Shareholders

The Company places the importance in the care and protection of the shareholders' rights. This includes protecting and promoting all shareholders so they receive accurate, complete, sufficient, timely, equal and fair information in order to make decisions in all matters. The basic shareholders' rights include trading and transferring shares, earning profit share from the business in accordance with the laws and regulations of the Company appropriately.

In regards to the Shareholders' Meeting, the Company has a clear policy and intention to support and encourage all shareholders and institutional investors to exercise their rights in meeting attendance and casting votes at the Shareholders' Meeting. The Company facilitates all shareholders to attend the Meeting equally, whether it is a convenient meeting venue or an appropriate time. The Meeting is organized transparently and verifiably, not committing any actions that deprive shareholders' rights, while allowing shareholders to make inquiries and express their opinions appropriately. The details are as follows:

Before the Date of the Shareholders' Meeting

- 1.1 The Company has a policy to give shareholders the opportunity to propose agenda items and nominate candidates to be appointed as directors of the Company and/or submit inquiries that need clarification from the proposed agenda item in advance. This is in accordance with the Company's rules that are disseminated on the Company's website so that shareholders are able to get the maximum benefit from the Meeting and the rights and benefits of the shareholders are fully protected. The inquiries can be delivered via electronic mail or fax to the Company Secretary.
- 1.2 The Company increased its channels for shareholders to receive news so they could receive news through the channels of the Stock Exchange of Thailand and the Company's website by posting various information and details on the Company's website. Specifically, in the event that the invitation letter to the Shareholders' Meeting is disseminated prior to the Meeting, no less than 30 days in advance. This enables shareholders to study the information and download the information and meeting agenda quickly and completely.
- 1.3 The Company delivered a meeting invitation letter which included the Meeting information and proxies in the form of a QR Code. This latest technology is implemented in compliance with the policy of the Stock Exchange of Thailand regarding the increased efficiency and facilitating quick and easy access to information of listed companies for investors, reducing the costs of listed companies and reducing the use of resources for long-term sustainability.
- 1.4 The Company delivered a meeting invitation letter together with any supporting documents for meeting agenda as well as specifying the objectives, reasons and opinions of the Board of Directors for every agenda item in order to give shareholders the opportunity to study the information completely prior to the Meeting of Shareholders for no less than 14 days in advance.
- 1.5 In the event that the shareholders are unable to attend the meeting by themselves, the Company allows shareholders to appoint an independent director of the Company or any person to attend the Meeting on their behalf by using the Proxy Form that the Company delivered together with the meeting invitation letter. In addition, shareholders can also download the Proxy Form via the company's website, <https://investor.maleegroup.com/en/downloads/shareholders-meeting>.

In 2020, since there was the pandemic of coronavirus (Covid-19) during the time of the shareholders' meeting, the Company took into account hygiene, safety, and well-being of those who attended the meeting. Therefore, some measures were implemented to prevent the spread of the Covid-19 in accordance with the guidelines of the Ministry of Health. The Company also disseminated the guidelines for the attendees along with the invitation letter of the 2020 Annual General Meeting of Shareholders.

Date of the Shareholders' Meeting

- 1.6 The Company selected a suitable meeting venue and time to hold the Shareholders' Meeting that was convenient so that all shareholders could attend the meeting. In 2020, The Annual General Meeting of Shareholders was held on Monday, April 20, 2020 at 10:00 am in the Cafeteria Room, 1st Floor, Rangsit Office Building, 401/1 Moo 8, Phahonyothin Road, Khu Khot Subdistrict, Lam Luk Ka District, Pathum Thani 12130.
- 1.7 Due to the pandemic of Covid-19, the Company has organized the venue and conducted the meeting with strictness according to the measures and guidelines of the Ministry of Public Health, to ensure the safety of attendees and the compliance with law in organizing the shareholders' meeting. The Company facilitated shareholders during the meeting and organized quick registration procedures. The barcode system was used for registration to identify the registration number of each shareholder that was printed on the registration form and proxy.
- 1.8 The Company encouraged independent individuals to be vote counters and inspectors of the vote counting in the Meeting, disclose it to the Meeting for acknowledgment and write the meeting minutes in the report.

- 1.9 The Company has a policy that directors, senior executives, legal counsel, and the auditor attend the Meeting in order to answer any inquiries and acknowledge the opinions of the shareholders in unison.
- 1.10 The Company explained the voting procedure and the method to show the voting results before the Meeting was conducted.
- 1.11 In regards to vote counting method, the Company distributed ballots with a barcode to all shareholders who attended the Meeting. The barcode system was used to make vote counting quick so that the voting results could be announced immediately after considering each agenda item. When the meeting was over, shareholders would be able to verify the details.
- 1.12 The Meeting considered and casted vote in accordance with the agenda items without changing any important information and providing shareholders with the equal right to inspect the Company's operations, make inquiries, give opinions and make recommendations. The relevant committees and executives were in the Meeting to answer any inquiries at the Meeting.
- 1.13 In the event that many items needed to be approved in the same agenda item, each item would be considered separately so that shareholders could fully exercise their rights with prudence. For example, the agenda item to appoint directors.
- 1.14 In every agenda of the Meeting, the Company has a policy to present information to shareholders that is accurate, complete, sufficient, timely, equal and fair. This is done in order to support decision making in all matters as well as allow shareholders to fully express their opinions or make inquiries within the appropriate time frame.
- 1.15 The Company prepared the minutes of the Meeting completely, accurately, and transparently, and also recorded any important questions or comments in the minutes of the Meeting for the shareholders to verify. Due to the pandemic of Covid-19, apart from the Social Distancing measure by arranging seats away from each other according to the guidelines of the Department of Disease Control, Ministry of Health, the Company also asked the attendees for their cooperation by refraining from asking live questions in the meeting and submitting questions instead to prevent the spread of the virus. Shareholders were informed to read the answers at the Company's website or in the Minutes of the 2020 Annual General Meeting of

Shareholders, which will be published via the official communication channel of the SET.

The Day After the Shareholders' Meeting

- 1.16 The Company summarized the resolution of the Shareholders' Meeting and disseminated the information via the Stock Exchange of Thailand and the Company's website on the next business day after the Shareholders' Meeting was complete.
- 1.17 The Company prepared the minutes of the Shareholders' Meeting within 14 days in accordance with the law and submitted them to the Department of Business Development, the Ministry of Commerce, and the Stock Exchange of Thailand. This included the dissemination of the minutes of the Shareholders' Meeting through the communication channels of the Stock Exchange of Thailand and the Company's website, <https://investor.maleegroup.com/en/downloads/shareholders-meeting>, for the shareholders to consider and verify.
- 1.18 The Company facilitated the shareholders to receive dividends by transferring the money into bank accounts (in the case that a dividend was paid) in order for shareholders to receive their dividends quickly and on time, and to prevent any problems from sending checks to shareholders, whether checks were late, damaged, lost, or shareholders changed addresses.

2. The Equitable Treatment of Shareholders

The Company gives importance to treating every shareholder equally, both in terms of supporting the exercise of rights in various matters, receiving information that is complete, accurate, sufficient, timely, equal and fair in order to make decisions on appropriate profit share from the business according to the laws and regulations of the Company.

2.1) As for the information for the Shareholders' Meeting, the Company has a clear policy and intention to support and provide information for every shareholder. This includes institutional investors being able to exercise their rights in the Meeting and cast vote as needed.

- 1) The Company announced the meeting invitation, meeting agenda, with supporting information and the directors' opinions on each agenda item to the Stock Exchange of Thailand and disseminated it through the Company's website for no less than 30 days prior to the date of the Meeting so that shareholders were able to fully study the

information prior to the Meeting.

- 2) The Company provided the rules and regulations for the Meeting, the voting procedures and shareholders' right in vote casting for the acknowledgement of shareholders prior to the Meeting.
- 3) The Company prepared an invitation letter for the Shareholders' Meeting in both Thai and English and disseminated the information through the channels of the Stock Exchange of Thailand and the Company's website.
- 4) The Company announced the results immediately after each agenda item was considered at the Shareholders' Meeting by using a barcode system which was quick and modern.
- 5) The Company summarized the resolution of the Shareholders' Meeting and disseminated the resolution via the Stock Exchange of Thailand and the Company's website on the next business day after the Shareholders' Meeting was held.
- 6) The Company completed the minutes of the Shareholders' Meeting within 14 days in accordance with the law and disseminated the minutes of the meeting through the communication channels of the Stock Exchange of Thailand and the Company's website, <https://investor.maleegroup.com/en/downloads/shareholders-meeting>, for shareholders to consider and verify.

2.2) The Protection of Minority Shareholders' Rights

- 1) To ensure equal fairness to all shareholders, the Company has a policy to give shareholders the opportunity to propose agenda items and nominate candidates to be appointed as directors of the Company and/or submit inquiries that need clarifying for the proposed agenda item in advance in accordance with the Company's rules that are disseminated on the Company's website. Inquiries can be delivered via electronic mail or fax to the Company Secretary.
- 2) The Company gave shareholders the opportunity to exercise the right to elect individual directors with prudence in order to give shareholders the opportunity to select the desired director.
- 3) The Company facilitated all shareholders to attend the Meeting equally, whether it is a convenient meeting venue and an appropriate time. The Meeting is organized transparently and verifiably, not committing any actions that deprive shareholder rights and allows shareholders to make inquiries and express their opinions

appropriately.

- 4) The Company facilitated shareholders who were unable to attend the Meeting by themselves by allowing shareholders to authorize any person or have at least one independent director attend the Meeting and vote on their behalf and notify the names of the said independent director in the meeting invitation letters.
- 5) The Company encouraged independent individuals to be vote counters and inspectors of vote counting in the Meeting, disclosed it to the Meeting for acknowledgment and wrote meeting minutes in the report.
- 6) The Meeting considered and cast vote in accordance with the agenda item without changing any important information and providing shareholders with equal rights to inspect the Company's operations, make inquiries, give opinions and make recommendations. The relevant committees and executives were in the meeting to answer any inquiries at the Meeting.

2.3) Established preventive insider trading measures for related persons. This includes the Board of Directors, senior executives, employees in the departments involved with the Company's information (which includes spouses and children that are not of legal age of the said person). Prohibited individuals who are involved in trading Company securities for one month prior to the disclosure of the quarterly and annual financial statements. The Board of Directors and the Management Team of the Company reported the change in securities holding to the Meeting of the Board of Directors.

2.4) Established a conflict of interest policy based on the principle that any decision of personnel at any level must be made for the maximum benefit of the Company. It is also the duty of all personnel to avoid having any financial involvement and/or relationship with third parties which affects the Company to lose benefits, causes conflicts of interest, or hinders efficient operations. The related parties or related parties transactions must be informed so that the Company is aware of the relationship or connection in such transactions and such persons must not consider the approval, have no authority to approve the transaction nor any kind of approval for such transactions. For such cases, the principle must be adhered to and must not allow any special terms or specific requirements other than normal.

3. The Role of the Stakeholder

The Company realizes and recognizes the rights of all stakeholders, whether they are internal stakeholders, such as shareholder and employees, or external stakeholders such as customers, trade partners, creditors, competitors and other agencies as well as the relevant nearby communities. Since the Company receives support from all stakeholders which creates competitiveness, generates profit and creates long-term value for the Company, the Company established policy as follows:

3.1) Shareholders

- 1) The Company always recognizes that shareholders are the business owners and the Company has the duty to create long-term added value for the shareholders.
- 2) The Company performs its duties with honesty, makes any decision to take action in accordance with the principles of the profession with caution, prudence, and fairness for both major and minor shareholders, for the greatest benefit of the shareholders as a whole.
- 3) The Company prepares a report of the operating performance, the financial position of the Company, accounting, and any current information that has a significant impact so that they are easy to understand, consistent, complete, and according to the truth.
- 4) The Company has effective internal control, internal audit system, risk management system and treats shareholders equitably.

3.2) Employees

- 1) The Company treats employees politely and respects individuality.
- 2) The Company treats employees fairly in terms of opportunities, remuneration, appointment, and relocation as well as capacity development. This engages reward and punishment system with sincerity and fairness based on employee's knowledge, ability and suitability.
- 3) The Company has a policy to pay a fair and appropriate amount of remuneration to employees based on their knowledge, ability and operational performance in order to ensure that the remuneration that the Company remuneration is consistent with the average level of the same industry. The policy has to be in accordance with the expansion of businesses and the growth of the Company as well.

Short-Term Remuneration: The Company pays remuneration to employees in various ways such as salaries, bonuses, overtime pay and other remuneration which includes transportation costs and telephone costs to perform duties, etc. In this regard, the remuneration of the employees will depend on the performance measurement of the employees at all levels in the form of the Performance Index or Key Performance Indicator (KPI) and other measuring tools in which the supervisor must evaluate each employee. The increase of salary and annual bonus payments are based on the performance result of the assessment or KPI and other measuring tools each year.

Long-Term Remuneration: The Company established a provident fund for everyone in the organization. The Malee Sampran Savings Cooperative Limited was also established to save money and alleviate the suffering of employees who are members of the cooperative in the case where it is necessary to use money for personal reasons. This also includes the policy to increase the competitiveness of the Company Group to retain and motivate talented employees by offering benefits in the form of rewards. This involves promotions for the work accomplished in the past year in order to motivate and create incentives for future work at the organizational and employee levels.

3.3) Customers

- 1) Provide service politely and enthusiastically, be ready to serve, welcome with sincerity, and care for customers as if they are close relatives. Serve quickly, accurately, and reliably.
- 2) Maintain customer confidentiality, not using this information to benefit one's self or related parties wrongfully.
- 3) Provide accurate, sufficient, and up to date news to customers to be aware of the services of the Company without overstatement which leads customers to have misunderstandings about the quality or any terms and conditions.
- 4) Give advice on the service method of the Company efficiently, in a way that creates the maximum benefit to customers.

3.4) Trade Partners and Creditors

- 1) The Company treats trade partners and creditors fairly, honestly and without taking advantage of them. The Company takes into account the good relations and cooperation on the basis of fair remuneration for both parties and avoids situations that cause conflicts of interest.

- 2) The Company establishes a clear and concrete policy for the selection of trade partners. The practice guidelines are specified in the work instruction manual of the Company as standardized guidelines for transparent and fair selection.
- 3) The Company does not demand or receive or pay any benefits dishonestly when conducting business with trade partners and creditors.
- 4) In the event that there is information in regards to demanding, receiving or paying any benefit dishonestly, details must be disclosed to trade partners and creditors in order to jointly resolve the problem fairly and quickly.
- 5) The Company strictly complies with various terms and conditions that have been agreed upon. In the event that the Company is unable to comply with any terms and conditions, the Company must inform in advance in order to jointly find solutions to the problems.

3.5) Competitors

- 1) Do not violate any proprietary and confidential information of competitors by fraudulent methods.
- 2) Conduct business within the framework of good competition.
- 3) Do not seek competitors' confidential information in a dishonest or inappropriate way.
- 4) Do not destroy the reputation of any competitors through malicious accusations.

3.6) Society and Communities

The Company has a policy to conduct business that is beneficial to the economy and society and adhere to good citizenship practices and fully comply with any relevant laws and regulations. The Company also participates in promoting and improving the quality of life for the society and community. In addition, the Company sets a policy on giving back to society by allocating a budget to support activities that benefit society, the community and the environment when appropriate.

3.7) Take Care of Employees' Safety and Hygiene

The Company has a policy that pays attention to employees' work environment so that it is safe for employees' lives and property. This is done by strictly complying with the labor laws which include managing the premises and equipment so that it works properly, requiring all employees to wear safety equipment

at all time when they work in the production department or any department that uses machines. The Company also provides safety training on a regular basis and encourages employees to pay attention to their health and hygiene as part of the organization's core values which is "Live Healthy" and providing appropriate health care for employees. This includes annual health checks, medical expenses, and life insurance for employees.

Personnel

Number of Employees as of December 31, 2020	1,193	employees
Remuneration of Employees in 2020	455.31	million Baht

The Number of Training Hours of the Executives and Employees.

The Board of Directors and executives of the Company recognize the importance of human resource development. In 2020, the Company provided the following training hours to executives and employees:

	Average Number of Training Hours/Person/Year	
Training Hours of Executives	7	hours
Training Hours of Employees	6	hours

The Injury Frequency Rate (IFR) As of December 31, 2020, the injury frequency rate was 2.09.

3.8) The Environment

The Company has a policy to support various activities which enhances the quality of occupational health and the environment as well as maintain a safe working environment for the lives and property of employees. In addition, the Company also gives importance to educating and training employees in regards to the environment and the efficient use of resources. This covers reducing the amount of waste by using used paper and reusing used files, having a campaign to turn electricity off during lunch breaks and when it is no longer needed during the day, using stairs instead of elevators as well as maintaining equipment so that it is ready to be used. The Company creates a safe and good working environment to improve employees' work efficiency in the organization. The Company provided training on the following courses for employees:

- 1) Safety officers at supervisory level
- 2) Safety officers at management level
- 3) Maintaining and driving a forklift correctly and

safely

- 4) Occupational Safety Committee and the working environment
- 5) Basic firefighting
- 6) Safety in working with electricity
- 7) Safety Awareness
- 8) Safety management regarding hydrogen peroxide and peracetic acid
- 9) Calculation of costs for exerting trade preference
- 10) Supporting wisdom and providing advice on solving wastewater problems from agricultural, community and industrial sectors
- 11) Thai Labour Standard : TLS 8001-2020
- 12) Controlling gas for usage in plants and Storing gas (carbon dioxide, nitrogen, oxygen, acetylene, argon, helium, hydrogen)
- 13) Workers who use liquefied petroleum gas
- 14) International anti-terrorism measures for import and export

3.9) Intellectual Property

The Company has a clear policy not to infringe any intellectual property, whether it is a copyright, patent, trademark, trade secret or other intellectual property as required by law. This includes using the right licensing for computer programs. All computer programs must only be examined and installed by the Information Technology Department to prevent the use of pirated software, etc.

3.10) Respecting the Rule of Law and Human Rights Principles

- 1) Fight against all human rights violations
- 2) Respect and treat all stakeholders with fairness based on human dignity. Do not show favoritism or discrimination on origin, race, gender, age, skin color, religion, physical condition, and family status. Monitor the human rights compliance within the Company.
- 3) Fight against any action that pursues benefits from human trafficking, the violation of child labor who are under the age specified in the labor law.
- 4) Support, respect, and protect human rights by inspecting and controlling the business operation of the Company with third parties by not promoting or supporting any violation of human rights, nor acting in violation of the employee rights which are protected by law.

3.11) Fighting Against Corruption

The Company places importance on conducting business with integrity by adhering to management principles with honesty, transparency, verifiability, responsibility and prudence to all stakeholders, society and the environment under good corporate governance and the Code of Business Conduct of the Company. The Company established an Anti-Corruption Policy to be a clear guideline for the business operations and the development of a sustainable organization. The Company has a policy to fight against all forms of corruption and requires everyone in the organization and related parties to understand, prevent and fight against corruption when carrying out the Company's business activities. The practice guidelines are as follows:

1) Anti-Corruption Policy

The directors, executives, and employees are prohibited from committing all forms of corruption, whether directly or indirectly. This comprises of accepting items, gifts, hospitalities, solicitation of funds, donations, and other benefits from individuals conducting business with the Company. This covers employees, trade partners, customers, and stakeholders whether domestically or internationally. The Company regularly conducts a review of operations in accordance with the anti-corruption policy at least once a year.

- The definition of "corruption" refers to bribery in any form such as offering, giving promises, demanding or accepting (in monetary form/property) or giving other benefits in dishonest behavior to government officials, government agencies, private agencies, trade partners, customers and stakeholders, whether directly or indirectly in order to persuade such persons to perform or refrain from the duty in order to obtain business or recommend a specific business for the Company in order to obtain or maintain any other benefits that are not suitable for the business, except in the case of laws, regulations, notifications, regulations, local customs and traditions, or commercial tradition.
- The definition of "giving of things or other benefits" means to grant special privileges in the form of money, property, objects, or any other benefit as a remuneration or reward for building a good relationship.
- The definition of "bribery" means to offer or give items, gifts, prizes or other benefits to one's

self or someone else in order to persuade them to behave dishonestly, illegally or against the Code of Conduct of the Company.

2) Guidelines for the Anti-Corruption Policy

Directors, executives, and employees at all levels of the Company and subsidiaries must strictly comply with the anti-corruption policy and the Code of Business Conduct of the Company. This is done by not accepting bribes or giving bribes to any stakeholder in the matter in which they are directly or indirectly responsible in order to gain a personal benefit for themselves, friends, or other related parties. Matters that have a high risk of corruption must be treated with caution. These are as follows:

- A. Directors, executives and employees of the Company must comply with the anti-corruption policy and the code of conduct. They must not be involved in corruption, whether directly or indirectly.
- B. The Company's employees and executives must not neglect or ignore fraudulent actions related to the Company. They must notify the supervisor or the appointed person and cooperate in the investigation of fact finding. If there are any queries or questions, they must consult a supervisor or the appointed person that monitors the Company's Code of Conduct compliance through the various specified channels.
- C. They must not have direct or hidden benefits for themselves, their family, or those within the Company. For example, taking any action to sell products and services to the Company or compete with the Company.
- D. Avoid accepting provisions from people who are involved in business with the Company or from any others who may benefit from the performance of their employees.
- E. Do not demand or receive unjustified benefits, whether directly or indirectly, or any other benefits in order to obtain benefits from such business. This includes not using bribes or benefits from corruption to conduct business.
- F. When encountered with an event that stakeholders intend to call or accept assets, offers or benefits, whether directly or indirectly, one must reject the proposal immediately, record the events accurately and immediately then report them to the supervisor in order to treat the said event appropriately and fairly.
- G. Determine clear conditions for transaction and legal engagement with stakeholders to prevent any possible corruption in operations. Inform the stakeholders that "Malee Group" has a policy not to accept any remuneration in order to prevent potential conflicts of interest and request cooperation from stakeholders to strictly comply with the said policy.
- H. Cooperate with the department responsible for internal control and the internal audit to provide information, follow up and solve corruption within the organization.
- I. Provide reliable financial reporting that has an efficient and transparent operating system. Corruption risk must be considered in the operations by following up, supervising and monitoring regularly.
- J. The Company established whistleblowing channel to report any leads of corruption and being fair and protecting employees who refuse or report corruption related to the Company by undertaking protective measures to protect a whistleblower or those who cooperate in reporting corruption as specified in the Company policy regarding the filing of complaints and giving suggestions.
- K. Fraudulent actions violate the Company's Code of Conduct. Disciplinary punishment must be applied in accordance with the regulations set forth by the Company. One will be punished by the law if the act committed is illegal.
- L. The Company places importance on publicizing, promoting knowledge and understanding anti-corruption with the related parties who are involved with the Company and its stakeholders in order to create awareness regarding corruption risk. Directors, executives and employees of all levels must perform their duties with caution in the following areas:

2.1 Giving or Receiving Gifts and Hospitalityes

The Company has no policy to give or receive any form of gift with anyone who conducts business with the Company and its subsidiaries, unless the giving or receiving of gifts and hospitalities is in accordance with traditionalism in order to maintain good relationships with a business operator without expecting to receive specific services or remuneration that violate the Code of Business Conduct by practicing the following:

2.1.1) Not requesting anything or any other benefit from anyone who has duties or business related to the Company, whether it benefits oneself or others.

2.1.2) Not receiving or giving any items or any other benefits from other persons who have duties or have a business related to the Company, unless it is for traditional occasions or festivals that people normally treat each other. These items or other benefits must not exceed 3,000 Baht per person, per occasion, except for souvenirs or fresh food that cannot be stored for a long time. During traditional festivals, the Company allows employees to receive items such as calendars, key chains, notebooks, etc. that have the organization's logo on it and the value of the item must not exceed 500 Baht. Executives are authorized persons to receive gifts and have the authority to consider the distribution of gifts to employees. In the event that the value of any item or benefit exceeds 3,000 Baht, it can only be accepted in the case that it is absolutely necessary to maintain good relations between people. The receiver must report it to his supervisor and deliver the item to the relevant department to be used in the Company's business within 7 business days. However, receiving the said item must not influence one's decision, whether it is performing a duty or making decisions that are unfair to the business operations.

2.1.3) Expenses for hospitalities are acceptable but must be spent reasonably.

2.2 Sponsorships

Sponsorships refer to a reasonable amount of money paid or received from customers, trade partners and business partners for the business purpose to strengthen the business

relationship at an appropriate opportunity. The amount of money must be accurate, transparent, and have evidence for accounting records, and be paid or received on behalf of the Company. Disbursement must clearly specify the objectives and proceed through the procedures in accordance with the Company's regulations.

2.3 Charitable Contributions

Charitable donations refer to giving or receiving donations which must be transparent and legal. The Company must ensure that the donations or grants are not used as an excuse for bribery and must be done on behalf of the Company, be verifiable and proceed in accordance with the Company regulations. Charitable donations under a person's name may be done but must not involve or raise any suspicion of fraud for any benefit.

2.4 Political Contributions

Political assistance refers to money, property, or other benefits, or places that is given to facilitate political parties, politicians or people involved in politics. The Company is an organization that adheres to political neutrality, supports regulatory compliance, and democracy. The Company does not have a policy to provide political assistance to any political party whether directly or indirectly through the following practices:

- Exercise the rights of a good citizen in accordance with the constitution and other relevant laws.
- Does not participate in any activities that may cause a misunderstanding that the Company is involved.
- Does not use the Company's assets to support political parties.



▲ Atmosphere of Training Program on Ethics and Anti-Corruption Measures for employees and executives.

2.5 Business Relations and Procurement

Does not give or accept bribes, whether directly and/or indirectly. The business must be carried out in accordance with the procedure regulations of the Company transparently and verifiably. The selection of trade partners is based on the value, and fair comparison of quality, price, and qualifications of trade partners.

2.6 Personnel Management Process

The Company establishes a human resource process to fight against corruption, beginning with the recruitment or selection of personnel, performance appraisal, training, promotion, and remuneration. The supervisors at all levels are required to communicate and help employees to understand.

3) Dissemination of the Anti-Corruption Policy

Anti-corruption is an integral part of the business operations and it is the responsibility of the Board of Directors, executives, and employees at all levels and related parties to comply with this anti-corruption policy. The Company provides knowledge, advice and understanding to the directors, executives, and employees in the organization and related parties

regarding anti-corruption so that personnel and related parties comply with this anti-corruption policy. The Company will proceed as follows:

3.1) Place an anti-corruption policy announcement in a prominent place in the Company premises so that everyone is informed.

3.2) Disseminate the anti-corruption policy through the Company's communication channels. This includes the annual reports, the Company website, email and the annual disclosure report (Form 56-1).

3.3) Organize training on anti-corruption policies for new directors and new employees.

4) Procedures to Comply with the Anti-Corruption Policy

The Company regularly reviews the compliance with the anti-corruption policy and reviews the practice guidelines to be aligned with the anti-corruption policy, regulations, and related laws.

5) Risk Assessment and Internal Control

The Company arranges risk assessments on activities that are vulnerable to corruption and regularly reviews internal control at least once a year.

6) Whistle Blowing Center

The Company encourages employees and those involved to file a complaint of suspicious corruption to the "Chairman of the Audit Committee" for consideration through the following whistle blowing channels:



▲ Event on extending the CAC coalition to business partners to announce its intention to adhere Malee Group's Anti-Corruption Policy at Novotel Hotel, Sukhumvit 20, Bangkok, on September 24, 2020.

Whistle Blowing Center:

Chairman of the Audit Committee,
Malee Group Public Company Limited

No. 401/1 Village No. 8, Phahonyothin Road, Khu Khot Subdistrict,
Lam Luk Ka District, Pathum Thani Province 12130

✉ auditcommittee@malee.co.th

☎ 02 080 7899 extension 1422



Click "Report Clues of Corruption"
in SmartMalee Complaint Box for fraudulent
behavior near the Rangsit Office and Sampran Factory

*The Company has internal processes to scrutinize and consider
the matters for further submission to the Audit Committee of the
Company.*

Process After Receiving Complaints

1. Gather facts that are received via the complaint box or e-mail: auditcommittee@malee.co.th or to the "Chairman of the Audit Committee". The recipient of the complaint (Company Secretary) will compile the facts regarding the complaint and propose them to the Chairman of the Audit Committee.
2. Process and scrutinize data: The Chairman of the Audit Committee will process and scrutinize data to consider the appropriate procedure and methods for each subject. The Chairman of the Audit Committee can process the data by oneself or assign the appointed agency, or the investigation committee to process and scrutinize the data. The investigation committee will be appointed from the Chief Executive Officer from time to time.
3. Report the results: In the case of crucial matters, the results will be reported to the highest-ranking executive of the Company, subsidiary or department, as the case may be and/or the Audit Sub-Committee and/or the Board of Directors. This includes reporting the results to the complainants if they reveal their identity.

7) Protection and Confidentiality Measures

The Company treats and protects the complainants and informants fairly and in good faith. The Company will appoint an executive to inspect and follow all the notifications that have been reported. The information, complaints and the evidence of the complainant and the informant will be kept confidential.

8) Non-Compliance with Anti-Corruption Policy

If the directors, executives, or employees do not comply with the anti-corruption policy of the Company, they will be subject to the disciplinary punishment according to the regulations set by the Company. This depends on the facts and circumstances. If the fraudulent action is illegal, the offender may be subject to legal penalties. The Company does not have a policy to demote, punish or treat employees negatively if they reject corruption.

The Company establishes measures and requires directors, executives, employees to comply with business ethics and codes of conduct for directors, executives and employees of the company as parts of the anti-corruption policy in all forms.



The Company has provided a test on knowledge of corporate governance with the objectives as follows:

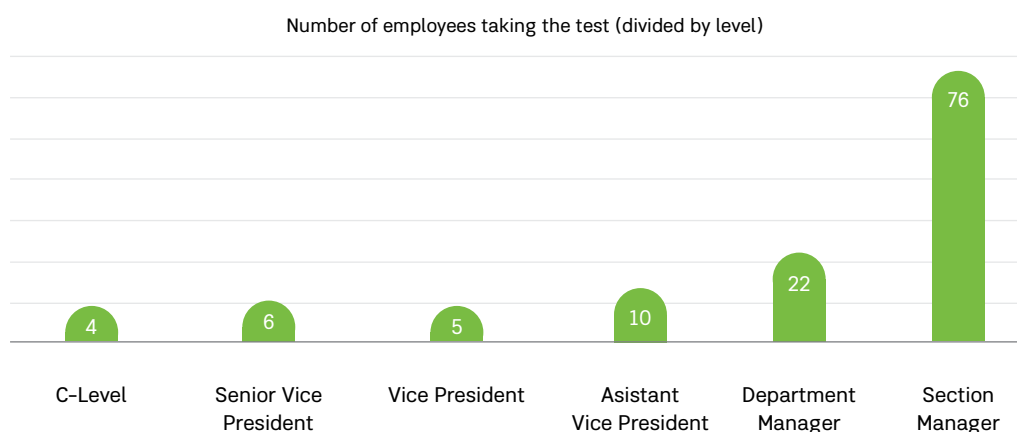
1. To assess employees' knowledge and understanding on corporate governance at all levels of the Company.
2. To continually develop and enhance corporate governance knowledge.
3. Aim for employees of all levels to access information accurately by themselves, leading to actual practice.
4. Aim for employees to create corporate culture in integrity, honesty and discipline in operations, while also take part in management to build the stable and sustainable organization.

In 2020, managers on a department level or above took the test. The scores were summarized as follows:



*Number of employees who passed the test at 90% or more.
(18 items or more of 20 items)*

*Total employees : 80
(Unit : Man)*



4. Disclosure of Information and Transparency

The Company places importance on the disclosure of accurate, complete and transparent information, both financial and general information, in accordance with the rules of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as well as significant information that affects the share prices of the Company and the decision making process of investors and stakeholders.

The Company also places importance on financial reports in order to identify the explicit financial and operating performances of the Company which is based on accounting information that is accurate, complete, consistent, timely and sufficient in accordance with the generally accepted accounting principles. The Company will disclose information of individual directors as well as the roles and duties of the Board of Directors and committees in the Company's annual report (Form 56-2) and the annual registration statement (Form 56-1). The remuneration of directors and senior executives will be disclosed in the annual report of the Company (Form 56-2) and the annual registration statement (Form 56-1).

Code of Conduct of Malee Group

Malee Group conducts its business of manufacturing high quality products at reasonable prices with integrity and fairness, as well as aims to build good relations with all stakeholders and take responsibility for environment and communities.

To ensure that our operations are in accordance with the good corporate governance, and to have clear practice guidelines for the management and employees to comply with, MALEE Group has formulated the Code of Conduct as follows:

1. To customers

- 1) Meet customers' satisfaction by providing standardized and qualified goods and services
- 2) Disclose information about goods and services in full details and provide fair treatment to customers.
- 3) Provide warranty for products and services under the appropriate requirements and maintain the reliability and trust among customers.
- 4) Arrange procedures and system of contact channel in order that customers communicate with the Company conveniently, without delay.

2. To trading partners and creditors

- 1) Conduct business with fairness, refrain from taking advantages. Pay respect and comply with the contractual requirements set forth.
- 2) Shall not demand, accept or give any dishonest business gain with trading partners or creditors. Should there be any information of any dishonest benefit gain, the Company, without delay, shall discuss with a trading partner or creditor for fair resolution.

3. To competitors

- 1) Follow the rules of good competition.
- 2) Shall not seek confidential information of competitors by using an illegal approach.
- 3) Shall not discredit competitors by defaming or undertaking any action without fact and fairness.

4. To shareholders

- 1) Perform duties with honesty and integrity. Make any decision based on good faith, transparency and being beneficial to the Company and shareholders.
- 2) Perform duties using knowledge and skills of management at fullest effort for the benefit of the Company and shareholders.

- 3) Safeguard to ensure that none of the Company's assets will be unreasonably depreciated or lost.
- 4) Report accurate status and operating results of the Company in full details.
- 5) Shall not seek advantages for oneself or relating person by using any Company's information which has not been disclosed to the public.
- 6) Shall not disclose confidential information of the Company to an external party, especially competitors.
- 7) Shall not undertake any actions in an aspect that may cause conflict of interest with the Company.

*** The Company has prepared Code of Conduct for Investor Relations as a guideline or scope of practice in case where there will be an issue or matter that is difficult to make a judgment.

5. To society

- 1) Shall not undertake any action that will cause damages to community, natural resources and environment.
- 2) Support an activity that brings about benefits to societies and communities.
- 3) Practice or control to ensure the compliance with laws and regulations as stipulated by the regulatory agencies.
- 4) Focus and place an importance on environmental care, taking into account the safety for the communities located adjunct to the Company.

6. To employees

- 1) Perform duties with responsibility, honesty, devotion and patience for the advancement and stability of the Company and ourselves. Shall not neglect or ignore when seeing an action that is considered to be a fraud or corruption related to the Company, and inform the supervisor or the person in charge. Cooperate in investigating various aspects of facts. In case of having doubt and inquiry, consult the supervisor or the designated person responsible for the follow-up of the Company's Code of Conduct through various channels.
- 2) Perform duties with diligence, seek approach to develop and improve work to remain at qualified efficiency always.
- 3) Follow policies and articles of association strictly.

- 4) Conserve and create to bring about the unity and harmony among employees, as to work and seek for the best way together as a team of robust efficiency.
- 5) Use assets of the Company in a manner that will generate maximum benefits to the Company. Maintain assets from depreciation or loss. Not using assets of the Company for one's personal or others' benefit.
- 6) Refrain from any action that is in violation of an intellectual property either of the Company or other person. Not using software piracy within the Company system.
- 7) Keep trading partners' confidential information, safeguard to ensure that such confidential information will not be leaked or disclosed to an unrelated person which may cause damages to the Company.
- 8) Pay attention to and undertake any action to safeguard the safety and good working condition.
- 9) Report to a relevant authority and the Management of any wrongful or illegal actions occurred, including the possession or use of drugs within the Company.
- 10) Shall not use one's duty or allow other persons to use one's duty to seek benefit for oneself or other persons in a wrongful way.
- 11) Refrain from any actions that may cause damages to the image and reputation of the Company.

7. Between employees (supervisors, subordinates and colleagues)

- 1) Help each other taking into consideration the benefit to work and working environment as a whole and pay respect to the right of the others.
- 2) Supervisors shall conduct oneself as a respectful person among subordinates, comply with the policies and regulations strictly, be a good role model for subordinates, supervise subordinates adhering to principles and logics of integrity and morality.
- 3) Subordinates shall treat one's supervisors with respect, and treat one's colleagues with helpful and friendly manner, refraining from discrediting one's supervisor and colleagues without fact.
- 4) Shall not take work of the other as one's own.

Personal Data Protection Act (PDPA)

In accordance with the Personal Data Protection Act B.E. 2562, Malee Group Public Company Limited and/or its group companies ("the Company") have issued a personal information protection policy and notified employees within the organization to comply with the regulations, rules, and/or policies of the Company. The details are as follows:

To ensure that the personal information of our customers, partners, employees and business associates are kept confidential and used with the consent of its owner in accordance with the Personal Data Protection Act B.E. 2562, the Company has set up the personal information protection policy as follows:

- 1) The Company respects the personal rights of its customers, business partners, employees and all related parties to the utmost.
- 2) The Company will request for personal information only as necessary for the administration or as required by law, and will only request directly from the owner of the information.
- 3) The Company will notify the purposes of use and storage of information by asking for the owners' consent from the beginning.
- 4) The Company has set up a system for the use, processing, and storage of personal information in strict and confidential manners.
- 5) The Company has assigned controllers, reviewers, approvals to ensure that the personal information is used in accordance with the purposes. The Company refrains from using beyond consent or causing any damage to the owner of the information.
- 6) If the information with specific controls such as ethnicity, political opinions, religious belief, illness, and criminal records are required, the Company will seek explicit consent from the owner and use it with caution and confidentiality.
- 7) The owner of the information has the right to access, review, withdraw consent at all time when it is stored.
- 8) The owner of the information who is foreigner and expatriate will be subjected to the same policies as Thai national.
- 9) If the personal information must be sent to an external organization or abroad, the Company will strictly comply with the law.

- 10) The Company will treat the personal information as if it is the Company's own assets. It is forbidden for anyone to violate, disclose, access, exploit for personal gain, or destruct this information without the data controller's approval. Violators will be subjected to the highest punishment and prosecution, as well as compensation for damages incurred in full amount as required by law.

Code of Conduct for Investor Relations

This Code of Conduct is established in case there is a problem or issue that is difficult for judgment. This guideline is consistent to the Code of Conduct for Investor Relations 2014 and the good corporate governance, as formulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. There are four Basic principles of the Code of conduct for Investor Relations as follows:

1. Disclose any material information which will be necessary to make an adequate and accurate decision in timely manner.
2. Shall not use internal information for one's own and others' benefit.
3. Disclose information equally and fairly.
4. Perform duties with honesty and integrity based on equality concept, no discrimination.

Basic guidelines for Investor Relations:

1. Disclose any material information which will be necessary to make an adequate and accurate decision in timely manner.
 - 1.1. Disclose accurate, adequate information in timely manner, following regulations and rules set forth by the SEC and SET.
 - 1.2. Provide information with carefulness, discretion and diligence. Investor Relations may refuse to provide any information, upon consideration that such information is a customer's trade secret or the Company's confidential information, or it is information that causes the Company to lose its competitiveness.
 - 1.3. Provide explicit information, with details adequate for understanding, for example, provide information or explanation in case where the Company's operating results are varied over 20% and/or provide a clear MD&A in order that the audience will be able to understand the cause. Investor Relations shall as well provide the explanation of such changes, etc.
 - 1.4. In case of a rumor or leakage or information, Investor Relations shall explain the fact to

investors, by following requirements of the Stock Exchange of Thailand regarding the disclosure of information of the listed companies.

- 1.5. Shall not disclose false information or create news with intention to persuade the subscription of shares.
- 1.6. Set up channel for information disclosure to all audience equally.

2. Investor Relations shall not use internal information for one's own and others' benefit.

- 2.1. Comply with the relevant regulations of safeguard of corporate internal information. Investor Relations having access to such internal information must not disclose such information to other persons until it is disclosed to the public as stipulated by the requirement.
- 2.2. Disclose any information which is significant to business operation through SET channel to the public prior to disclosure to a particular group of investors.
- 2.3. Comply with policy of share subscription strictly, not trading shares during silent period and report each transaction to the Office of Company Secretary.
- 2.4. Set up the Quiet Period for appointment or answering the questions relating to operating results of the near future to analysts and investors to suit and close to the time of the release of the results, at least 2 weeks (14 days) prior to the disclosure of financial statement etc.
- 2.5. In case a meeting of analysts is held for the earnings preview, Investor Relations must complete the meeting prior to the Quiet Period and be cautious at providing any prohibited information.
- 2.6. Advise the executives to be careful when providing and using the Company's internal information.

3. The Investor Relations shall disclose information to all audience equally and fairly.

- 3.1. Offer an opportunity to stakeholders to have access to information equally. The type of activities launched to each group may be varied as considered fit; taking into account the information provided must not result in anyone's losing advantage or opportunity of investment.
- 3.2. Offer an opportunity to stakeholders to contact and make an inquiry as appropriate, without discrimination.

- 3.3. Disclose the details of the special meeting to the public as soon as possible on the Company's website without delay, for example, the information presented at the Opportunity Day.
- 3.4. The Investor Relations may, with due diligence, publish information through social network in order to enable audience to follow up news from point of view of investors. In the event of misunderstanding, and it requires explanation, the Investor Relations shall inform the information through SET system to all parties as to prevent disclosure of information to only particular groups.
- 3.5. Shall not publish negative information or defaming competitors.
- 3.6. Investor Relations shall treat each group of stakeholders as follows:
 - 3.6.1 To investors
 - (a) Treat all investors equally, whether minor or major investors and offer an opportunity to an individual investor to have an identical access to information as equal to the analysts and institutional investors.
 - (b) No discrimination when accepting the One-on-One Meeting with institutional investors or groups of investors. Investor Relations shall formulate explicit rules for setting up an appointment which is fair to all parties.
 - (c) To arrange an activity for investors such as company visit/ site visit and meeting with investors, the Investor Relations shall take into account the benefit of the Company and cost-effectiveness of the resource as a priority.
 - 3.6.2 To analysts
 - (a) When arranging an analyst meeting, Investor Relations shall invite and equally offer a chance to analysts from all securities companies to attend.
 - (b) Not giving gifts or rewards to analysts as an incentive or to persuade them to write a promoting research for the Company.
 - 3.6.3 To media
 - (a) Provide information and offer an opportunity to the media as considered appropriate and adequate.
 - (b) Shall not make any business conditions with the media, for example, asking the media to advertise or giving positive opinion on the Company.
 - (c) Shall not give any compensation or gifts to the media in order to encourage them to build up the untrue story of the Company.
 - 3.6.4 To government agency
 - (a) Cooperate in providing information to the government agency as requested.
 - (b) Shall not give gifts to government officers in return of any special assistance.
 - 3.6.5 To corporate personnel
 - (a) Liaise with the executives to meet with stakeholders occasionally.
 - (b) Report to the Board of Directors and executives of the information that will add value to the Company, such as performance of Investor Relations, opinion of analysts and investors, the situation in the capital market, etc.
 - (c) Liaise with the Company and employees for the Code of Conduct for Investor Relations to encourage the compliance among them.
 - 3.6.6 To stakeholders

Treat other stakeholders such as financial institutions and credit rating companies equally, providing information fairly. The exception is in case of business necessity. For example, to provide internal information as a supplementary document when applying for the loan from financial institutions, the Investor Relations shall proceed the document with carefulness and ask the reception of such document to sign the NDA.
4. The Investor Relations shall perform their duties with honesty and integrity, adhering to the principles of equality, no discrimination.
 - 4.1. Refrain from any actions that conflict with the corporate interest. For example, to use the Company's assets for personal benefit.
 - 4.2. Not seeking personal benefit from the relation and information received from performing duty as the Investor Relations.
 - 4.3. Follow policies and code of conduct of employees set forth by the Company.

Code of Conduct for Investor Relations was approved by the Board of Directors on February 25, 2016, which is an operational guideline for investor relations departments of the Company.

In addition, the Company's investor relations team, led by Mr. Paitoon Eiamsirikulmit, Vice President of Corporate Affairs, is responsible for communicating with shareholders, whether institutional or retail investors, as well as institutional analysts, setting up appointments for Company visits, setting up meetings with the Company's senior executives and disseminating corporate information, whether financial information or general information for shareholders, securities analysts and investors. The Company also provides a communication channel for investors through the Company's investor relations website. Over the past year, the Company participated in various activities with the Stock Exchange of Thailand, securities companies, and funds to provide interesting fund facts of the Company for investment purposes. The Company received good responses from both domestic and foreign investors. The Investor Relations Department submitted feedback and questions from the meetings with investors and analysts to the executive management of the Company to be aware of any concerns, comments, and recommendations.

Details of Investor Relations Activities in 2020

Due to the pandemic of coronavirus (Covid-19), the Company has refrained from holding a Company Visits from both institutional and retail investors, as well as institutional analysts, except for communications via conference call or other online channels. The Company also refrained from attending the SET's Opportunity Day event.

Supervision on the Use of Insider Information

The Company assigned directors and executives to report on their securities trading in order to prevent the use of the Company's insider information for personal trading benefits. The personal liability and punishment measures have been notified for their acknowledgement as well. In this regard, the Company established measures to prevent insider trading of related persons, which means that the Board of Directors, executives and employees in departments related to the Company's information (including spouses and children that are not of legal age of the said person) and prohibited related persons from trading the Company's securities within 30 days prior to the disclosure of the quarterly and annual financial statements. The Board of Directors and the Management Team of the Company reported the changes in securities holdings to the Office of Securities and Exchange Commission of Thailand in accordance with the specified rules and regulations for their acknowledgement.





MANAGEMENT STRUCTURE



MANAGEMENT STRUCTURE

Structure of the Board of Directors

The Board of Directors is responsible to shareholders in regards to carrying out the business operations of the Company to conform with the goals and guidelines which will generate the maximum benefit for shareholders by taking into account the benefits of all stakeholders. As of December 31, 2020, the Board of Directors consisted of 9 members which was comprised of;

- A. 2 executive directors
- B. 7 non-executive directors, in which 4 of the non-executive directors were independent directors.

An executive director refers to a director who participates in the management of the Company full time and receives monthly remuneration in the form of salaries and other remuneration equivalent to salary.

A non-executive director refers to a director who does not hold a management position and is not involved in the day-to-day management of the Company. They may or may not be an independent director.

The Board of Directors is comprised of executive directors and non-executive directors who have duties and responsibilities to carry out the business of the Company so that it is in compliance with the laws, objectives, regulations and resolutions of the Shareholders' Meeting. In regards to performing the duties, the Board of Directors may assign one or more directors or another person to perform any act on behalf of the Board. The Board of Directors must hold a Board Meeting every three (3) months. The directors who have signatory authority, according to the Company certificate, have authority to affix their signatures with the Company seal on any documents, instruments or other important documents that bind the Company. The Meeting of the Shareholders or the Board of Directors is able to make an amendment to change the names of the director who has signatory authority to bind the Company with the Company's seal. The Company prohibits directors from operating businesses of the same nature and competing with the business of the Company or being a partner in an ordinary partnership or a partner with no limited liability in a limited partnership, or being a director of a private company that operates a business of the same nature and is in competition with the business of the Company, unless the Shareholders'

Meeting is notified before there is a resolution to appoint a director. The director shall inform the Company without delay when the director is a stakeholder in any contract that the Company has made or holds shares or debentures in the Company and affiliated companies when the number of holding share increased or decreased as well as the specific management responsibilities.

The Article of Association of the Company determines that at every Annual General Meeting, at least one-third of the directors must vacate the position or if the number of directors cannot be divided equally into three parts, the number closest to one-third of the directors will retire in the first year and the second year after the Company was registered. Lots must be drawn in order to choose directors to vacate the position. In subsequent years, the directors who have held the positions the longest shall retire. However, retiring directors may be re-elected to the position.

In addition, the Board of Directors appoints subcommittees that consist of the Executive Committee, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee to perform specific duties and propose matters to the Board of Directors to consider or acknowledge. The said subcommittees have the rights and duties that are specified in the authority of each subcommittee.

Criteria for Consideration and Selection of Director Qualifications

Persons appointed to be on the Board of Directors must have the following qualifications:

1. There are no restrictions based on gender.
2. A person who does not have a tainted history and does not have any prohibited characteristics under the law and good corporate governance principles.
3. A person with vision and is able to look at the overall picture that is aligned with the Company's business strategy.
4. A person who relates well to others, is moral and has a suitable personality.
5. A person who is skilled in communicating effectively.
6. A person who has business ideas and systematic decisions.
7. A person who has knowledge and understanding in finance, commerce, or industry and has experience in business administration.

Criteria for the Selection of Directors

1. A person who meets the qualifications of a director.
2. The entire Board should have various expertise that is beneficial to the Company's direction and controls the Company's operations.

Diversity Policy in the Structure of the Board

The Board of Directors has a policy regarding the diversity of the structure of the Board of Directors. There are no restrictions related to education, gender, or specialization. Currently, the Board of Directors is comprised of 9 directors, 5 of which are female. The Board of Directors has expertise in operations related to the Company's business, whether finance, accounting, industry, engineering, sales and marketing, medicine, and agribusiness.

The Process for Selecting New Directors

The Board of Directors appoints the Nomination and Remuneration Committee to consider the selection of new directors. The Nomination and Remuneration Committee must consider the qualifications, experience, suitability and ability to perform the work consistent with the Company's business strategy as a Company director. This includes considering the diversity in the structure of the Board when proposing new directors and complies with the Public Limited Companies Act.

Organization of Board Meetings

The Management team will schedule meeting appointments for the Board of Directors and sub-committees a year in advance. The meeting agenda will be sent to the Board of Directors at least 7 days in advance so there is time to study the agenda information.

The Board of Directors

Currently, the Board of Directors consists of 9 members as follows:

1. Mrs. Chintana Boonyarat	Director / Chairman
2. Ms. Roongchat Boonyarat	Director / Chairman of the Executive Committee / Chief Executive Officer
3. Mr. Pichai Chirathivat	Director / Member of the Executive Committee
4. Mr. Kitti Vilaivarangkul	Director / Member of the Executive Committee / Member of the Risk Management Committee
5. Mr. Opas Lopansri	Director / Member of the Executive Committee / Chief Commercial Officer
6. Ms. Nattharin Taltong	Director / Independent Director / Chairman of Audit Committee / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee
7. Ms. Nart Fongsmut	Director / Independent Director / Chairman of the Nomination and Remuneration Committee/Member of the Audit Committee / Member of the Risk Management Committee
8. Mr. Arin Jira	Director / Independent Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee / Member of the Audit Committee
9. Ms. Supavadee Tantiganont	Director / Independent Director

Director Who Has Signatory Authority to Bind the Company

Directors who have signatory authority to sign on behalf of the Company:

1. Mrs. Chintana Boonyarat
2. Mr. Kitti Vilaivarangkul
3. Ms. Roongchat Boonyarat
4. Mr. Opas Lopansri

2 of these 4 directors must jointly affix their signature with the Company's seal.

Definition of Independent Directors

The definition of the Company's independent directors is in accordance with the regulations of the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

- 1) Hold no more than one percent of the total voting shares of the Company, the parent company, subsidiary, associated company, major shareholder, or be a controlling person of the Company. This includes the shareholding of related persons of the independent director.
- 2) Not being nor used to be a director who is involved in management, staff, employees, or advisors who receive a regular salary or a controlling person of the Company, parent company, subsidiary, associated company, same-level subsidiary company, major shareholder, or a controlling person of the Company unless the above characteristics have passed for more than 2 years.
- 3) Not being a person related by blood or by legal registration in the form of father, mother, spouse, sibling or child including the spouse of the children, executive, major shareholder, controlling person and the candidate to be an executive or the controlling person of the Company and subsidiaries.
- 4) Not having nor has had a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the Company in a manner that may obstruct the independent discretion of the independent directors. This includes neither being nor having been a major shareholder or controlling person of a person who has a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the Company unless the above characteristics have passed for more than 2 years.
- 5) Not being nor has been an auditor of the Company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the Company. Not being a major shareholder, controlling person, or partner of the audit firm which audits the Company, subsidiaries, associated companies, major shareholder, or controlling person of the Company unless the above characteristics have passed for more than 2 years.
- 6) Not being nor used to be a professional service provider which includes legal advisors or financial advisors that receive service fees of more than

Baht 2 million per year from the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company and is not a major shareholder, controlling person, or partner of that professional service provider unless the above characteristics have passed for more than 2 years.

- 7) Not being a director appointed to be a representative of the Company, major shareholder, or shareholder who is related to a major shareholder.
- 8) Not operating a business of the same nature nor being in competition with the business of the Company or subsidiary. Not being partner in a partnership or being a director that participates in management, employees, staff, or consultants who receive a regular salary or hold more than one percent of the total voting shares of other companies that operate a business of the same nature and not being in competition with the business of the Company or subsidiary.
- 9) Not having any characteristics that make them incapable of expressing independent opinions in regards to the Company's business affairs.

Criteria for the Selection of Independent Directors

- 1) A person who meets the qualifications of the committee.
- 2) A director who can perform the duties and express independent opinions, using their own discretion, and be ethical by adhering to the benefits of the organization and not only taking into account the benefits of the major shareholders, minor shareholders, or oneself.
- 3) Has all the complete qualifications as specified by the Stock Exchange of Thailand and adheres to the following practice guidelines:
 - Holds no more than 1% of the total voting shares of the Company, affiliated companies, associated companies, and is not a person with potential conflicts of interest (which includes related parties – under Section 258 of the securities law).
 - Does not participate in management and is not an employee, staff member, or consultant who receives a regular salary or a controlling person of the Company, affiliated companies, associated companies, or a person with possible conflicts of interest unless the person no longer receive any benefits in the aforementioned position for more than 2 years.

- Does not have a business relationship, nor benefits nor vested interests, whether directly or indirectly, both financially and in the management of the Company, affiliated companies, associated companies, or a person that may have characteristics that cause a lack of independence.
- Is not a close relative to any executives, major shareholders of the Company, affiliated company, associated company, or a person who may have a conflict and is not appointed as a representative to protect the benefits of the directors or major shareholders.
- Discloses any relationships that may cause a lack of independence to the Board of Directors.

In addition, the Company set the scope of duties and authority for the Board of Directors, sub-committees, the Chairman of the Board, and the Chief Executive Officer in writing in order to clearly define the scope of operations and responsibilities of each representative. This demonstrates that the Company is transparent, assigned duties and responsibilities clearly and systematically.

The Scope of Duties of the Board of Directors

1) The Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors has a duty to comply with the law, objectives, the Articles of Association of the Company, and the resolutions of the Shareholders' Meeting by performing their duties with honesty and cautiously protecting the benefits of shareholders and stakeholders whether in the short-term or long-term, and ensuring that the operations of the Company are in the direction that will bring maximum benefit to shareholders and stakeholders. The Board of Directors has a duty to appoint the Audit Committee and every sub-committee. The Board of Directors will oversee the establishment of the Company's vision, mission, strategy, goals, policies and annual budget. The Board of Directors will jointly review and give comments annually in order to understand the overall picture of the business together before considering approval and following up with management so that it is in accordance with the set goals in order to adhere to the guidelines of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

- 1.1. Review and provide guidelines for the Company's strategy, important operating plans, risk policy, annual budget, and business plan. Set performance

goals, observe the implementation, and supervise any important investment expenditures which includes joint ventures and business sales.

- 1.2. Select, set remuneration, assess the performance of executives on a regular basis (or remove if necessary), and review the succession plan to ensure continuity.
- 1.3. Review the remuneration of directors and executives. Ensure that the Board of Directors has a formal and transparent process for nominating directors.
- 1.4. Ensure that the accounting system, financial reporting and auditing are reliable. This includes supervising the process to have a sufficient internal control assessment, risk management, financial control, and legal compliance.
- 1.5. Monitor and manage conflicts of interest of the Management Team, the Board of Directors and shareholders. This includes misusing Company assets and inappropriate actions with related parties transactions.
- 1.6. Propose the appointment of suitable persons to be directors. Ensure that the structure and practices of the existing Board of Directors pave the way for appropriate corporate governance and ethical practices.
- 1.7. Directors are able to exercise discretion directly in the Company's business independently from the Management team and any other benefit groups. The directors must devote sufficient time and pay attention to the performance of duties according to their responsibilities.
- 1.8. Monitor and ensure that the Company's strategy is implemented in order to achieve the performance according to plan well.

2) The Board of Directors Meeting

The Board of Directors' Meeting is an important duty of the Board of Directors. The Board of Directors must regularly attend the Board Meetings in order to be informed and jointly make decisions on the Company's business operations. There will be at least 4 meetings each year. Each meeting will have clearly defined meeting agenda items. Special meetings may be held to consider matters of urgent importance.

The Company has a policy regarding the minimum quorum. When the Board of Directors resolves a resolution at the meeting, there must be no less than two-third of the directors in the Board Meeting. Senior executives of the Company may also attend the meeting in order to provide useful information and acknowledge policies directly.

In determining the agenda for the Meeting of the Board, the Executive Committee will consider the issues to be put into the agenda for the Board of Directors' Meeting. Every executive director is allowed to propose issues to be considered as an agenda item. They are also able to express opinions freely. The Company Secretary will compile the above matters into the agenda items for the Board of Directors' Meeting by proposing the agenda items to the Chairman of the Board of Directors to consider the approval and prepare the meeting invitation letter to call for the Board Meeting.

In the resolution of the Meeting of the Board of Directors, a majority vote in the minimum quorum at the time that the Board of Directors resolve a resolution in the meeting must be no less than two-third of the

directors. Each director has one vote. Directors with vested interests will not attend the Meeting or they shall waive their voting rights on the matter at the end of the Meeting. The Company Secretary has the responsibility to prepare the meeting minutes and submit them to the Chairman of the Board to consider and affix with a signature in order to be proposed to the Meeting for approval in the first agenda item of the next meeting. In this regard, the directors are able to express their opinions and request amendments to the meeting minutes so that they are as accurate as possible. The meeting minutes approved by the Meeting will be stored systematically as confidential documents and stored as electronic documents in order to conveniently search for references.

Meeting Schedule 2020 @ Malee Group Public Company Limited

MONTH TIME	AUDIT COMIITTEE MEETING (ACM) (10.00 - 12.00)	BOARD OF DIRECTOR (BOD) (10.00 - 12.00)	RISK MGMT MEETING (RCM) (14.00 - 17.00)	EXECUTIVE COM. MEETING (EX.COM) (11.00 - 12.00)	MANAGEMENT MEETING (MM) (13.00 - OPEN)	ANNUAL GENERAL MEETING (AGM) 2020
January				Fri. 17		
February	Tue.25 (9.00 - 11.00)	Tue.25 (11.00 - 12.00)		Fri. 14		
March			Fri. 20	Fri. 13		
April				Fri. 17		Mon 20
May	Thu.14 (9.00 - 11.00)	Thu.14 (11.00 - 12.00)		Fri. 15		
June			Fri. 19	Fri. 12		
July				Fri. 17		
August	Fri. 14 (9.00 - 11.00)	Fri. 14 (11.00 - 12.00)		Fri. 14		
September			Fri. 18	Fri. 11		
October				Fri. 16		
November	Tue. 10 (09.00-11.00)	Tue.10 (11.00-12.00)		Fri. 13		
December			Fri. 18	Fri. 11		

Remark: For The meeting of ACM & BOD, there is a limitation on the date of submission of financial statements to SET/SEC by

- Annually financial statement sent not later than 28 Feb.
- Quarterly financial statements sent no later than 14th (May / Aug / Nov)

3) Meetings of the Non-Executive Directors

In addition, the Company has a policy for non-executive directors and non-executive committees to have a joint meeting at least once a year for the purpose of providing non-executive directors and non-executive committees the opportunity to hold meetings among themselves in order to discuss various issues of interest to the Company's business without executive management or the Management team joining; for example, management strategy, sustainable growth guidelines as well as risk management regarding disruptive business

trends. In 2020, non-executive directors held 3 meetings. The first meeting was held on February 25, 2020, the second meeting was held on May 14, 2020 and the third meeting was held on August 14, 2020.

4) Orientation for New Directors

In regards to duty performance of the Board of Directors, directors should be aware of the nature of the Company's business. Therefore, in the event that there are changes or there are new directors, the Company will organize an orientation for new directors

in order to advise the new directors regarding the nature of business and operational guidelines of the Company as a whole. This includes providing important and necessary information for the performance of duties of directors and good corporate governance guidelines. The Company Secretary is the orientation arrangement coordinator.

5) Policy on Limiting the Number of Companies and Terms of Director

The Company has a policy that directors of the Company cannot hold positions in more than 5 listed companies without any exception. Currently, all of the Company's directors hold positions in no more than 5 listed companies. In addition, the Company has a policy that prohibits the Chief Executive Officer from being a director in other companies that operate business of the same or similar nature, except for associated companies and/or subsidiaries and/or affiliated companies to ensure that no conflicts of interest will occur. Independent directors are able to hold a position consecutively for no more than 9 years without exception. The Board of Directors considers that the policy regarding the term of independent directors is appropriate in regards to the continuous performance duties of directors because recruiting suitable persons takes time.

6) Succession Plan

The Company foresees the necessity and importance of having a succession plan. The Company therefore has a succession plan that covers important executive positions by selecting persons who will perform duties of the said executive position, provide training in order to prepare the successor to be able to perform duties in the position in the future. This also ensures that the Company will have executives who are knowledgeable and able to inherit important positions in the future.

Terms of Office of Directors

At each Annual General Meeting of the Shareholders, one-third of the directors shall leave their positions. If their number is not a multiple of three, the number nearest to one-third must retire from office. The retired directors may be re-elected.

A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by Public Company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the

designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

Non-Executive Directors that hold Positions in More than 5 Other Listed Companies

None of the directors holds a position in more than 5 other listed companies.

Recruitment of Directors and Executives

The appointment of the Company's directors shall be made in the Shareholders' Meeting in which a person that holds the position of director of the Company must be qualified and must not have any prohibited characteristics that are specified by law. The Board of Directors must have at least five (5) elected directors at the Shareholders' Meeting in accordance with the following criteria and methods:

- 1) Each shareholder has a vote, one vote per share.
- 2) For the selection of directors, a voting method may be used to select directors individually, one person at a time, or many directors at one time as the Shareholder Meeting deems appropriate. For each resolution, the shareholders must cast all the votes in accordance with clause 1, the votes cannot be divided to any other person.
- 3) The persons that receive the most votes in descending order will be selected as director equal to the required number of directors that should be elected at that time. In the event that the next elected person has an equal number of votes and is more than the number of directors that should be elected at that time, the Chairman of the Meeting shall cast the deciding vote.

The Clear Separation of Duties between the Board of Directors and the Management Team

The Chairman of the Board of Directors is a non-executive director and is not the same person as the Chief Executive Officer. The Chairman of the Board is a leader that plays an important role in making decisions about policies, providing support and advice regarding the business operations to the Management Team without interfering with the work routines which are the responsibility of the Management Team. The duties and responsibilities are clearly determined as follows:

Roles and Responsibilities of the Chairman of the Board of Directors

1. Responsible as the leader of the Board of Directors to supervise, monitor and oversee business management of the Executive Committee and other sub-committees in order to achieve the objectives as planned.
2. Call for Board meetings and the Meeting of the Shareholders, take part in establishing regulations and the Meeting agenda with the president of the Company.
3. Be the Chairman of the Meeting of the Board and in the case of an equal number of votes, the Chairman of the Board of Directors will have an additional vote to be the deciding vote.
4. Be the Chairman of the Shareholders' Meeting who has a role in controlling the Meeting so that it is effective and in compliance with the Company's Articles of Association and also supports and allows shareholders to freely express opinions.
5. Has a duty to supervise the use of policies and strategic operating guidelines for the Management Team. This includes giving advice and supporting business operations of the Management Team but does not participate in the Company's routine management.

Roles and Responsibilities of the Management Team

1. Responsible for managing the business in accordance with the policies, strategic goals, and laws and regulations set by the Board of Directors.
2. Report the progress of the operations, strategic plans, and the Company's operating performance. This includes the significant operating performances of the subsidiaries to the Board of Directors on a quarterly basis.
3. In matters related to third parties, the Management Team is a representative of the Company. The Management Team may assign any person to perform certain activities on their behalf without violating any rules or regulations set by the Board of Directors.

The Board of Directors Authorized the Management Team to operate assigned business in accordance with the Delegation of Authority Manual. For Example:

- Approve investments in new businesses, joint ventures or any other projects that have the purpose of profit and loss sharing or investing in other businesses, except in the case that the required investment exceeds the credit limit of Baht 10 million, this must be approved by the Board of Directors.
- Disposal of assets that is not normal business trading to third parties (according to the market price) such as land and/or buildings or other assets, except in the case that it requires more than the credit limit of Baht 10 million, this must be approved by the Board of Directors.
- Procure/purchase capital expenditures in accordance with the budget.

The Sub-Committees Consist of:

The Audit Committee

Ms. Nattharin Talthong	Chairman of the Audit Committee
Ms. Nart Fongsmut	Member of the Audit Committee
Mr. Arin Jira	Member of the Audit Committee

The Audit Committee consists of 3 independent directors, all of whom have knowledge, understanding and work experience. Ms. Nattharin Talthong, Chairman of the Audit Committee, is knowledgeable, has expertise and experience in business administration, as well as expertise in accounting and finance, and is a qualified person for the Market for Alternative Investment (MAI). The Audit Committee is responsible for reviewing the Company so that it has accurate and sufficient financial reports, internal control systems, and an internal audit system that is suitable and effective.

In 2020, the Audit Committee held 4 meetings.

The Scope of Duties and Responsibilities of the Audit Committee

- 1) Review the quarterly financial statements and the annual financial statements. Collaborate with the auditors and relevant executives to propose them to the Board of Directors. Oversee the Company's financial reports so that they are accurate, complete, sufficient, and reliable.
- 2) Review to ensure that the Company complies with the requirements and the laws on securities and the Stock Exchange of Thailand.
- 3) Consider the disclosure of information which includes related parties transactions or transactions that may have a conflict of interest.
- 4) Ensure that the Company has an appropriate and effective internal control system.
- 5) Consider selection/appointment/removal and propose the auditor's remuneration.
- 6) Review the adequacy of the internal control system and continually monitor significant risk management
- 7) Consider the independence of the internal audit department, to approve the appointment/ transfer/ dismissal of the Head of the Internal Audit Department
- 8) Review the process to prevent the occurrence of corruption by having strict internal control measures that are suitable. The Company is a part of Thai Private Sector Collective Action Coalition Against Corruption (CAC).

The Executive Committee

Ms. Roongchat Boonyarat	Chairman of the Executive Committee
Mr. Pichai Chirathivat	Member of the Executive Committee
Mr. Kittti Vilaivarangkul	Member of the Executive Committee
Mr. Opas Lopansri	Member of the Executive Committee

The Scope of Duties and Responsibilities of the Executive Committee

- 1) Assist the Board of Directors in management by having strategies and policies to achieve the goals as approved by the Board of Directors.
- 2) Consider the Company's annual budget before proposing it to the Meeting of the Board of Directors for approval.
- 3) Prepare and propose strategies, business plans and operations to the Board of Directors for approval.
- 4) Consider starting new business operations of the Company in order to be in compliance with the Company's policies before proposing them to the Meeting of the Board of Directors for approval.
- 5) Periodically review the business operations, both normal and non-normal transactions of each business line.
- 6) Hold a meeting every month to review and comment on the monthly profit and loss report that is prepared by executive management and perform any other duties assigned by the Board of Directors and the Executive Committee deems appropriate.

In 2020, the Executive Committee held 12 meetings.

Nomination and Remuneration Committee

Ms. Nart Fongsmut	Chairman of the Nomination and Remuneration Committee
Ms. Nattharin Talthong	Member of the Nomination and Remuneration Committee
Mr. Arin Jira	Member of the Nomination and Remuneration Committee

The Chairman and members of the Nomination and Remuneration Committee are independent directors of the Company. The entire committee or 100% of the Audit Committee Board are independent directors which is in accordance with the good corporate governance principles and ASEAN CG.

The Scope of Duties of the Nomination and Remuneration Committee

- 1) Consider the selection and screen suitable persons to be directors and propose them to the Board of Directors in order to nominate them to the Shareholders' Meeting for an appointment of the position.
- 2) Consider the selection and screen suitable persons to be the CEO and propose them to the Board of Directors for approval.
- 3) Propose guidelines for determining the remuneration criteria for the Company's executives at the management level.
- 4) Consider and screen the directors' remuneration rate to be proposed to the Board of Directors for approval at the Shareholders' Meeting.
- 5) Propose guidelines for issuing warrants to purchase shares of directors and employees. Propose them to the Company's Board of Directors, shareholders and the SEC for approval.

- 6) Consider the allocation of warrants for directors and employees that have been approved to be directors and employees to be in accordance with the objectives of the project.

In 2020, the Nomination and Remuneration Committee held 1 meeting.

Policy to Determine Remuneration of the Company

1. Compare references from the other businesses of the same industry.
2. Consider business expansion and the operating performance of the Company and its subsidiaries.
3. Consider the duties and responsibilities of each committee

The Remuneration Structure for Directors

1. Meeting attendance fee per meeting
2. Quarterly meeting attendance fee

Note: In addition to the directors' remuneration mentioned above, non-executive directors also received other benefits which included expenses from attending IOD training courses and other institutions related to the duties of directors. But there is no other compensation such as bonus, pension, except for the chairman of the board of directors who has a fixed vehicle.

Risk Management Committee

Mr. Arin Jira	Chairman of the Risk Management Committee
Mr. Kitti Vilaivarangkul	Member of the Risk Management Committee
Ms. Nattharin Talthong	Member of the Risk Management Committee
Ms. Nart Fongsmut	Member of the Risk Management Committee

The Scope of Duties and Responsibilities of the Risk Management Committee

- 1) Assist the Board of Directors in risk management by having strategies and measures to control risk.
- 2) Review various risk that is related to the Company's business. Set acceptable risk limits and control the risk effectively.
- 3) Collaborate with the Management Team to review strategies, pattern and procedures in the operations that reduce the major risk of the Company.
- 4) Review the Management Team's report on implemented procedures in order to supervise and control various risk of the Company.
- 5) Perform other duties as assigned by the Board of Directors and the Risk Management Committee deems appropriate.

In 2020, the Risk Management Committee held 4 meetings.

Information regarding the Attendance of the Board's Development and Training in the Past Year

The Board of Directors were well aware of the importance of developing the Company's human resources. The Board of Directors has a duty to establish the Company's policies, vision and business direction, therefore, it is important for company directors to continually develop their knowledge in terms of knowledge for being a Company director and knowledge related to the operations of the Company. In 2020, the Board of Directors attended the following training:

Director	Course and Number of Hours Attended	Training Institute
Mr. Pichai Chirathivat	Director Accreditation Program DAP 169/2020	Thai Institute of Directors Association (IOD)
Ms. Natthalin Talthong	The Executive Program in Energy Literacy for a Sustainable Future (TEA15), Thailand	Thailand Energy Academy

Company Secretary

According to the Securities and Exchange Act, No.4, B.E. 2551, Section 89/15, the Board of Directors must have a Company Secretary who is responsible for the operations of the Company on behalf of the Company or the Board of Directors. The Company appointed a person who has appropriate qualifications and experience to be the Company Secretary. The Board of Directors appointed Mr. Paitoon Eiamsirikulmit to be the Company Secretary since May 13, 2013. The Company Secretary has the following qualifications, attributes, duty and responsibilities as follows:

Qualifications and Attributes

- Bachelor's degree
- Knowledge of various legal principles related to the Company and the SEC
- Good human relations and ability to communicate well
- Knowledge of corporate governance

The Scope of Duties and Responsibilities for the Company Secretary

- 1) Be a consultant and secretary of the Board of Directors and subcommittees.
- 2) Be the center of communication between the Board of Directors, executives, shareholders and supervisory agencies.
- 3) Prepare and maintain the following documents:
 - Director registration
 - Meeting invitation letter to the Board of Directors' Meeting, minutes of the Board of Directors' Meeting and the Company's annual report
 - Meeting invitation letter to the Shareholders' Meeting and minutes of the Shareholders' Meeting
- 4) Keep vested interests report which is reported by the directors or executives.
- 5) Carry out other tasks as specified by the Capital Market Supervisory Board.
- 6) Oversee the disclosure of information and report to be in accordance with relevant laws and regulations and good corporate governance.

Chief Executive Officer (CEO)

According to the Company's regulations, Chairman of the Executive Committee must also takes the position of Chief Executive Officer.

The Scope of Duties and Responsibilities of the Chief Executive Officer (CEO)

1. Be responsible for determining the Company's business strategy, supervising the business operations and routine management in accordance with the Company policy to achieve the target efficiently, and to conform with the guidelines that the Board of Directors and/or the Executive Committee specify.
2. Coordinate with the head of the internal audit department and the Risk Management Committee to conduct business and manage risks of the Company to be in compliance with the objectives and the Article of Association of the Company as well as the resolutions of the Shareholders' Meeting and the Board of Directors. This includes the Company policies and good governance principles.
3. Supervise, oversee and support human resource management to be efficient and in line with the Company's business direction which includes the authority and responsibility.
4. Consider and approve payment for business transactions of the Company within the credit limit specified by the Board of Directors.
5. Assign a person or multiple persons to perform any act deemed appropriate on his/her behalf within the scope of authority granted. The said assignment must not contradict or conflict with the orders stipulated by the Board of Directors and/or the Executive Committee.
6. Have other authorities as specified by the performance rules. This includes the operational authority of the Company as assigned by the Meeting of the Board of Directors and/or the Executive Committee.

In this regard, the approval of the above transactions must not have the characteristic of transaction engagement that the Chief Executive Officer or the authorized person appointed by the Chief Executive Officer able to approve the transaction they may have a conflict of interest, or vested interests, or a conflict of interest with the Company or subsidiary. The approval of such transactions must be proposed to the Audit Committee Meeting and/or the Executive Board Meeting

and/or the Meeting of the Board of Directors and/or the Meeting of the Shareholders (as the case may be) in order to consider and approve such transaction in accordance with the Article of Association of the Company, subsidiary or related laws.

The Board of Directors set the operational goals of the Chief Executive Officer and executives and provide performance assessment for the Chief Executive Officer and executives on a yearly basis. The Chief Executive Officer evaluates the performance of the executives from the level of the Chief Executive Officer downwards respectively by using the goals and evaluation criteria that are linked to the annual strategic plan and operational plan in order to determine the remuneration and the suitable incentive measures by requesting the approval from the Executive Committee Meeting and/or the Board of Directors, as the case may be.

The Remuneration of Directors and Executives

- 1) The total remuneration of a total of 9 directors for the year 2020 was 3,980,000 Baht. The details are shown in "The Company's committee, number of meeting attendance and meeting allowance for the year 2020" table.
- 2) The total remuneration for 18 executive committee and executives in 2020 was 57,147,511.27 Baht.

Remuneration for the Chief Executive Officer (CEO)

The Nomination and Remuneration Committee considered the remuneration rate and other benefits with senior executives to request approval from the Meeting of the Board of Directors. The Company's remuneration for the Chief Executive Officer (CEO) consists of salary, a Company vehicle along with a driver, Company welfare, provident fund and bonuses which depends on the Company's operating performance.

Other Remuneration

The provident fund for 15 executives in 2020 totaled 1,243,592.65 Baht.

(As of December 31, 2020, 18 executives and 2 directors were included.)

DIRECTOR'S REMUNERATION

Name/Position		Year of Tenure	Number of Meeting Attendance						Meeting attendance rate	Meeting Allowance					Total
			BOD	AC	EXCOM	RM	NR	BOD		AC	EXCOM	RM	NR		
1	Mrs. Chintana Boonyarat	-	Chairman of the Board of Directors	4/4	-	-	-	-	100%	320,000	-	-	-	-	320,000
2	Mr. Kitti Vilaivarangkul	-	Director	4/4	-	12/12	4/4	-	100%	200,000	-	240,000	40,000	-	480,000
		-	Member of the Executive Committee												
		-	Member of the Risk Management Committee												
3	Mr. Pichai Chirathivat	-	Director	4/4	-	12/12	-	-	100%	200,000	-	240,000	-	-	440,000
		-	Member of the Executive Committee												
4	Ms. Roongchat Boonyarat	-	Director	4/4	-	12/12	-	-	100%	200,000	-	480,000	-	-	680,000
		-	Chairman of the Executive Committee												
5	Mr. Opas Lopansri	-	Director	4/4	-	12/12	-	-	100%	200,000	-	240,000	-	-	440,000
		-	Member of the Executive Committee												
6	Ms. Nattharin Talthong	-	Independent Director	4/4	4/4	-	4/4	1/1	100%	200,000	260,000	-	40,000	10,000	510,000
		-	Chairman of the Audit Committee												
		-	Member of the Risk Management Committee												
		-	Member of the Nominating and Remuneration Committee												
7	Ms. Nart Fongsmut	-	Independent Director	4/4	4/4	-	4/4	1/1	100%	200,000	180,000	-	40,000	20,000	440,000
		-	Chairman of the Nominating and Remuneration Committee												
		-	Member of the Audit Committee												
		-	Member of the Risk Management Committee												
8	Mr. Arin Jira	-	Independent Director	4/4	4/4	-	4/4	1/1	100%	200,000	180,000	-	80,000	10,000	470,000
		-	Chairman of the Risk Management Committee												
		-	Member of the Audit Committee												
		-	Member of the Nominating and Remuneration Committee												
9	Ms. Supavadee Tantayanon	-	Independent Director	4/4	-	-	-	-	100%	200,000	-	-	-	-	200,000
Total									100%	1,920,000	620,000	1,200,000	200,000	40,000	3,980,000

Number of Training Hours for Executives and Employees

The Board of Directors and executives of the Company recognize the importance of human resource development. In 2020, the Company provided the following training hours for executives and employees:

Average Number of Training Hours/ Person/Year

Training Hours for Executives	7 hours
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Training Hours for Employees	6 hours
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Remuneration for Employees

The Company has a policy to pay remuneration to employees by considering appropriate and fair amount in accordance with the knowledge, capability, and performance of each employee and in accordance with the remuneration average rate of other business in the same industry. This must be suitable for business expansion and the growth of the Company as well.

In regards to the short-term remuneration, the Company pays remuneration to employees in various ways such as salaries, bonuses, overtime pay and other remuneration which includes transportation costs and telephone costs to perform duties, etc. In this regard, the remuneration of the employees will depend on the performance measurement of the employees at all

levels in the form of the Performance Index or Key Performance Indicator (KPI) and other measuring tools in which the supervisor must evaluate each employee. The increase of salary and annual bonus payments are based on the performance result of the assessment or KPI and other measuring tools each year.

In regards to long-term remuneration, the Company established a provident fund for everyone in the organization. The Malee Sampran Savings Cooperative Limited was also established to save money and alleviate the suffering of employees who are members of the cooperative in the case where it is necessary to use money for personal reasons.

This also includes the policy to increase the competitiveness of the Company Group to retain and motivate talented employees by offering benefits in the form of rewards. This includes promotions for the work accomplished in the past year in order to motivate and create incentives for future work at the organizational and employee levels.

Details of remuneration for employees (excluding executives) in monetary form for the year 2020 can be summarized as follows:

Type of Remuneration

Remuneration (Million Baht)

Total Salary	371.34
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Rewards	4.04
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Provident Fund Contribution	6.60
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Social Security Contribution	7.38
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Workmen's Compensation Fund Contribution	0.32
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Overtime Pay	23.08
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TOTAL	412.76
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Assessment of Directors' Performance in 2020

Malee Group Public Limited Company conducted a self-assessment of the Board of Directors. The assessment form was taken from the sample of the Board's self-assessment form of the Governance Development Department for the Capital Market and the Stock

Exchange of Thailand, which was prepared in February 2015. This was in line with the good corporate governance principles by using the evaluation results to improve the performance of the committee. There were 4 types of assessment forms which consist of:

- Self-assessment form for the entire Board of Directors
- Self-assessment form for the entire Board of Sub-Committee
- Self-assessment form for individual director
- Performance evaluation form of the Chief

Chief Executive Officer (CEO)

The evaluation criteria was calculated as a percentage from the full scores in each item as follows:

- More than 90% = excellent
- More than 80% = very good
- More than 70% = good
- More than 60% = Fair
- Less than 60% = should be improved

The Company Secretary delivered and coordinated the self-assessments of the Boards based on the evaluation form. This included collecting evaluation data. The operating period is January of each year.

In summary, the evaluation results are as follows:

1. The Board of Directors' performance evaluation form consisted of 4 topics which were the structure and qualifications of the board, Board meetings, roles and responsibilities of the Board, and other matters such as relations with the Management Team and self-development of the directors.
The summary of the evaluation of the entire Board of Directors in the 4 topics as a whole indicated that most of the operations were excellent, with an average score of 96.6%.
2. The performance evaluation form of each sub-committee consisted of 3 topics, namely the structure and qualifications of the committee, the Board Meeting and the roles and responsibilities of the committee.

The summary of the evaluation results of the sub-committees in each group was as follows:

- 2.1 The Executive Committee was of the opinion that most of the operations were excellent with an average score of 100%.
- 2.2 The Audit Committee was of the opinion that most of the operations were excellent with an average score of 98.8%.
- 2.3 The Risk Management Committee was of the opinion that most of the operations were excellent with an average score of 100%.
- 2.4 The Nomination and Remuneration Committee was of the opinion that most of the operations were excellent with an average score of 100%.
3. Performance Evaluation form for individual director consisted of 3 topics which were the structure and qualifications of the Board, the Board Meeting, and the roles and responsibilities of the Board.

The summary of the result of individual director assessment in these 3 topics indicated that most directors regularly practice them with an average score of 96.5%, which was an excellent level.

4. The performance evaluation form of the Chief Executive Officer (CEO) consisted of 10 topics which included leadership, strategic formulation, strategic implementation, financial planning and performance, board relations, external relationships, management and relationship with personnel, succession, product and service knowledge, and personal characteristics.

The summary of the performance evaluation of the Chief Executive Officer (CEO) for the 10 topics overall indicated that the average score of 89.1%, which was an excellent level.

Remuneration of the Auditor

The remuneration for the auditor for 2019 compared to 2020. The details are as follows:

	2019	2020
1. Audit Fee for the Company	2,345,000 Baht	3,310,000 Baht
2. Other Fees	–	–
Total	2,345,000 Baht	3,310,000 Baht

Note: * This did not include other remuneration such as transportation costs for business operation in other provinces or accommodation costs in other provinces.

** Annual Audit Fee, Non-Audit Fee – None –

The auditor of the Company was independent and did not have any connections or conflicts of interest with the Company.

Supervision of Conflicts of Interest

The Company emphasizes the importance of considering transactions with transparency and the best interests of the Company. Therefore, it is important to prevent transactions that may have a conflict of interest. The policy of related transactions, or related parties transactions can be summarized as follows:

- 1) Executives and employees must comply with the Company's Code of Conduct. This is an important matter that must be strictly observed in order to be credible and trusted by all stakeholders. Dissemination of information is arranged so that employees throughout the Company understand and practice accordingly.
- 2) Company directors and executives must inform the Company of any relationships or related parties transactions in the business that may cause conflicts of interest.
- 3) Related transactions must be presented to the Audit Committee for comment before being proposed to the Board of Directors for approval. This is in accordance with the good corporate governance principles. Supervise the compliance with the rules and regulations prescribed by the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

Supervision on the Use of Insider Information

The Board of Directors recognizes the importance of good corporate governance. In order to be transparent and prevent the pursuit of personal benefits from the use of the Company's insider information that has not been disclosed to the public, the Company set the policy for using the Company's insider information as follows:

1. Provide knowledge to directors and executives which include executives in accounting or finance at the level of department manager or equivalent or higher in regards to the duty to prepare and submit a report on the securities holding of one's own, spouse and children are not yet of legal age to the Office of the Securities and Exchange Commission under Section 59 and Penalty Section 275 of the Securities and Exchange Act B.E. 2535.

2. Require that directors and executives, including management positions in accounting or finance that are department managers or equivalent or higher, prepare and submit a report on the securities holdings of one's own, spouse and children who are not yet of legal age and passing it on to the Company Secretary before submitting it to the Office of the Securities and Exchange Commission every time. This must be prepared and delivered within 30 days from the date that one was appointed as director or executive, report the change of securities holding (if any) and prepare the report of securities holding if there are any changes to securities holding within 3 business days.
3. Establish disciplinary penalties for violating the use of insider information for personal gain. Penalties may be a warning in written form, a wage cut, a temporary suspension without wages, discharge or to the extent permitted by law. The punishment is based on the intent of the action and the seriousness of the offense. In regards to the securities holdings report, the Company Secretary compiles the securities holdings information of the directors and executives including spouses and children who have not yet become sui juris and inform the Board of Directors for acknowledgement every quarter.

Internal Audit Department

The Company has its own internal audit department in which Ms. Pornmanee Kaewjairak is the Section Manager of the Internal Audit Department in 2020 who reports to the Audit Committee directly.

Despite that some items have not been observed, the Board of Directors can consider and determine appropriate guidelines for action in accordance with the nature of business and corporate culture. The important cases are as follows:

Item that was not observed	Reason/Guidelines
1. The Meetings of the Board of Directors should be held no less than 6 times per year	The Board of Directors appointed the Executive Committee to closely supervise and be a consultant to the Management Team regarding the business operations of the Company and to approve matters in accordance with the delegation of authority manual. The Executive Committee holds meetings on a monthly basis in accordance with the meeting schedule that was set in advance throughout the year and at least 10 meeting per year as stated in the Company Articles of Association.
2. The Chairman of the Board of Directors is not an independent director	–
3. The Board of Directors should use a Professional Search Firm or Director Pool for the recruitment of new directors	The Board of Directors assigned the Nomination Committee, which consists of experts from various professions, to consider and screen in accordance with the process and criteria for the selection of directors of the Company, to nominate persons with qualifications, attributes, and experience suitable for the position of the Company's director. Therefore, it can be considered that the Company has appropriate and effective procedures to recruit new directors.
4. The Board of Directors should consist of more than 50% Independent Directors	The Board of Directors consists of well –qualified members who have qualifications, various abilities and experience. The Board of Directors consists of 4 Independent Directors of a total of 9 Directors. This is considered to be appropriate proportion for the duties and responsibilities of the Board of Directors.
5. Set policies for the Board of Directors to notify buying/selling shares 1 day in advance prior to the date of buying/selling share.	The Company announced a "Blackout Period" to the Board of Directors, executives and employees of the Company involved in the Company's operating performance to prohibit buying/selling shares 30 days in advance prior to the date of the announcement of the operating performance in each quarter.
6. Good Corporate Governance Committee	In process of considerations



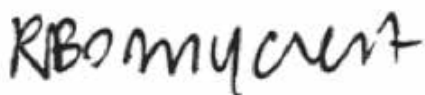
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS



The Board of Directors is responsible for the financial statements of Malee Group Public Company Limited and its financial information as appeared in the Annual Report 2020. The Company's financial statements have been prepared under generally accepted accounting principles and standards, under and adhered to appropriate accounting policies with prudence and rationality. All material information has been sufficiently disclosed in the notes to financial statements. The Board of Directors has run and maintained appropriate risk management while using the internal control system to ensure accurate and comprehensive financial records on a daily basis in accordance with the applicable laws and regulations.

In this regard, the Board of Directors has appointed the Audit Committee, which consists of Non-Executive Director and Independent Directors, to oversee and review the financial statements to ensure the reliability and accuracy. The Audit Committee has expressed its opinion regarding the aforementioned matters in the report of the Audit Committee included in the Annual Report 2020.

The Board of Directors has determined that internal control system of Malee Group Public Company Limited has been effective and allowed assurance that the financial statements as of December 31, 2020 of which is reviewed by the Company's auditor under generally accepted accounting standards, are reliable and are in accordance with generally accepted accounting principles and all relevant and applicable rules and regulations.



(Ms. Roongchat Boonyarat)
Chief Executive Officer



(Mr. Kitti Vilaivarangkul)
Member of the Executive
Committee



AUDIT COMMITTEE REPORT



The Audit Committee of Malee Group Public Company Limited is comprised of 3 Independent Directors who are qualified and independent in accordance with the regulations of the Stock Exchange of Thailand. Ms. Nattharin Talthong is the Chairman of the Audit Committee, Ms. Nart Fongsmut and Mr. Arin Jira are members of the Audit Committee.

In 2020, the Audit Committee held 4 meetings with certified auditors, the Internal Audit Office, and Company executives. The Audit Committee performed its duties in accordance with the policies of the Board of Directors and the assigned responsibilities which were in accordance with the rules and regulations of the Stock Exchange of Thailand. The summary of the operating performance of the Audit Committee in 2020 is as follows:

1. Reviewed the Accuracy of the Financial Reports and Disclosed Sufficient Information

The Audit Committee reviewed the quarterly financial statements and the Company's financial statements for the year 2020 to ensure that the financial report, and related parties transactions between the Company and any related parties disclosed important information correctly and with credibility. The report was proposed to the Board of Directors for approval. The Audit Committee invited certified auditors and relevant executives to attend the meeting on the relevant agenda items in order to inquire about significant issues regarding the preparation of the financial reporting so that it was in accordance with the financial reporting standards. This included interpretations and accounting practice guidelines issued by the Federation of Accounting Professions. The Audit Committee found that the Company's financial statements were prepared in accordance with the generally accepted accounting principles and the information was disclosed sufficiently, completely and reliably.

2. Reviewed the Adequacy and Appropriateness of the Internal Control System.

The Audit Committee considered the audit plan for 2020 and reviewed the adequacy and suitability of the internal control system based on the audit performance report and the improvement plan from the Management team. The Audit Committee promoted and pushed the operations of the internal auditing to be in accordance with the audit plan and in accordance with international standards. The Audit Committee found that the Company had an appropriate and effective internal control system and no significant defects that may cause any material effects were found.

3. Reviewed Regulatory Compliance

The Audit Committee strictly and consistently supervised the operations of the Company and found that the Company fully complied with securities and the stock exchange laws, the requirements of the Stock Exchange of Thailand, and any laws related to the Company's business.

4. Considered the Suitability of the Auditor

The Audit Committee considered, selected, and proposed the appointment of auditors and the remuneration of the Company's auditors for 2021 to the Board of Directors.

5. Considered Related Parties Transactions

The Audit Committee considered the disclosure of accurate and complete related parties transactions or conflict of interest transactions in accordance with the laws and the requirements of the Stock Exchange of Thailand.

6. Reviewed the Risk Management Process

In addition, the Audit Committee reviewed the risk management process by appointing Mr. Arin Jira as Chairman of the Risk Management Committee. The Audit Committee found that the Company had a risk management system and gave helpful suggestions in order to reduce risk. In the overall evaluation, the Audit Committee sufficiently performed the duties and responsibilities as specified in the Audit Committee Charter by using sufficient knowledge and ability, prudence, and independence.

7. Reviewed the Good Corporate Governance

The Audit Committee monitored the progress of the processes and procedures to promote the implementation of all types of anti-corruption policies throughout the organization. This was done by considering the action plan to request certification after the Company announced its intention to be part of the Thailand's Private Sector Collective Action against Corruption Collective Action. The Board of the Audit Committee was of the opinion that the good corporate governance guidelines were appropriate.

Due to the above practices, the Audit Committee is of the opinion that for the year 2020, the Company prepared accurate financial reports in accordance with the generally accepted accounting standards and disclosed sufficient, complete and reliable information. The Company had an internal control system and an internal audit and complied with relevant laws and regulations. The appointment of an auditor, the consideration of related parties transactions, the review of risk management and the operations were consistent with good and sustainable governance systems.

On behalf of the Audit Committee,



(Ms. Nattharin Talthong)
Chairman of the Audit Committee
February 22, 2021



RISK MANAGEMENT COMMITTEE REPORT



The Board of Directors was aware of the importance of risk management, which enables the Company to operate business continually. Therefore, the Risk Management Committee was appointed by the Meeting of the Board of Directors No. 2/2020 which was held on May 14, 2020. The Risk Management Committee is comprised of 4 directors:

1. Mr. Arin Jira	Chairman of the Risk Management Committee
2. Ms. Nattharin Talthong	Member of the Risk Management Committee
3. Ms. Nart Fongsamut	Member of the Risk Management Committee
4. Mr. Kittti Wilaivarangkul	Member of the Risk Management Committee

The Risk Management Committee has the duties to consider and scrutinize major risk and the overall risk management of the Company to be efficient and effective. In 2020, the Risk Management Committee held 4 meetings to consider the following important matters:

- To consider reviewing formulated strategies, organizational risk management activities and measures to control risk to be more appropriate with the situations, especially during the pandemic of Covid-19.
- Consider and approve the annual corporate risk management plan that was proposed by the risk management working group. This covered strategic risk, operational risk, financial risk, and regulatory compliance risk.
- Monitor and evaluate the implementation of the risk management plan. If any risk increased or changed from before, the problem could be resolved in a timely manner along with the guidelines to determine the control measures or alleviate risk that may occur immediately.
- Support and create a risk management culture within the organization so that employees at all levels are involved in risk management in which they are responsible.
- Report the risk management results of the organization to the Audit Committee for acknowledgment.

According to the above operations, the Risk Management Committee is confident that the Company managed risks continually and effectively. This is consistent with the principles and practice guidelines of Good Corporate Governance. This was done by taking into account all of the stakeholders in the business operations in order to promote the stability of the Company. The Company had a sufficient internal control system that was suitable for the business and complied with the laws and regulations correctly and completely.

On behalf of the Risk Management Committee



(Mr. Arin Jira)
Chairman of the Risk Management Committee
February 22, 2021



EXECUTIVE COMMITTEE REPORT



The Executive Committee of Malee Group Public Company Limited was appointed from the Board of Directors Meeting No. 2/2020 which was held on May 14, 2020. The Executive Committee is comprised of 4 Directors who are fully qualified, knowledgeable, capable and well-experienced in business and in the industry. The Executive Committee consists of:

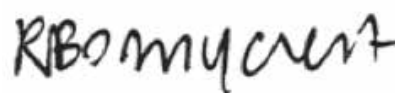
1. Ms. Roongchat Boonyarat	Chairman of the Executive Committee
2. Mr. Pichai Chirathivat	Member of the Executive Committee
3. Mr. Kittti Vilaivarangkul	Member of the Executive Committee
4. Mr. Opas Lopansri	Member of the Executive Committee

In 2020, the Executive Committee performed its duties in accordance with the scope of responsibilities and the policy of the Board of Directors. This was in accordance with the rules and regulations of the Company. The Executive Committee held 12 meetings in which all the directors attended the meeting. The meeting resolutions were reported to the Board of Directors. A summary of the operating performance is as follows:

- Assisted the Board of Directors in management by formulating business strategies and operational policies to achieve the goals as assigned by the Board of Directors.
- Considered the Company's annual budget prior to proposing it to the Board of Directors' Meeting for approval.
- Prepared and proposed strategies, business plans and operations to the Board of Directors for approval.
- Considered the start of new business operations of the Company to be in accordance with the Company's policy prior to proposing it to the Board of Directors' Meeting for approval.
- Reviewed the business operations of the Company, both normal business operations and non-normal business operations.
- Held a meeting to review and give opinions on the monthly profit and loss report which was reported by the Management team.

According to the above operations, the Executive Committee is confident that the duties were performed in accordance with the scope of duties and responsibilities, completely and with prudence. This was done by taking into account the maximum benefit of the Company and all stakeholders which was consistent with the principles and practice guidelines of Good Corporate Governance. The Executive Committee complied with the law and regulations correctly and completely.

On behalf of the Executive Committee



Ms. Roongchat Boonyarat
Chairman of the Executive Committee
February 22, 2021



NOMINATION AND REMUNERATION COMMITTEE REPORT



The Nomination and Remuneration Committee of Malee Group Public Company Limited was appointed from the Board of Directors Meeting No. 2/2020 which was held on May 14, 2020. The Nomination and Remuneration Committee was comprised of 3 Independent Directors who are qualified and independent in accordance with the regulations of the Stock Exchange of Thailand.

- | | |
|---------------------------|---|
| 1. Ms. Nart Fongsmut | Chairman of the Nomination and Remuneration Committee |
| 2. Ms. Nattharin Talthong | Member of the Nomination and Remuneration Committee |
| 3. Mr. Arin Jira | Member of the Nomination and Remuneration Committee |

In 2020, the Nomination and Remuneration Committee performed its duties in accordance with the policy of the Board of Directors and the duties and responsibilities of the Nomination and Remuneration Committee. This was in accordance with the rules and regulations of the Stock Exchange of Thailand. The Nomination and Remuneration Committee held one meeting in which every member of the Nomination and Remuneration Committee attended the meeting and reported the resolutions of the Meeting to the Board of Directors. A summary of the operating performance is as follows:

- Considered, selected and screened suitable persons to be the Company's directors by nominating them to the Board of Directors to be proposed to the Annual General Meeting of Shareholders for 2020 for further consideration and appointment.
- Considered and selected qualified directors and executives to be members of various subcommittees by proposing them to the Board of Directors to approve the appointment.
- Considered and scrutinized the directors' remuneration by proposing it to the Board of Directors for their consideration and be proposed to the Annual General Meeting of the Shareholders for 2020.

As a result of the above operations, the Nomination and Remuneration Committee is confident that the duties were performed in accordance with the scope of duties and responsibilities of the Nomination and Remuneration Committee. The duties were performed with prudence and independently, by taking into account the maximum benefit of the Company and all stakeholders which was consistent with the principles and practice guidelines of Good Corporate Governance. The Nomination and Remuneration Committee complied with the law and regulations correctly and completely.

On Behalf of the Nomination
and Remuneration Committee,



Ms. Nart Fongsmut
Chairman of the Nomination
and Remuneration Committee
February 22, 2021



INTERNAL CONTROL SYSTEM



In accordance with the principles of Good Corporate Governance, the Board of Directors consistently attached importance to internal control. This was done by assigning the Audit Committee, which was comprised of independent directors, to be reviewers of the internal control system assessment. The internal audit department, is independent from the Management team and reports directly to the Audit Committee and reviews the operations of each department of the Company and subsidiaries in accordance with the annual audit plan which was approved by the Audit Committee in order to ensure that management achieves the Company's objectives.

The Board of Directors and the management have determined that the Company's internal control system is appropriate enough and effective in the following areas:

1. Achieved the objectives efficiently and effectively.
2. Had comprehensive and effective risk management.
3. Had information systems, important financial information, management and operations that were reliable, complete, accurate and timely.
4. Had a protection system to control, maintained and utilized Company assets in a beneficial way. Had a separation of duties for operators, supervisors and appraisers to ensure a suitable check and balance system. This included safe and appropriate information in the information system.
5. Had appropriate anti-corruption measures and a risk prevention system for activities that were vulnerable to corruption.
6. The operations and duty performance were in accordance with the policies, rules and regulations that were consistent with the laws or other regulations related to the business operations of the Company.



RELATED PARTIES TRANSACTIONS



In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties are these parties linked to companies in the Group as follows :

Related Companies	Business Type	Relationship
Direct subsidiaries		
Malee Enterprise Company Limited	Distributor	Shareholders/Co – directors
Icon Foods LLC	Distributor (Dormant)	Shareholders/Co – directors
Malee Capital Company Limited	Importer, exporter, distribution of canned agriculture products, fruit juices and non – alcohol beverage	Shareholders/Co – directors
Malee Applied Sciences Company Limited	Research and development of scientifically, transformation, agriculture	Shareholders/Co – directors
Indirect subsidiary		
Long Quan Safe Food JSC (held by Malee Capital Company Limited 65%)	Distributor consumer product for Vietnam and neighboring countries	Shareholders/Co – directors
Tan Quang Minh Manufacture and Trading Company Limited (held by Long Quan Safe Food JSC 100%)	Manufacturing and distributor consumer product for Vietnam and neighboring countries	Shareholders/Co – directors
Joint ventures		
PT Kino Malee Indonesia (registered in Indonesia) (A)	Importing, manufacturing, selling, marketing and distribution of MALEE products in Indonesia market	Shareholders/Co – directors
Monde Malee Beverage Corporation (registered in Philippines)	Importer of food and beverage for sale in Philippines	Shareholders/Co – directors
Mega Malee Company Limited (B)	Research and development of food and beverage	Shareholders/Co – directors
Malee Kino (Thailand) Company Limited (C)	Importing, selling, marketing and distribution of KINO products	Shareholders/Co – directors
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	Shareholders/Co – directors

Related Companies	Business Type	Relationship
Related parties		
Abico Holdings Public Company Limited	Holding company (investment)	Company's shareholder/Co- directors
Abico Land Company Limited	Real estate developer	Co- directors
Abico Dairy Farm Company Limited	Produce service of ready to drink milk and fruit juices	Co - director
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Spicy Disc Company Limited	Music and entertainment	Co - directors
Central Trading Company Limited	Department store	Co - directors
Central World Company Limited	Department store	Co - directors
MONDE NISSIN CORPORATION	Manufacture and distributor for noodle and biscuits	Partnership
PT KINO INDONESIA TBK	Manufacture and distribution of consumer products in Indonesia	Partnership
KINO INTERNATIONAL PTE LTD.	Holding company (investment)	Partnership
Mega Lifesciences Public Company Limited	Manufacture and distributor of health food supplements and branded prescription pharmaceutical products	Partnership

- (A) Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.
- (B) Informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.
- (C) Informed the Ministry of Commerce to liquidate its business on June 16, 2020. At present, the Company is on the process of liquidation.

มาลี ผลไม้กระป๋อง ที่อยากเจอคุณทุกวัน





CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES



CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES



Malee Group Public Company Limited operates its business under the vision and policy of stable and sustainable growth, taking into account the impacts on all stakeholders along with social and environmental responsibilities.

“Create healthy products through an environmentally friendly manufacturing process for the sustainable good health of everyone.”

The Company conducts business with corporate social and environmental responsibilities in the value chain of the manufacturing process, from the procurement of raw materials, production, to the delivery of products to consumers. The Company attaches importance to the policy on corporate social responsibility and the social responsibility is in the Company’s conscious mind when carrying business out at all levels, starting from the Board of Directors, executives to the employees of the Company.

The Company has a guideline for CSR activities in accordance with the CSV (Creating Shared Value) approach which is a social development that creates economic value with a business model. This means that creating shared value must be combined with profitability and creating an organization’s competitive advantage by using the resources and core expertise of the business in creating economic and social values at the same time. The value that the organization receives comes from achieving sustainable business capability and generating long-term profits that meet the needs of all stakeholders of the Company.

“Being a world-class food and beverage manufacturer under the concept of Growing Well Together”

Malee is ready to perform its duty with determination to take care of the health of everyone, because we believe that good health is the foundation of the creation of better and happiest life. Malee is ready to grow together with all consumers to become healthy and happy; grow together with all employees to become successful both in career and private life; grow together with all our farmers to become proud of our career and have a better quality of life; and grow together with global environment to remain its fertility and



Consumers

Stay healthy from our careful selection of the best products for all our customers.



Malee Family

The secret ingredient of Malee's growth is all Malee employees.



nurture us endlessly. As an organization, we, "Malee Group", will be moving forward in order to take better care of their lives than ever before. Because every day we grow, every life grows happily at the same time. The Company focuses on creating sustainable growth along with all stakeholders, consumers, employees, farmers and the environment.

Policy and Overview

1. Operating Business with Fairness

The Company promotes good corporate governance and provides management systems that manage duties and responsibilities equally, fairly, effectively, transparently and verifiably. This helps build trust and confidence among shareholders, investors, stakeholders, and all parties involved.

Operating business with fairness is one of the topics in Malee Group's Code of Conduct that emphasizes operating business with fairness, understanding the nature of business and the situation, whether customers or trade partners which consist of suppliers, farmers and the surrounding community, in order to rely on one another. This creates confidence which will benefit the business and related parties in the long term.

The Company participated in projects that are beneficial to society and the nation in which the Thai Chamber of Commerce was the main leader in the project called "Big Brother Project" which equips

SME's operators in order to support the AEC. This project led to pilot businesses that inspire other SME's operators to follow which will strengthen and drive the country to move forward. Malee was invited to participate in this project in order to be the main mentor that gave advice and guidance to SMEs business. The aims were to make them grow strongly and sustainably by sharing knowledge and experience in various areas such as manufacturing, marketing, accounting and management, as well as helping SME's operators build their own sustainable business plans. This was considered another way to generate the gross domestic product for the country. Malee has been a mentor for SME's operator for 4 consecutive years and mentored the fourth class in 2020. Malee has mentored a total of 21 companies, which were selected by the Thai Chamber of Commerce, in 4 classes. Malee has shared its experiences and business knowledge that is directly related to the problems of each company. This also included giving advice and helping creating short-term and long-term





Farmers

Kind farmers and lovely partners who give the best care to our raw material.



Environment

Protect our environment, the valuable thing, to enable its sustainable growth for years to come.

business plans in order to create sustainability in the participating SMEs.

2. Respect for Human Rights

Human rights and equal treatment of local labor and general labor which includes legally registered migrant workers in accordance with rules of the Ministry of Labor, whether wages or welfare, as well as training to improve skills and give opportunities to employees to show their potential for advancement. The Company received a certificate from the Department of Labor Protection and Welfare from The Ministry of Labor.

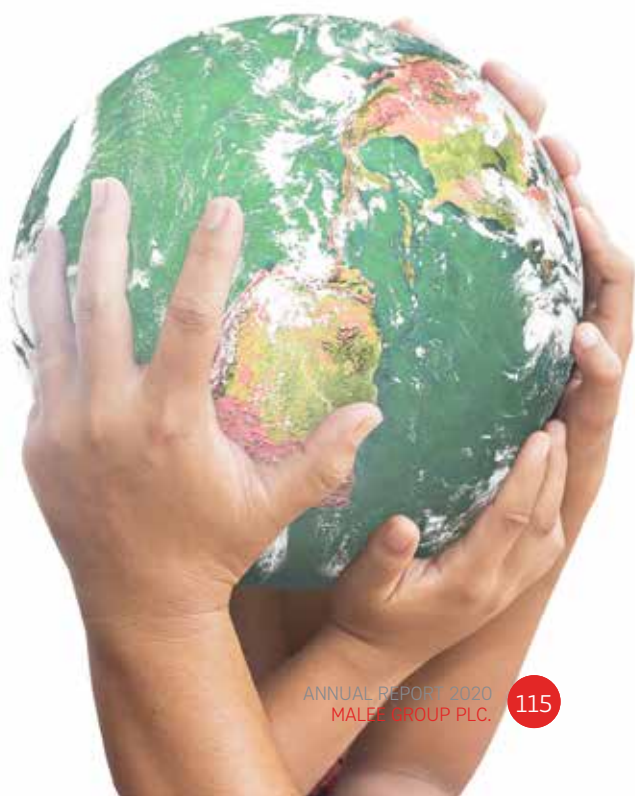
3. Fair Treatment of Labor

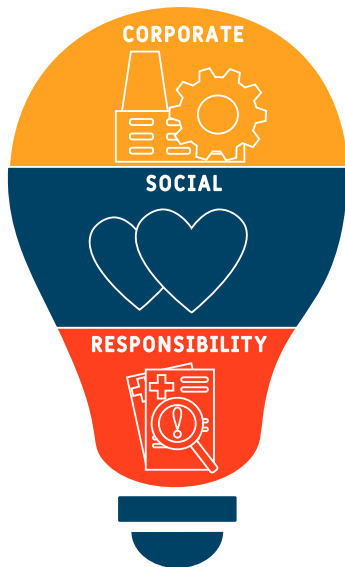
Human resources are an important factor for businesses in creating added value and increasing productivity. The Company is committed to treating all levels of employees equally, whether in terms of opportunities, remuneration, welfare, and the development of employees' potential.

The Company improved and integrated the work environment so that employees have a good quality of life which includes good occupational health and safety at work. The Company also received many certifications and participated in the zero-accident campaign of the Ministry of Labor.

4. Responsibility to Consumers

The Company is a manufacturer and distributor of consumer products that has a policy to operate business in a clean and safe standard. As a result, the Company is well-accepted within the country, has received certificates and many certifications such as the Certificate in the Program of Industrial Production Process Improvement with Cleaner Technology in a collaboration between Mahidol University and NSTDA, and many international organizations such as HACCP, GMP, KOSHER, Q Mark, IFS, BRC, Halal Certificate, etc. The Company also provided a consumer protection hotline at 02-532-3572 to show responsibility for the Company's products to consumers.





5. Responsibility to Communities, Society and the Environment

The Company is always aware that a strong and sustainable developed community and society is vital and is a contributing factor to the business operations of the Company. Therefore, the Company participated in promoting various activities in surrounding communities such as promoting good local traditions and culture, and caring for and helping when the community has needs.

The Company supports disabled people to show their potential and build a career for them. This included providing employment opportunities for disabled people to have an income for living for both themselves and their family. The Company entered into a memorandum of agreement to participate in the Disability Employment for Public Benefits Project. In 2020, there were 14 disabled people who joined the Disability Employment for Public Benefits Project.

The Company has made contracts to hire the disabled people who join the project, and met with the school administrators to discuss about listening to advice and suggestions. The Company also checked out and assessed the disabled people and listened to suggestions from schools.

6. Environmental Care

The Company's places importance on social and environmental responsibilities in accordance with the environmental practice guidelines to:

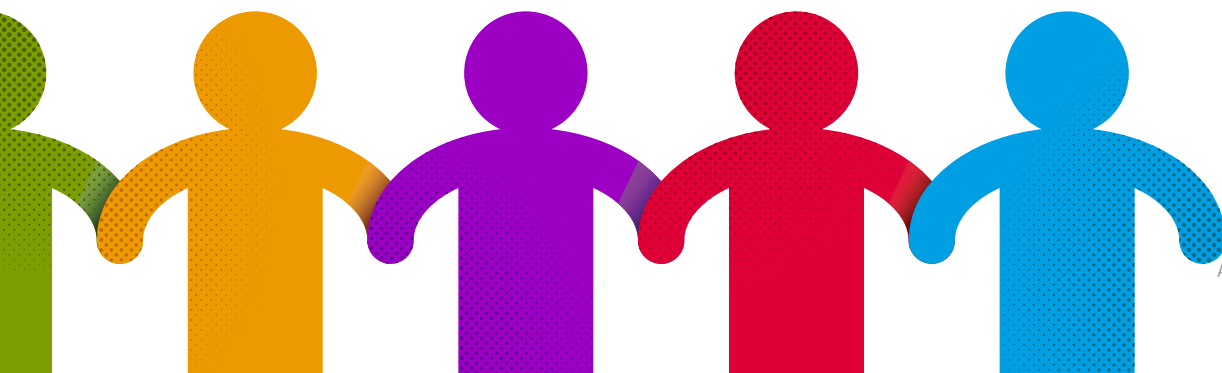


- Control and prevent pollution.
- Control and supervise to enable the sustainable use of resources, and implement effective resource utilization measures.
- Protect and restore natural habitats, as well as nurture an ecosystem that promotes conservation and sustainable use of natural resources.



7. Helping those in needs and affected by COVID-19.

During the COVID-19 pandemic, Malee has donated Malee products to the Scholars of Sustenance (SOS) and SATI Foundation in order to provide vulnerable and disadvantaged children with assistance and access to education and sanitation. The Company donated Malee products to people suffering from the COVID-19 situation through the volunteers of each community.





▲ International Youth Fellowship



8. Dissemination of Innovation from Corporate Social Responsibility Operations

The Company developed knowledge derived from experiences and disseminated it to any interested companies and agencies. There are companies and agencies that are interested in regularly visiting the Company for case studies. This includes the UASB Biogas System Development Project (pond type) which is produced from wastewater treatment, agricultural waste, and molasses to save consumption of electricity and fuel oil, etc.



- 1) Install water pumps at the rain gutters to prevent rainwater from entering the sewage system and maintain the water environment surrounding the community.



- 2) Install water turbines to prevent stagnant water in the well outside the factory area from stinking and causing water and air pollution.



- 3) Run a project to improve the treatment system with more efficiency to prevent wastewater from entering the community.





MANAGEMENT DISCUSSION
AND ANALYSIS (MD&A)



Year 2020 Highlights

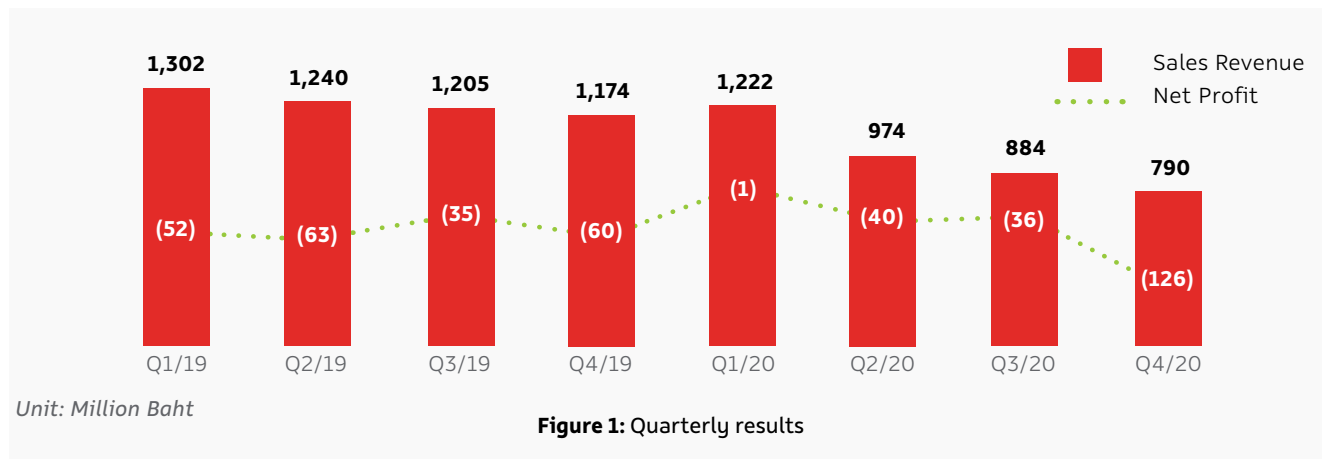


Figure 1: Quarterly results

- In 2020, the Company and its subsidiaries recorded total sales of Baht 3,870 million, a decrease of 21% YoY, mainly due to decline in Export sales 26% YoY, while Domestic sales decreased 19% YoY.

- In 2020, the Company and its subsidiaries recorded total sales decreased 21% YoY, while the overall performance improved 5% from the previous year resulting from net loss reduction of Baht 201 million compared to the same period of 2019 that recognized net loss of Baht 210 million. 1) 21% sales reduction despite an effective cost reduction and selling

expense cut and control which still did not compensate an impact from large sales shrinkage 2) Baht 42 million one-time provision derived from obsolete goods of a CMG customer that will discontinue the contract.

Overview of Domestic Ready-to-Drink Fruit Juice Market

2020 Moving Annual Total (MAT) of domestic RTD fruit juice market was Baht 9,707 million, a decrease of 14% YoY. RTD fruit juice market value and growth is as shown in figure 2. (Source: Nielsen)

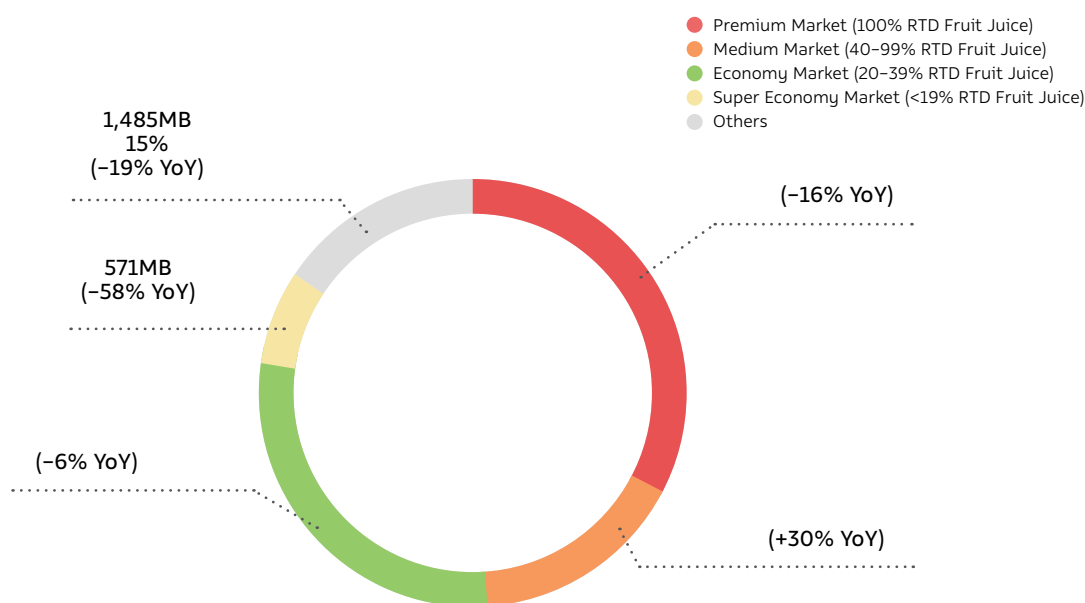


Figure 2: MAT December 2020 RTD Fruit Juice Market Value breakdown by Market Segment (Source: Nielson)

Results of Operations and Profitability

(Unit : Baht Million)	2020	2019	%YoY
Revenues from sales and services	3,870	4,921	-21%
Cost of goods sold and services	3,169	4,101	-23%
Gross profit	702	820	-14%
% gross profit	18.1%	16.7%	
Selling expenses	423	535	-21%
% selling expenses to sales	10.9%	10.9%	
Administrative expenses	486	548	-11%
% Administrative expenses to sales	12.6%	11.1%	
Finance costs	71	66	+7%
Share of profit (loss) from investment in subsidiaries and joint ventures	(27)	(12)	-137%
Tax (income)	(66)	(66)	+1%
Net profit (loss) major shareholders equity	(201)	(210)	+5%
% Net profit (loss)	(5.2%)	(4.3%)	

Year 2020 Sales Revenue

The Company and its subsidiaries recorded sales revenue of Baht 3,870 million, a decrease of 21% YoY, mainly due to the COVID-19 pandemic.

Details are as follows:

- Branded Business sales decreased 14% YoY.
- Contract Manufacturing Business (CMG) sales decreased 31% YoY.

Year 2020 Cost of Goods Sold

The Company and its subsidiaries recorded cost of goods sold of Baht 3,169 million, a decline of 23% in which was much greater than total sales. This stemmed from efficient cost control.

Year 2020 Gross Profit

The Company and its subsidiaries recorded gross profit of Baht 702 million, representing gross profit margin of 18.1%, an increase from the previous year that recorded 16.7% growth. This was mainly due to an efficient cost control resulting from a decrease in cost of goods sold.

Year 2020 Selling Expenses

The Company and its subsidiaries recorded selling expenses of Baht 423 million, a decrease of 21% YoY. The ratio of selling expenses to sales was 10.9% in Q4/2019 due to the efficient expenses control.

Year 2020 Administrative Expenses

The Company and its subsidiaries recorded administrative expenses of Baht 486 million, a decrease of 11% YoY. The ratio of administrative expenses to sales was 12.6%, an increase from 11.1% in Q4/2019 due to total sales reduction which was impacted from COVID-19 pandemic.

Year 2020 Finance Costs

The Company and its subsidiaries recorded finance costs in Year 2020, compared with Year 2019 of Baht 71 million and Baht 66 million, respectively, an increase of 7% YoY, resulting from financial institutions loans.

Year 2020 Net Profit (Loss)

The Company and its subsidiaries recorded net loss of Baht 201 million, as performance improved 5% while the total sales decrease 21% YoY from net loss of Baht 210 million in 2019, mainly due to 1) 21% sales decrease despite an effective cost reduction and selling expense cut and control which still did not compensate an impact from large sales shrinkage 2) Baht 42 million one-time provision derived from obsolete goods of a CMG customer that will discontinue the contract.



Financial Position of the Company and its Subsidiaries

(Unit: Baht Million)	31 December 2020	31 December 2019	% Change
Cash and cash equivalents	84	119	(30%)
Account receivables	471	737	(36%)
Inventories	544	523	3.9%
Other current assets	129	140	(8%)
Total current assets	1,227	1,519	(19%)
Property, plant and equipment	1,670	1,993	(16%)
Goodwill	48	48	(0%)
Investments in joint venture	21	72	(71%)
Other non-current assets	1,036	575	80.1%
Total non-current assets	2,776	2,689	3.2%
Total Assets	4,003	4,208	(5%)
Bank overdrafts and short-term loans from financial institutions	1,104	1,439	(23%)
Account payables	343	367	(7%)
Current portion of long-term loans from financial institutions	224	143	57.0%
Current portion of liabilities under financial lease agreements	64	38	65.1%
Other non-current liabilities	300	345	(13%)
Total Current Liabilities	2,035	2,333	(13%)

(Unit: Baht Million)

	31 December 2020	31 December 2019	% Change
Long-term loans, net of current portion from financial institutions	608	541	12.3%
Liabilities under financial lease agreements, net of current portion	262	43	516.6%
Other non-current liabilities	258	262	(1%)
Non-current Liabilities	1,128	846	33.5%
Total Liabilities	3,163	3,179	(0%)
Authorized share capital	138	140	(1%)
Issued and fully paid-up share capital	138	140	(1%)
Share premium	0	6	(100%)
Retained earnings	366	665	(45%)
Other components of equity	231	225	2.4%
Deduct: Treasury stock	0	(114)	100.0%
Total equity of parent Company's shareholders	734	922	(20%)
Non-controlling interests	106	108	(2%)
Total Shareholders' Equity	840	1,030	(18%)
Total Liabilities and Shareholders' Equity	4,003	4,208	(5%)

Assets

As at 31 December 2020, the Company and its subsidiaries had total assets of Baht 4,003 million, a decrease of 5% from Baht 4,208 million as of 31 December 2019. The main factors included a decline in account receivable impacted from COVID-19 pandemic, fixed assets, investment in joint venture businesses, and an increase in a right-of-use asset and a lease liability for all of leases with leasing term more than 12 months, according to TFRS 16: Lease, effective 1 January 2020.

Liabilities

As at 31 December 2020, the Company and its subsidiaries had total Liabilities of Baht 3,163 million, a decrease of 0.5% from Baht 3,179 million as of 31 December 2019. The main factors comprised of a decrease of financial institutions loans and an increase in a right-of-use asset and a lease liability for all of leases with leasing term more than 12 months, as a result of TFRS 16: Lease, effective 1 January 2020.

Shareholders' Equity

As at 31 December 2020, the Company and its subsidiaries had total equity of parent Company's shareholders of Baht 734 million, a decrease of 20% from Baht 922 million as of 31 December 2019, mainly due to net loss.

Liquidity and Capital Resources

Current Ratio

As at 31 December 2020, the Company and its subsidiaries recorded current ratio of 0.60x, close to 0.64x as of 31 December 2019.

Debt to Equity Ratio

As at 31 December 2020, the Company and its subsidiaries had interest-bearing debt to equity ratio increased to 2.70x from 2.39x as of 31 December 2019 because loans from financial institutions decreased but the parent company's shareholders decreased more.

Consolidated	2020	2019
Current Ratio (Times)	0.60	0.64
Interest-bearing Debt to Equity (Times)	2.70	2.39



(Unit: Baht Million)	2020	2019	% change
Profit (loss) from operating activities before changes in operating assets and liabilities	187	160	16.7%
Profit (loss) from changes in operating assets and liabilities	74	196	(62%)
Net Cash flows from (used in) operating activities	260	356	(27%)
Cash paid from business combination	21	(0)	-
Cash paid for increased investments in joint ventures	(15)	(54)	72.2%
Cash back from investment in joint ventures	45	0	-
Acquisition of property, plant and equipment	6	63	(91%)
Cash paid for property, plant and equipment	(22)	(86)	75.1%
Net Cash flows from other investing activities	(0)	0	(146%)
Net Cash flows from (used in) investing activities	35	(77)	145.3%
Increase (decrease) in bank overdraft and short - term loans from financial institutions	(335)	(97)	(247%)
Increase (decrease) in long-term loans from financial institutions	148	(104)	242.2%
Cash paid to liabilities under finance lease agreement	(73)	(10)	(619%)
Finance costs paid	(71)	(66)	(7%)
Net Cash flows from (used in) financing activities	(331)	(277)	(19%)
Exchange differences on translating financial statements	0	14	(97%)
Net increase (decrease) in cash and cash equivalents	(35)	16	(325%)
Cash and cash equivalents at beginning of periods	119	103	15.1%
Cash and cash equivalents at end of periods	84	119	(30%)

Year end 2020, the Company and its subsidiaries recorded ending cash of Baht 84 million, a decline of Baht 119 million at the end of 2019, with details as follows:

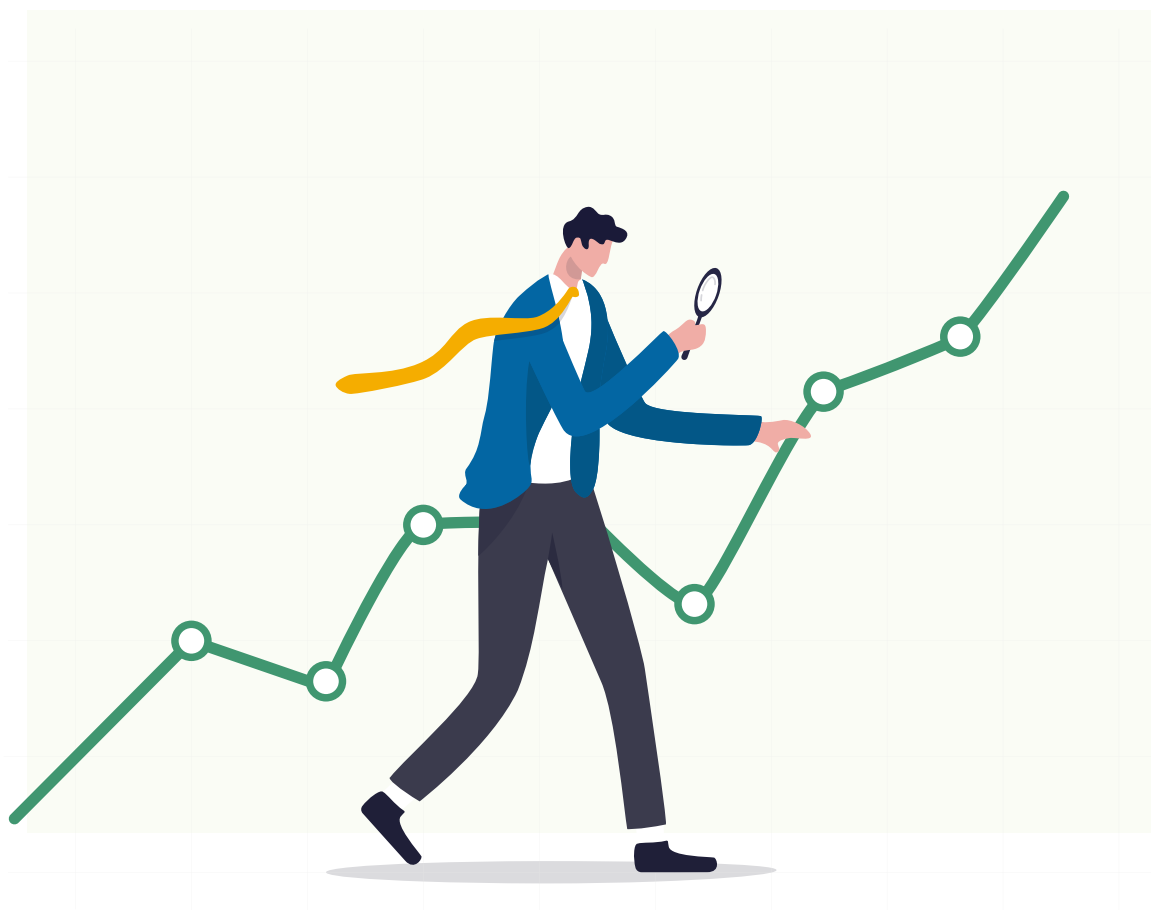
- Net cash received from operating activities of Baht 260 million, consisting of (1) cash inflows from operating activities before changes in operating assets and liabilities of Baht 187 million; and (2) cash inflows from net change in working capital of Baht 74 million, mainly due to decrease of account receivable.
- Net cash used in investing activities of Baht 35 million, comprising of (1) cash inflows from joint venture investments decreased Baht 21 million; (2) cash outflows from additional joint venture investment Baht 15 million and cash inflows from joint venture investments Baht 45 million which was an investment adjustment in Indonesia; (3) cash inflows from selling property, plant and equipment Baht 6 million and; (4) cash outflows from purchasing property, plant and equipment Baht 22 million.
- Net cash received in financing activities of Baht 331 million, consisting of (1) repayment to short-term loans from financial institutions of Baht 335 million; (2) repayment to long-term loans from financial institutions of Baht 148 million; (3) liabilities occurred from financial lease agreements of Baht 73 million; and (4) cash paid to finance costs of Baht 71 million.

Forward Looking

In Q1/2020 prior to the COVID-19 outbreak in Thailand, the Company and its subsidiaries recorded the first positive operating result in the past few years. This mainly contributed to effective reduction on cost and selling expenses as well as greater efficiency derived from internal work process improvement in every aspect. In 2020 the COVID-19 pandemic impacted our sales volume to drop 21% YoY. The Domestic Branded Business sales decreased primarily from general trade and food service channels. In regards of Export Branded Business sales, the effect was mainly caused by business shut downs, lockdowns and difficulties in transporting goods to some countries. However, domestic and international consumption mainly decreased and did not recover quickly due to slum economy and less spending power around the world. While the Company has improved internal work processes, reorganized some parts of organization structure, expedited strict cost and expense control, these actions could not compensate the impact of a dramatic drop in sales, resulting in an ongoing negative performance after the first quarter. Still, the overall performance has improved compared to the past two years.

In 2021, the Company's priority will be on expanding capacity utilization. To prepare for this, in 2020 the Company adjusted equipment, facilities, resources and know-hows to be able to produce more variety of products including those that are currently in high demand and upcoming trends. This strong foundation laid out since last year will increase our manufacturing competitiveness and enable our capability to meet demand of both Malee brand and contract manufacturing clients.

The Company is confident that our 2021 strategy and ongoing measures; i.e., operation improvement to accomplish higher efficiency, stringent cost and expense control and reduction, and fixed asset utilization to better manage fixed cost will leverage our business performances as a whole and will allow us to regain positive performance and obtain strong growth and sustainability in the near future.





MALEE GROUP
PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES



FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Malee Group Public Company Limited

Opinion

I have audited the consolidated financial statements of Malee Group Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Malee Group Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2020, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Malee Group Public Company Limited and its subsidiaries and of Malee Group Public Company Limited as of December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Presentation of inventory valuation (the consolidated and separate financial statements)

As describe in Note 3.3 and 9 to the financial statement, inventories which are stated at the lower of cost and net realizable value are significant amount. Most of inventory age is not long due to the Company and its subsidiaries are principally engaged in the manufacture and distribution of agriculture products such as canned fruit, fruit juices, milk and cereal drink and non – alcohol beverage. And the management used information from inventory aging analysis report and individual obsolete stock analysis report to consider the allowance for inventories declining value, therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

My audit procedure on such matter

I assessed and tested the internal control related to the calculation of inventory cost, observed the inventory count, checked the aging report of inventories, inquired the management, and considered reasonableness of the policy regarding setup allowance for inventories declining value, and tested compliance of the allowance for inventories declining value to the policy. Including test the calculation of the allowance for inventories declining value by comparing cost of inventories and net realizable value. Additionally, I considered the adequacy of the information disclosure related to the measurement of inventories.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



A.M.T. & ASSOCIATES
Bangkok, Thailand
February 22, 2021

(Chaiguth Angsuwithaya)
Certified Public Accountant
Registration No. 3885

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
CURRENT ASSETS					
Cash and cash equivalents	6	83,668,757	118,770,239	46,294,223	65,347,393
Trade receivables					
Subsidiaries	5	-	-	58,585,747	304,051,579
Related parties	5	11,423,549	30,111,438	-	281,269
Unrelated parties		471,541,694	713,581,118	207,790,360	347,447,120
Less : Allowance for doubtful accounts	7	(12,193,152)	(6,644,851)	(7,183,955)	(4,258,197)
Trade receivables, net	7	470,772,091	737,047,705	259,192,152	647,521,771
Other receivables	5 and 8	122,250,040	99,136,011	66,965,961	58,574,872
Current portion of lease receivable	19.1	-	-	1,959,075	-
Current portion of long - term loans to other	13	-	31,656,758	-	-
Inventories, net	9	543,646,215	523,276,799	361,255,299	327,331,747
Refundable income tax - current period		4,760,360	5,384,295	4,480,888	5,143,546
Other current assets		1,816,959	3,986,763	1,794,178	3,705,797
TOTAL CURRENT ASSETS		1,226,914,422	1,519,258,570	741,941,776	1,107,625,126
NON - CURRENT ASSETS					
Restricted bank deposits	4.1 and 29	-	21,001,047	-	21,001,047
Lease receivable, net	19.1	-	-	34,356,879	-
Investments in subsidiaries, net	10	-	-	532,125,535	532,125,535
Investments in joint ventures	11	21,117,979	72,144,642	99,372,066	114,274,305
Long - term loans to subsidiary	5 and 12	-	-	31,500,000	31,500,000
Property, plant and equipment, net	14, 20 and 29	1,669,898,560	1,993,113,324	1,487,912,000	1,774,243,776
Long - term loans to other, net	13	31,656,758	-	-	-
Right - of - use assets, net	15 and 20	477,537,443	-	334,405,821	-
Goodwill		48,332,779	48,428,706	-	-
Intangible asset, net	16	180,180,291	285,088,740	15,980,822	21,518,403
Deferred tax assets	25	284,407,151	213,308,982	250,047,430	173,556,388
Refundable income tax - prior period		12,085,823	6,951,756	10,211,300	5,077,527
Right to claim from the former shareholder		31,026,999	31,086,712	-	-
Other non - current assets					
Deposits	5	15,521,321	12,487,654	14,231,771	10,917,357
Others		3,957,484	5,464,328	2,264,670	4,546,758
TOTAL NON - CURRENT ASSETS		2,775,722,588	2,689,075,891	2,812,408,294	2,688,761,096
TOTAL ASSETS		4,002,637,010	4,208,334,461	3,554,350,070	3,796,386,222

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
CURRENT LIABILITIES					
Overdraft and short - term loans from financial institutions	17, 20 and 29	1,104,177,884	1,439,491,352	954,531,625	1,337,292,099
Trade payables					
Subsidiary	5	-	-	19,688	144,931
Related parties	5	25,472,106	17,599,123	25,472,106	17,184,591
Unrelated parties		317,202,046	349,851,631	254,666,388	283,027,274
Other payables	5 and 18	242,441,053	302,617,543	119,877,035	144,380,897
Current portion of long - term loans from financial institutions	20	224,482,174	142,999,202	224,482,174	142,999,202
Current portion of liabilities	19.2	63,553,343	38,493,736	55,541,840	38,493,736
Short - term loan from subsidiary	5	-	-	29,000,000	-
Corporate income tax payable		467,785	6,876,942	-	-
Other current liabilities					
Advances received for goods		25,896,538	14,393,394	22,736,170	12,445,582
Guarantee from customers		21,651,741	13,526,992	6,737,580	2,000,595
Others		9,225,343	7,293,223	377,350	381,940
TOTAL CURRENT LIABILITIES		2,034,570,013	2,333,143,138	1,693,441,956	1,978,350,847
NON - CURRENT LIABILITIES					
Long - term loans from financial institutions, net	20	608,187,529	541,416,444	602,342,029	535,224,645
Lease liabilities, net	19.2	262,086,035	42,502,921	256,313,858	42,502,921
Deferred tax liabilities	25	127,670,155	129,956,164	68,224,598	64,184,615
Provisions for employee benefits	21	99,466,152	100,605,531	79,594,869	80,915,295
Provision for tax -related liabilities		31,026,999	31,086,712	-	-
Other non - current liabilities		-	-	1,502,449	1,502,449
TOTAL NON - CURRENT LIABILITIES		1,128,436,870	845,567,772	1,007,977,803	724,329,925
TOTAL LIABILITIES		3,163,006,883	3,178,710,910	2,701,419,759	2,702,680,772

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
SHAREHOLDERS' EQUITY					
Share capital	22				
Authorized share capital					
280,000,000 ordinary shares of Baht 0.50 each as at 31 December 2019					
and 276,000,000 ordinary shares of Baht 0.50 each as at 31 December 2020		138,000,000	140,000,000	138,000,000	140,000,000
Issued and fully paid - up share capital					
280,000,000 ordinary shares of Baht 0.50 each as at 31 December 2019					
and 276,000,000 ordinary shares of Baht 0.50 each as at 31 December 2020		138,000,000	140,000,000	138,000,000	140,000,000
Share premium on issue of treasury shares	22	-	5,848,058	-	5,848,058
Retained earnings (deficit)					
Appropriated					
- Legal reserve	23	14,000,000	14,000,000	14,000,000	14,000,000
- Treasury shares reserve	22	-	114,335,425	-	114,335,425
Unappropriated		351,531,413	536,990,921	453,481,060	686,408,141
Other components of equity		230,587,746	225,118,292	247,449,251	247,449,251
Less Treasury shares	22	-	(114,335,425)	-	(114,335,425)
Total equity of parent Company's shareholders		734,119,159	921,957,271	852,930,311	1,093,705,450
Non - controlling interests		105,510,968	107,666,280	-	-
TOTAL SHAREHOLDERS' EQUITY		839,630,127	1,029,623,551	852,930,311	1,093,705,450
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,002,637,010	4,208,334,461	3,554,350,070	3,796,386,222

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (1/2)

FOR THE YEAR ENDED DECEMBER 31, 2020

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Consolidated financial statements (Bahr)

Equity of parent Company's shareholders													
Equity of parent Company's shareholders							Other components of equity						
Note	Issued and fully paid - up share capital	Share premium on issue of treasury shares	Treasury shares	Retained earnings (deficit)		Unappropriated	Exchange differences on translating financial statement	Revaluation surplus	Actuarial gains (losses) on defined employee benefit plans	Total	Total equity of parent Company's shareholders	Non - controlling interests	Total shareholder's equity
				Legal reserve	Treasury shares reserve								
22	140,000,000 (2,000,000)	5,848,058 (5,848,058)	(114,335,425) 114,335,425	14,000,000 -	114,335,425 (114,335,425)	536,990,921 7,848,058	(28,076,488) -	253,194,780 -	- -	225,118,292 -	921,957,271 -	107,666,280 -	1,029,623,551 -
Balances as at January 1, 2020													
Share capital reduction from treasury shares cancellation													
Transferred to retained earnings (deficit)													
Total comprehensive income (loss) for the year													
Ending balances as at December 31, 2020													
	138,000,000	-	-	14,000,000	-	351,531,413	(22,607,034)	253,194,780	-	230,587,746	734,119,159	105,510,968	839,630,127
Balances as at January 1, 2019 - Before adjustment													
Cumulative effects of changes in accounting policies due to the adoption of IFRS 15													
	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	737,180,213	(12,269,200)	201,338,780	-	189,069,580	1,086,097,851	119,334,145	1,205,431,996
Balances as at January 1, 2019 - After adjustment													
Cumulative effects of changes in accounting policies due to the adoption of IFRS 15													
	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	746,605,787	(12,269,200)	201,338,780	-	189,069,580	1,095,233,425	119,334,145	1,214,857,570
Balances as at January 1, 2019 - After adjustment													
Total comprehensive income (loss) for the year													
Ending balances as at December 31, 2019													
	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	536,990,921	(28,076,488)	253,194,780	-	225,118,292	921,957,271	107,666,280	1,029,623,551

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (2/2)

FOR THE YEAR ENDED DECEMBER 31, 2020

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

		Separate financial statements (Balt)									
		Retained earnings; (deficit)					Other components of equity				
		Appropriated -		Treasury shares	Unappropriated	Revaluation surplus	Actuarial gains (losses) on defined employee benefit plans	Total	Total shareholder's equity		
		Issued and fully paid - up share capital	Share premium on issue of treasury shares							Treasury shares	Legal reserve
Notes											
		140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	686,408,141	247,449,251	-	247,449,251	1,093,705,450
	22	(2,000,000)	(5,848,058)	114,335,425	-	(114,335,425)	7,848,058	-	-	-	-
		-	-	-	-	-	6,552,548	-	(6,552,548)	(6,552,548)	-
		-	-	-	-	-	(247,327,687)	-	6,552,548	6,552,548	(240,775,139)
		138,000,000	-	-	14,000,000	-	453,481,060	247,449,251	-	247,449,251	852,930,311
		140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	873,657,216	196,569,251	-	196,569,251	1,230,074,525
		-	-	-	-	-	9,425,574	-	-	-	9,425,574
		140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	883,082,790	196,569,251	-	196,569,251	1,239,500,099
		-	-	-	-	-	(196,674,649)	50,880,000	-	50,880,000	(145,794,649)
		140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	686,408,141	247,449,251	-	247,449,251	1,093,705,450

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2020	2019	2020	2019
REVENUES					
Revenues from sales		3,870,374,745	4,920,999,981	2,808,657,229	3,800,702,205
Other incomes					
- Gain on exchange rate		2,460,883	1,644,892	746,512	2,824,670
- Reversal allowance for investment in the subsidiaries		-	-	-	12,647,047
- Others		41,777,991	77,373,910	152,575,023	116,046,805
TOTAL REVENUES	5	<u>3,914,613,619</u>	<u>5,000,018,783</u>	<u>2,961,978,764</u>	<u>3,932,220,727</u>
EXPENSES					
Cost of sales	9	3,168,839,179	4,100,642,087	2,786,011,346	3,643,209,467
Selling expenses		422,611,898	534,522,814	22,706,547	59,721,152
Administrative expenses		486,394,688	548,152,394	394,762,379	433,279,536
Other expense					
- Loss on sales of assets		-	14,144,400	-	14,144,400
- Loss on impairment of assets	14	1,420,037	-	1,420,037	-
- Loss on disposal of investments	11	-	-	14,833,251	-
TOTAL EXPENSES	5	<u>4,079,265,802</u>	<u>5,197,461,695</u>	<u>3,219,733,560</u>	<u>4,150,354,555</u>
PROFIT (LOSS) FROM OPERATING ACTIVITIES		(164,652,183)	(197,442,912)	(257,754,796)	(218,133,828)
FINANCE COSTS		(70,863,253)	(66,332,142)	(60,736,330)	(60,257,385)
REVERSAL OF IMPAIRMENT LOSS (IMPAIRMENT LOSS)					
DETERMINED IN ACCORDANCE WITH TFRS 9	7	(5,548,301)	(1,795,224)	(2,925,758)	(283,898)
SHARE OF PROFIT (LOSS) FROM INVESTMENTS					
IN JOINT VENTURES	11	(27,485,012)	(11,572,821)	-	-
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		(268,548,749)	(277,143,099)	(321,416,884)	(278,675,111)
TAX INCOME (EXPENSES)	25	65,648,861	66,018,565	74,089,197	82,000,462
PROFIT (LOSS) FOR THE YEARS		<u>(202,899,888)</u>	<u>(211,124,534)</u>	<u>(247,327,687)</u>	<u>(196,674,649)</u>
PROFIT (LOSS) FOR THE PERIODS ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		(200,902,539)	(209,614,866)	(247,327,687)	(196,674,649)
NON - CONTROLLING INTERESTS		(1,997,349)	(1,509,668)	-	-
		<u>(202,899,888)</u>	<u>(211,124,534)</u>	<u>(247,327,687)</u>	<u>(196,674,649)</u>
BASIC EARNINGS (LOSS) PER SHARE (BAHT)					
Profit (loss) attributable to equity holders of the parent		(0.73)	(0.76)	(0.90)	(0.71)
The weighted average number of ordinary shares (shares)	27	<u>276,000,000</u>	<u>276,000,000</u>	<u>276,000,000</u>	<u>276,000,000</u>

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2020	2019	2020	2019
PROFIT (LOSS) FOR THE YEARS		(202,899,888)	(211,124,534)	(247,327,687)	(196,674,649)
OTHER COMPREHENSIVE INCOME (LOSS):					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statement		5,311,491	(25,965,485)	-	-
Total item that will be reclassified subsequently to profit or loss		5,311,491	(25,965,485)	-	-
Items that will not be reclassified subsequently to profit or loss:					
Surplus on revaluation of assets	14	-	64,820,000	-	63,600,000
Actuarial gains (losses) on defined employee benefit plans	21	9,493,716	-	8,190,684	-
Deferred tax relating to other components of equity	25	(1,898,743)	(12,964,000)	(1,638,137)	(12,720,000)
Total items that will not be reclassified subsequently to profit or loss		7,594,973	51,856,000	6,552,547	50,880,000
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		12,906,464	25,890,515	6,552,547	50,880,000
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		(189,993,424)	(185,234,019)	(240,775,140)	(145,794,649)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS					
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE PARENT		(187,838,112)	(173,566,154)	(240,775,140)	(145,794,649)
NON - CONTROLLING INTERESTS		(2,155,312)	(11,667,865)	-	-
		(189,993,424)	(185,234,019)	(240,775,140)	(145,794,649)

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (1/2)

FOR THE YEAR ENDED DECEMBER 31, 2020

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

Note	Baht			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
Cash flows from (used in) operating activities				
Profit (loss) for the years	(202,899,888)	(211,124,534)	(247,327,687)	(196,674,649)
Adjustments to reconcile profit (loss) to net cash provided by (paid from) operating activities:				
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	5,548,301	1,795,224	2,925,758	283,898
Loss on destroy inventories	58,408,375	59,596,157	49,505,645	49,195,565
Allowance for obsolete inventories (reversal)	(735,135)	21,910,669	7,357,053	28,765,948
Allowance for impairment of assets (reversal)	1,420,036	(17,460,753)	1,420,036	(17,460,753)
Loss (gain) on disposal of investments	(682,164)	-	14,833,251	-
Allowance for investment in subsidiaries (reversal)	-	-	-	(12,647,047)
Depreciation	276,659,487	245,288,705	224,752,601	208,555,417
Amortization	9,092,889	23,165,082	7,726,223	17,190,710
Written off withholding income tax	180,818	2,681,237	-	1,781,319
Loss (gain) on sales of property, plant and equipment	(70,208)	14,144,400	(80,665)	14,144,400
Unrealised loss (gain) on exchange rate	(1,008,954)	(1,093,421)	(16,737)	(929,936)
Shares of (profit) loss of investments in joint ventures	27,485,012	11,572,821	-	-
Provisions for employee benefits	10,205,403	11,176,666	7,883,325	7,806,255
Interest income	(1,965,222)	(1,825,538)	(1,855,655)	(1,700,863)
Finance cost	70,863,253	66,332,142	60,736,330	60,257,385
Tax expense (income)	(65,648,861)	(66,018,565)	(74,089,197)	(82,000,462)
Profit (loss) from operating activities before changes in operating assets and liabilities	186,853,142	160,140,292	53,770,281	76,567,187
Operating assets decrease (increase)				
Trade receivables	261,736,267	71,942,432	385,403,861	167,961,336
Other receivables	(23,114,029)	70,073,572	(8,391,089)	61,364,058
Loan to subsidiary	-	-	-	(12,500,000)
Inventories	(78,042,656)	193,148,833	(90,786,250)	170,513,831
Other current assets	2,169,804	(4,739,081)	1,911,619	3,260,044
Other non - current assets	(1,526,823)	(3,233,360)	(1,032,326)	471,799
Operating liabilities increase (decrease)				
Trade payables	(24,776,602)	(38,244,229)	(20,181,877)	(25,681,988)
Other payables	(62,005,047)	(43,832,409)	(26,332,419)	(12,436,231)
Other current liabilities	21,560,013	(24,370,094)	15,022,983	(18,281,468)
Employee benefit obligation paid	(1,851,066)	(6,894,726)	(1,013,067)	(6,551,144)
Cash received (paid) from operating activities	281,003,003	373,991,230	308,371,716	404,687,424
Net cash received (paid) for income tax	(20,614,418)	(17,893,344)	(4,471,113)	(5,140,703)
Net cash flows from (used in) operating activities	260,388,585	356,097,886	303,900,603	399,546,721

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (2/2)

FOR THE YEAR ENDED DECEMBER 31, 2020

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2020	2019	2020	2019
Cash flows from (used in) investing activities					
Decrease (increase) in restricted bank deposits		21,001,047	(4)	21,001,047	(4)
Cash received from lease receivable		-	-	1,996,884	-
Cash payment for increased investments in joint venture		(15,008,700)	(54,049,435)	-	(54,049,435)
Cash received from Capital distribution		44,952,817	-	68,988	-
Proceeds from sales of property, plant and equipment		5,661,057	62,990,714	2,768,177	53,973,694
Purchase of property, plant and equipment		(21,550,462)	(86,406,183)	(18,780,972)	(74,358,940)
Decrease (increase) in intangible assets		(2,188,642)	(1,337,570)	(2,188,642)	(1,337,570)
Interest received		1,965,222	1,825,538	1,855,655	1,700,863
Net cash flows from (used in) investing activities		34,832,339	(76,976,940)	6,721,137	(74,071,392)
Cash flows from (used in) financing activities					
Increase (decrease) in bank overdraft and short - term loans					
from financial institutions		(335,313,468)	(96,673,334)	(382,760,474)	(130,039,646)
Increase (decrease) in long - term loans from financial institutions		148,254,057	(104,258,008)	148,600,356	(89,458,485)
Increase (decrease) in short - term loan from subsidiary		-	-	29,000,000	-
Repayment of liabilities		(72,776,972)	(10,125,368)	(63,778,462)	(10,125,368)
Finance cost paid		(70,863,253)	(66,332,142)	(60,736,330)	(60,257,385)
Net cash flows from (used in) financing activities		(330,699,636)	(277,388,852)	(329,674,910)	(289,880,884)
Exchange differences on translating financial statement		377,230	13,881,413	-	-
Net increase (decrease) in cash and cash equivalents		(35,101,482)	15,613,507	(19,053,170)	35,594,445
Cash and cash equivalents at beginning of the year		118,770,239	103,156,732	65,347,393	29,752,948
Cash and cash equivalents at ending of the year	6	83,668,757	118,770,239	46,294,223	65,347,393
Supplemental disclosures of cash flow information :					
Activities not effecting cash :					
Increase in other payable from purchase asset		1,828,557	19,447,220	1,828,557	19,447,220
Lease liabilities increase from purchase of assets		1,520,658	-	1,520,658	-
Surplus on revaluation of assets		-	64,820,000	-	64,820,000
Effect from adoption of TFRS 16					
Increase in lease receivables		-	-	(38,312,838)	-
Decrease in property, plant and equipment		129,653,687	-	129,653,687	-
Increase of the right - of - use assets		(543,267,814)	-	(384,457,694)	-
Decrease in intangible assets		97,715,092	-	-	-
Increase in lease liabilities		315,899,035	-	293,116,845	-

The accompanying notes to financial statements are an integral part of these financial statements.

MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1 Corporate information

Malee Group Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the manufacture and distribution of agriculture products such as canned fruit, fruit juices, milk and cereal drink and non - alcohol beverage and its registered address is 401/1, Moo 8, Phaholyothin Road, Kookod, Lumlookka, Pathumthani, Thailand 12130.

1.2 Expenses by nature

The significant expenses classified by nature for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in inventories of finished goods				
decrease (increase)	(8,944,006)	230,190,237	(21,605,148)	204,480,012
Purchase finished goods	79,290,699	101,047,916	3,992,186	13,474,854
Raw materials and consumables used	2,295,390,450	3,069,399,389	2,084,979,760	2,746,317,939
Employee benefits expenses	498,494,691	653,262,347	339,370,887	422,297,994
Directors and management benefit expenses	66,763,788	67,979,084	65,215,684	66,311,927
Depreciation and amortization expenses	285,752,376	268,453,787	232,478,825	225,746,127
Rental and warehouse management fee	41,832,330	41,507,648	14,400,000	16,200,000
Loss on sales of assets	-	14,144,400	-	14,144,400
Loss from defective and obsolete inventories	57,673,240	81,506,826	56,862,698	77,961,513

1.3 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis for preparation of financial statements

These financial statements have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting profession.

These financial statements are presented in Thai Baht, which is the functional currency of the Company and its subsidiaries.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

2.2 Adoption of new financial reporting standards

2.2.1 Financial Reporting Standards which are effective for the current year

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

(1) Financial reporting standards related to financial instruments

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

Accounting Standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.1 to the financial statements.

(2) TFRS 16 Leases

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.2 to the financial statements.

(3) Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives as follows:

Accounting Standards No 12 Income tax

- Not to consider the COVID-19 situation as uncertainty information which likely impact in evaluating whether it will have sufficient taxable profit in future periods to utilise deferred tax assets.

Accounting Standards No 36 Impairment of Assets

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36

Financial Reporting Standards No 9 Financial Instrument

- Not to take into forward-looking information using in measurement of expected credit loss for a simplified approach.

2.2.2 Financial reporting standards which are not effective for the current year

The Federation of Accounting Professions has issued the new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2021 is as follows:

Accounting Standard

- TAS 1 Presentation of Financial Statements
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 10 Events after the Reporting Period
- TAS 34 Interim Financial Reporting
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets
- TAS 38 Intangible Assets

Financial Reporting Standard

- TFRS 2 Share - based Payment
- TFRS 3 Business Combinations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments

Accounting Standard Interpretations

- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC12 Service Concession Arrangements
- TFRIC19 Extinguishing Financial Liabilities with Equity Instruments
- TFRIC20 Stripping Costs in the Production Phase of a Surface Mine
- TFRIC22 Foreign Currency Transactions and Advance Consideration

The management of the Group has assessed that TAS 1, TAS 8, TAS 10, TAS 34, TAS 37, TAS 38, TFRS 7, TFRS 9 and TFRIC 22 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Group's business, therefore they do not have impact on the financial statement when they are applied.

2.3 Basis of consolidation

2.3.1 These consolidated financial statements include the financial statements of Malee Group Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2019 are as follow:

Company's name	Nature of business	Percentage of shareholding		Country of incorporation	Assets as a percentage to the consolidated total assets		Revenues as a percentage to the consolidated total revenues	
		2020	2019		2020	2019	2020	2019
Held by the Company								
<u>Subsidiaries</u>								
Malee Enterprise Company Limited	Distributor	99.99	99.99	Thailand	10.98	12.71	34.64	33.16
Icon Foods, LLC.	Distributor (Dormant)	99.00	99.00	USA	-	-	-	-
Malee Capital Company Limited	Investment	99.99	99.99	Thailand	9.92	9.50	-	-
Malee International Company Limited	Importer, exporter, distribution of canned agriculture products, fruit juices and non - alcohol beverage	100.00	100.00	Thailand	4.13	4.25	17.08	13.60
Malee Applied Sciences Company Limited	Research and development of scientifically, transformation, agriculture	100.00	100.00	Thailand	0.87	0.70	0.48	0.38
<u>Joint ventures</u>								
PT Kino Malee Indonesia (A)	Importing, manufacturing, selling, marketing and distribution of MALEE product	-	49.00	Indonesia	-	-	-	-
Monde Malee Beverage Corporation	Importing, marketing promotion and sale of the Company's food and beverage in Philippine market	49.00	49.00	Philippine	-	-	-	-
Mega Malee Company Limited (B)	Research and development of food and beverage	-	49.00	Thailand	-	-	-	-
Malee Kino (Thailand) Company Limited (C)	Importing, selling, marketing and distribution of KINO products	51.00	51.00	Thailand	-	-	-	-
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	49.00	-	Indonesia	-	-	-	-
<u>Held by a subsidiary</u>								
<u>Subsidiaries</u>								
Long Quan Safe Food JSC (Its subsidiary is TAN QUANG MINH MANUFACTURE AND TRADING Company Limited (100% owned))	Distributor consumer product for Vietnam and neighboring countries	65.00	65.00	Vietnam	4.43	6.60	10.67	9.91

- (A) Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.
- (B) Informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.
- (C) Informed the Ministry of Commerce to liquidate its business on June 16, 2020. At present, the Company is on the process of liquidation.

- 2.3.2 The financial statements of an overseas subsidiaries, associate and joint venture are translated into Thai Baht at the average closing exchange rate as to assets and liabilities, and at average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of “Exchange difference on translating financial statement” in other components of equity.
- 2.3.3 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3.4 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control is lost.
- 2.3.5 Investments in joint ventures is accounted for using the equity method and is recognized initially at cost. The consolidated financial statements include the Group’s share of the income and expenses and equity movements of equity accounted investee from the date that significant influence until the date that significant influence ceases.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Revenues from sale are recognized as revenue at the point in time when control of goods is transferred to the customer, generally by delivery of the goods, except for revenue from sale related to “Contract for special product” which are recognized as revenue by reference of the stage of completion.

Revenue from services are recognized by reference to the stage of completion.

Other incomes are recognised base on accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cheque in hand, cash at bank and all short - term highly liquid investments and not subject to withdrawal restrictions.

3.3 Inventories

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

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost by weighted average method). Standard cost includes all production costs and appropriate share of production overheads base on normal operating capacity.

Trading finished goods are state at cost (weighted average method).

Raw materials, packing materials, spare parts and factory supplies are value at the lower of cost (weighted average method) and charged to production costs whenever consumed.

Allowance for stock obsolescence is set up for old, obsolete, slow - moving or deteriorated inventories.

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

3.4 Investments

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statement is accounted for using the equity method.

3.5 Export incentive receivable

Export incentive, in the form of tax coupons, is recognized as revenue when the relevant export shipment is made. Export incentive is calculated by multiplying of the determined percentage and invoicing value based on F.O.B. basis.

3.6 Property, plant and equipment and depreciation

Measurement of land, plant and equipment

Land is stated at revalued amount. The others except land are stated at cost less accumulated depreciation and impairment loss (if any).

Recognition method of land on revaluation cost

Land is initially recorded at cost and subsequently revalued by an independent appraiser to its fair value. Revaluations are to be made regularly every five years to ensure that the carrying amount does not differ materially from the fair value at the statements of financial position date.

The differences arising from land revaluation are dealt in the financial statements as follows:

- When the carrying amount of land is increased as a result of the revaluation, such increase is credited directly to equity under “Revaluation surplus”. However, a revaluation increase will be recognized as income only to the extent that it reverses a revaluation decrease of the same land previously recognized as an expense.
- When the carrying amount of land is decreased as a result of the revaluation, such decrease is recognized as an expense. However, a revaluation decrease will be charged directly against the related “Revaluation surplus” if the decrease does not exceed any credit balance existing in the revaluation surplus in respect of that land. If not, the excess will be recognized as an expense in the statements of income.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation of plants and equipment are calculated by the estimated useful lives of each part of an item of plants, machineries and equipment. The estimated useful lives are as follows:

	Year
Land improvement	5
Buildings improvement	25
Building	20 and 40
Machinery	15 and 20
Equipment and furniture	5 and 10
Motor vehicles	5

No depreciation is provided for land and construction in progress.

3.7 Goodwill

The Group records the initial value of goodwill at cost, representing the excess of the acquisition costs over the fair value of the net assets acquired. Where the fair value of the net assets exceeds the cost of acquisition at the acquisition date, the difference is recognized as a gain in the statements of income immediately.

The Group recognizes goodwill at cost less accumulated impairment losses. The Group will carry out a test for impairment of goodwill at least once a year or when there are factors indicating that an investment might be impaired.

To test for impairment, the Group allocates goodwill from business combinations to each cash-generating unit (or group of cash - generating units) that is expected to benefit from the synergies of the combination. The Group evaluates the recoverable amount of each cash - generating unit (or group of cash - generating units) and if it is lower than the carrying amount of the unit, the Group recognizes impairment losses in the statements of income. Allowance for impairment of goodwill will not be reversed.

3.8 Intangible assets

Trademarks are stated at cost less accumulated impairment losses (if any)

Other intangible assets are stated at cost net of accumulated amortization. Amortization is calculated on the straight - line method over a period as follow:

	Years
Computer software	10
Customer relationship	7
Trademarks	Indefinite useful life

No amortization is provided for trademarks due to indefinite useful life. However, the Group is required to test for impairment annually and whenever there is an indication that the intangible asset may be impaired.

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

3.9 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non - controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a gain on business acquisition is recognized immediately in the statements of income.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination is expensed as incurred.

3.10 Borrowing cost

Borrowing costs comprise interest and other costs associated with the borrowings. Borrowing costs incurred on qualifying assets are capitalized as a cost of the qualifying property until all the activities necessary to prepare the property for its intended use are substantially completed. When funds are specifically borrowed for the construction or the production of asset, the amount of borrowing costs capitalized is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings. When funds are borrowed for general purpose, the Group multiplies the capitalization rate by the capital expenditure in allocating borrowing costs to costs of assets.

All other borrowing costs are expensed in the period they incurred.

3.11 Amortization

Pallets and packages are stated at cost less accumulated amortization. Amortization of pallets and packages is calculated on the straight - line method over periods of 1 - 3 years.

3.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statements of income. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the lower of its recoverable amount (if determinable) and the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

3.13 Related party transactions

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

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

3.14 Leases

For the year ended December 31, 2020

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

The Group as lessee

Right-of-use assets

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

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognizes interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in - substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight - line basis over the lease term.

Sub lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Group apply the exemption described in “Short-term leases and leases of low - value asset, then it classifies the sub-lease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Group derecognise the right-of-use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

Initial adoption

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.2 to the financial statements.

For the year ended December 31,2019

- Finance lease agreement

Leases of property, plant and 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 property or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long - term payables, while the interest element is charged to the statements of income over the lease period. If there is no reasonable certainty that the lessees will obtain ownership by the end of the lease term, the asset acquired under finance lease shall be fully depreciated over the shorter of the useful life of the asset or the lease term.

- Operating Lease

Lease of assets under which all the risks and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight - line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

3.15 Provisions

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

3.16 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Group's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Group recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Group recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the income statement when the Group's plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

3.17 Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.18 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities dominated in foreign currencies outstanding at the statements of financial position date are translated into Baht at the exchange rates ruling on the statements of financial position date.

Gains and losses on exchange are included in determining earnings.

Foreign entity's assets and liabilities are translated into Thai Baht at average bank buying and selling rate at the end of year, income and expense are translated into Thai Baht at average exchange rate during the year. Currency translation differences are presented in statement of comprehensive income in according to the percentage of shareholding.

3.19 Use of estimates and judgments

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgment and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant areas of estimation uncertainty and critical judgment related to allowance for doubtful accounts, allowance for devaluation of inventories, allowance for impairment of investment, depreciation, allowance for impairment of assets and provisions for employee benefit.

3.20 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognizes the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remainder deducted against retained earnings.

3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group 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 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 - inputs are unobservable inputs for the asset or liability

3.22 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at amortised cost except investment units are measured at fair value through profit or loss.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Group applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.

Initial adoption

Since January 1, 2020, the Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of January 1, 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.1 to the financial statements.

3.23 Basic Earnings (loss) per share

Basic earnings (loss) per share is determined by dividing profit (loss) attributable to equity holders of the parent for the year by the weighted average number of ordinary shares outstanding.

4. EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 2.2.1 to the financial statements, during the current period, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as of January 1, 2020. Therefore, the comparative information was not restated. The impacts on the financial statement from changes in accounting policies due to the adoption of these standards are presented as follows:

4.1 Group of Financial Instruments Standards

The Group has adopted financial reporting standard related to financial instruments as described in Note 2.2.1 (1) to the financial statements which have the material impact for the classification of financial assets as follows:

Consolidated and separate financial statements				
Baht				
Classification under Previous standards as of December 31, 2019		Classification under TFRS 9 as of January 1, 2020		Category
	Reclassifications			
Assets				
Non current				
Restricted bank deposits	21,001,047	(21,001,047)	-	
Other non-current financial assets				
- Restricted fixed deposits	-	21,001,047	21,001,047	Financial asset measured at amortized cost

Besides, other financial assets and liabilities of the Group are measured at amortized cost.

4.2 TFRS 16 Leases

The Group has adopted TFRS16 “Leases” as described in Note 2.2.1 (2) to the financial statements as follows:

The Group recognised a right-of-use and a lease liability previously classified as an operating lease at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application (as of January 1, 2020). Therefore, the comparative information, which presented based on TAS 17, was not restated. The Group recognised the carrying amount of the right - of - use assets and lease liabilities, previously classified as financial leases, based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

Therefore the impacts from adoption of this standard at the date of initial application (as of January 1, 2020) are

	Baht	
	Consolidated financial statements	Separate financial statements
Assets		
Increase in lease receivables	-	48,137,415
Increase deferred interest income	-	(9,824,577)
Decrease in property, plant and equipment	(129,653,687)	(129,653,687)
Increase of the right - of - use assets	543,267,814	384,457,694
Decrease in intangible assets	(97,715,092)	-
	<u>315,899,035</u>	<u>293,116,845</u>
Liabilities		
Increase in lease liabilities	328,407,600	304,768,540
Increase deferred interest expenses	(12,508,565)	(11,651,695)
	<u>315,899,035</u>	<u>293,116,845</u>

5. RELATED PARTY TRANSACTIONS

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties are these parties linked to companies in the Group are as follow:

Related Companies	Business Type	Relationship
Direct subsidiaries		
Malee Enterprise Company Limited	Distributor	Shareholders/Co - directors
Icon Foods LLC	Distributor (dormant)	Shareholders/Co - directors
Malee Capital Company Limited	Investment	Shareholders/Co - directors
Malee International Company Limited	Importer, exporter, distribution of canned agriculture products, fruit juices and non - alcohol beverage	Shareholders/Co - directors
Malee Applied Sciences Company Limited	Research and development of scientifically, transformation, agriculture	Shareholders/Co - directors
Indirect subsidiaries		
Long Quan Safe Food JSC (held by Malee Capital Company Limited 65%)	Distributor consumer product for Vietnam and neighboring countries	Shareholders/Co - directors
Tan Quang Minh Manufacture and Trading Company Limited (held by Long Quan Safe Food JSC 100%)	Manufacturing and distributor consumer product for Vietnam and neighboring countries	Shareholders/Co - directors
Joint ventures		
PT Kino Malee Indonesia (registered in Indonesia) (A)	Importing, manufacturing, selling, marketing and distribution of MALEE products in Indonesia market	Shareholders/Co - directors
Monde Malee Beverage Corporation (registered in Philippine)	Importer of food and beverage for sale in Philippine	Shareholders/Co - directors
Mega Malee Company Limited (B)	Research and development of food and beverage	Shareholders/Co - directors
Malee Kino (Thailand) Company Limited (C)	Importing, selling, marketing and distribution of KINO products	Shareholders/Co - directors
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	Shareholders/Co - directors

Related Companies	Business Type	Relationship
Related parties		
Abico Holding Public Company Limited	Holding company (investment)	Company's shareholder/ Co - directors
Abico Land Company Limited	Real estate developer	Co - directors
Abico Dairy Farm Company Limited	Produce service of ready to drink milk and fruit juices	Co - directors
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Spicy Disc Company Limited	Music and entertainment	Co - directors
Central Trading Company Limited	Department store	Co - directors
Central World Company Limited	Department store	Co - directors
MONDE NISSIN CORPORATION	Manufacture and distributor for noodle and biscuits	Partnership
PT KINO INDONESIA TBK	Manufacture and distribution of consumer products in Indonesia	Partnership
KINO INTERNATIONAL PTE LTD.	Holding company (investment)	Partnership
Mega Lifesciences Public Company Limited	Manufacture and distributor of health food supplements and branded prescription pharmaceutical products	Partnership
(A) Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.		
(B) Informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.		
(C) Informed the Ministry of Commerce to liquidate its business on June 16, 2020. At present, the Company is on the process of liquidation.		

During the year the Company had significant trading transactions with its subsidiaries and related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

		Baht			
		For the year ended December 31,			
		Consolidated financial statements		Separate financial statements	
	Transfer Pricing policy	2020	2019	2020	2019
<u>Transactions with subsidiaries</u>					
Sales of goods	At the rate agreed upon	-	-	1,359,046,220	1,694,709,165
Sales of raw materials and others	At the rate agreed upon	-	-	277,669	209,915
Revenues from management	Contract price	-	-	115,800,000	38,985,000
Revenues from service	Contract price	-	-	1,320,000	1,320,000
Guarantee fee	2.50% and 3.36% of the guarantee amount	-	-	4,172,131	2,190,444
Interest income	Contract price	-	-	1,747,615	1,437,469
Purchase of goods	At the rate agreed upon	-	-	2,168,312	2,185,473
Research and development service	Contract price	-	-	15,993,008	15,554,325
Warehouse rental expenses	Contract price	-	-	5,400,000	7,200,000
Guarantee fee expenses	2.50% of the guarantee amount	-	-	19,219,655	-
Interest expenses	Contract price	-	-	43,897	-
<u>Transactions with indirect subsidiary</u>					
Purchase of goods	At the rate agreed upon	-	-	36,505	3,450,292
<u>Transactions with joint venture</u>					
Sales of goods	At the rate agreed upon	37,761,996	49,346,329	308,733	916,618
Revenues from management	Contract price	1,320,000	2,640,000	1,320,000	2,640,000
Revenues from marketing support	Contract price	10,797,170	-	-	-

		Baht			
		For the year ended December 31,			
		Consolidated financial statements		Separate financial statements	
	Transfer Pricing policy	2020	2019	2020	2019
Transactions with related parties					
Sales of goods	At the rate agreed upon	-	2,599,965	-	-
Sales of raw materials and others	At the rate agreed upon	316,020	795,682	316,020	795,682
Revenues from service	Contract price	1,200,000	1,200,000	1,200,000	1,200,000
Purchase of goods	At the rate agreed upon	422,924	-	-	-
Purchase of raw materials and others	At the rate agreed upon	30,054,517	29,891,303	30,054,517	29,891,303
Produce service	At the rate agreed upon	97,714,228	102,622,055	97,714,228	102,622,055
Building rental and service expenses	Contract price	15,004,030	16,538,801	15,004,030	16,502,801

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

		Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Trade receivables					
Subsidiaries					
Malee Enterprise Co., Ltd.		-	-	38,849,608	257,116,420
Malee International Co., Ltd.		-	-	19,736,139	46,935,159
Total		-	-	58,585,747	304,051,579
Joint venture					
Monde Malee Beverage Corporation		11,423,549	28,983,421	-	-
Mega Malee Co., Ltd.		-	542,262	-	281,269
PT Kino Malee Indonesia		-	585,755	-	-
Total		11,423,549	30,111,438	-	281,269
Other receivables					
Subsidiaries					
Malee Enterprise Co., Ltd.		-	-	16,368,526	10,232,046
Malee International Co., Ltd.		-	-	-	11,804,590
Malee Applied Science Co., Ltd.		-	-	13,771,397	4,714,790
Total		-	-	30,139,923	26,751,426
Joint venture					
Malee Kino (Thailand) Co., Ltd.		1,883,806	444,860	1,883,806	444,153
Related party					
Abico Dairy Farm Co., Ltd.		1,347,061	531,223	1,314,987	531,223
Long - term loans					
Subsidiary					
Malee Applied Science Co., Ltd.		-	-	31,500,000	31,500,000
Deposits					
Related party					
Abico Land Co., Ltd.		8,124,800	8,124,800	8,124,800	8,124,800

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade payables</u>				
<u>Subsidiary</u>				
Malee Enterprise Co., Ltd.	-	-	19,688	144,931
<u>Joint venture</u>				
Mega malee Co., Ltd.	-	400,622	-	-
<u>Related party</u>				
Abico Dairy Farm Co., Ltd.	25,472,106	17,198,501	25,472,106	17,184,591
<u>Other payables</u>				
<u>Subsidiaries</u>				
Malee Enterprise Co., Ltd.	-	-	1,075,820	2,568,000
Malee Capital Co., Ltd.	-	-	29,360,264	12,316,428
Malee International Co., Ltd.	-	-	3,174,704	-
Malee Applied Sciences Co., Ltd.	-	-	3,551,272	10,041,397
Total	-	-	37,162,060	24,925,825
<u>Other payables</u>				
<u>Related party</u>				
Abico Land Co., Ltd.	137,902	-	134,902	-
<u>Loans</u>				
<u>Subsidiary</u>				
Malee Capital Co., Ltd.	-	-	29,000,000	-

Loan

During the year 2020, the Company had entered into a loan agreement with a subsidiary in the amount of Baht 29 million with interest rate agreed upon. The principal and interest are repayable with in December 14, 2021.

Directors and management benefit expenses

Directors and management benefit expenses represent the benefits paid to the directors and the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange.

Directors and management benefit expenses for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short - term employee benefits	64,865,008	66,166,694	63,316,904	64,499,537
Post - employment benefits	1,898,780	1,812,390	1,898,780	1,812,390
Total	66,763,788	67,979,084	65,215,684	66,311,927

Guarantee obligations with related party

The Company has outstanding guarantee obligations with a subsidiary and its subsidiaries has outstanding guarantee obligation with the Company, as described in note 30.3 to the financial statements.

Service agreements

The Company entered into a service agreement with 3 subsidiaries and a joint venture to manage in each function specified in the agreement by receiving fees amount of Baht 0.22 - 5.50 million per month for a period of 1 year including a renewal option. The Company has to comply with certain conditions contained in the agreements.

The joint venture has terminated a service agreement since April 2020.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	629,371	2,362,523	37,448	86,592
Cash at banks - current accounts	19,252,348	18,048,336	4,848,907	1,367,721
- saving accounts	55,914,291	95,779,605	34,298,865	57,686,397
Cheque in hand	7,872,747	2,579,775	7,109,003	6,206,683
Total	83,668,757	118,770,239	46,294,223	65,347,393

7. TRADE RECEIVABLES, NET

The outstanding balances of trade receivables as at December 31, 2020 and 2019 are aged, based on due date, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Not yet due	358,743,773	580,139,906	212,599,877	438,944,061
Past due				
Up to 3 months	113,924,935	153,405,903	46,237,304	207,814,857
3 - 6 months	516,611	-	-	386,958
6 - 9 months	1,095,408	1,016,161	940,401	312,423
Longer than 9 months	8,684,516	9,130,586	6,598,525	4,321,669
Total	482,965,243	743,692,556	266,376,107	651,779,968
Less: Allowance for doubtful accounts	(12,193,152)	(6,644,851)	(7,183,955)	(4,258,197)
Trade receivables, net	470,772,091	737,047,705	259,192,152	647,521,771

The changes of allowance doubtful accounts during the year are as follows:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	(6,644,851)	(4,849,627)	(4,258,197)	(3,974,299)
Decreased (Increased) during the years	(5,548,301)	(1,795,224)	(2,925,758)	(283,898)
Ending balance	(12,193,152)	(6,644,851)	(7,183,955)	(4,258,197)

8. OTHER RECEIVABLES

Other receivables are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2019	2020
Accrued other income	17,421,748	28,308,632	43,135,794	48,835,716
Advance payment	2,094,830	1,293,412	234,666	837,999
Prepaid expense	14,515,012	11,821,052	8,303,093	2,492,029
Advance payment for goods	22,929,277	16,518,690	11,471,636	4,640,429
Revenue department receivable	65,289,173	41,194,225	3,820,772	1,768,699
Total	122,250,040	99,136,011	66,965,961	58,574,872

9. INVENTORIES, NET

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	293,155,463	284,211,457	158,150,741	136,545,593
Raw materials	164,709,682	141,928,389	132,153,131	103,574,428
Packing materials	124,386,255	123,622,713	112,352,828	106,942,437
Spare parts and factory supplies	26,406,667	30,290,985	24,527,550	29,870,946
Goods in transit	3,924,483	12,894,725	3,924,484	12,894,725
Total	612,582,550	592,948,269	431,108,734	389,828,129
<u>Less: Allowance for stock obsolescence</u>	<u>(68,936,335)</u>	<u>(69,671,470)</u>	<u>(69,853,435)</u>	<u>(62,496,382)</u>
Inventories, net	543,646,215	523,276,799	361,255,299	327,331,747

Inventories recognized as an expense in cost of sales for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of goods sold	3,111,165,939	4,019,135,261	2,729,148,648	3,565,247,954
Loss on destroy inventories	58,408,375	59,596,157	49,505,645	49,195,565
Increase (decrease) in provision for obsolete inventories	(735,135)	21,910,669	7,357,053	28,765,948
	3,168,839,179	4,100,642,087	2,786,011,346	3,643,209,467

The changes of allowance for obsolete stock during the year as follows:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance	(69,671,470)	(47,760,801)	(62,496,382)	(33,730,434)
Decreased (increased) during the year	735,135	(21,910,669)	(7,357,053)	(28,765,948)
Ending balance	(68,936,335)	(69,671,470)	(69,853,435)	(62,496,382)

10. INVESTMENTS IN SUBSIDIARIES, NET

These represent investments in ordinary shares of the following subsidiary companies.

Company's name	Separate financial statements					
	Paid - up capital		Shareholding percentage		Cost method (Baht)	
	2020	2019	2020	2019	2020	2019
Investments in subsidiary companies						
Malee Enterprise Company Limited	Baht 100 million	Baht 100 million	99.99	99.99	99,988,000	99,988,000
Icon Foods Company Limited	USD 50,500	USD 50,500	99.00	99.00	1,291,000	1,291,000
Malee Capital Company Limited	Baht 385 million	Baht 385 million	99.99	99.99	385,000,000	385,000,000
Malee International Company Limited	Baht 40 million	Baht 40 million	100.00	100.00	37,137,535	37,137,535
Malee Applied Science Company Limited	Baht 10 million	Baht 10 million	99.99	99.99	10,000,000	10,000,000
					533,416,535	533,416,535
<u>Less</u> Impairment loss on investment					(1,291,000)	(1,291,000)
Investments in subsidiaries, net					532,125,535	532,125,535

In year 2019, the management found that the recoverable amount of a subsidiary which recognized impairment loss in prior years is higher than investment cost. Then the Company has reverse the impairment of investment in the subsidiary in the statement of income in separate financial statements in year 2019 amounted to Baht 12.65 million.

11. INVESTMENTS IN JOINT VENTURES

Company's name	Nature of business	Baht					
		Paid - up capital		Shareholding percentage		Consolidated financial statement	
		2020	2019	2020	2019	Equity method	
						2020	2019
Joint ventures							
Malee Kino (Thailand) Company Limited (D)	Importing, selling, marketing and distribution of KINO products	Baht 25 million	Baht 25 million	51.00	51.00	841,309	5,644,597
PT KINO Malee Indonesia (registered in Indonesia) (C)	Importing, manufacturing, marketing and distribution of MALEE products in Indonesia market	-	Rupiah 40,000 million	-	49.00	-	45,018,495
Monde Malee Beverage Corporation (registered in Philippine) (B)	Importation, marketing promotion and sale of the Company's food and beverage in Philippine market	Philippine Peso 300 million	Philippine Peso 300 million	49.00	49.00	5,578,245	18,521,922
Mega Malee Co., Ltd. (A)	Research and development of food and beverage	-	Baht 30 million	-	49.00	-	2,959,628
PT Kino Malee Trading (registered in Indonesia)	Importer of food and beverage for sale in Indonesia	Rupiah 15,000 million	-	49.00	-	14,698,425	-
Investments in Joint Venture						21,117,979	72,144,642

Company's name	Nature of business	Baht					
		Paid - up capital		Shareholding percentage		Separate financial statement	
		2020	2019	2020	2019	Cost method	
						2020	2019
Joint ventures							
Monde Malee Beverage Corporation (registered in Philippine) (B)	Importation, marketing promotion and sale of the Company's food and beverage in Philippine market	Philippine Peso 300 million	Philippine Peso 300 million	49.00	49.00	99,372,066	99,372,066
Mega Malee Co., Ltd. (A)	Research and development of food and beverage	-	Baht 30 million	-	49.00	-	14,902,239
Investments in Joint Venture						99,372,066	114,274,305

- (A) In March, 2019, Mega Malee Co., Ltd. approved to call for additional paid - up capital amount of Baht 20.00 million with the same portion, effecting on share capital and paid - up capital of Mega Malee Co., Ltd. amounting to Baht 30.00 million.

The company had informed the Ministry of Commerce to liquidate its business on July 13, 2020 and its liquidation has been completed in October 20, 2020.

- (B) In July 2019, Monde Malee Beverage Corporation approved to call for additional paid - up capital amount of Philippine Peso 150 million with the same portion, effecting on share capital and paid - up capital of Monde Malee Beverage Corporation amounting to Philippine Peso 300 million.
- (C) Informed the Ministry of Commerce to liquidate its business on June 15, 2020 and its liquidation has been completed in November 3, 2020.
- (D) Informed the Ministry of Commerce to liquidate its business on June 16, 2020. The Company is on the process of liquidation.

Movements of investments in associate and joint ventures for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Investment in joint ventures				
at beginning of years	72,144,642	32,267,936	114,274,305	60,224,870
Acquisitions	15,008,700	54,049,435	-	54,049,435
Share of profits (loss) under equity method	(27,485,012)	(11,572,821)	-	-
Exchange differences on translating financial statement	5,720,302	(2,599,908)	-	-
Disposals of investments	(44,270,653)	-	(14,902,239)	-
Investment in joint ventures at ending of the years	21,117,979	72,144,642	99,372,066	114,274,305

Summarized financial information of joint ventures are as follows:

Name	Million Baht									
	Paid - up capital		Total assets		Total liabilities		Total revenues		Profit (loss)	
	As at December 31,		As at December 31,		As at December 31,		for the years ended		for the years ended	
	2020	2019	2020	2019	2020	2019	December 31,	December 31,	December 31,	December 31,
Joint ventures										
Malee Kino (Thailand) Company Limited	Baht 25 million	Baht 25 million	7.18	14.81	5.53	3.75	1.13	5.53	(9.42)	(10.84)
PT Kino Malee Indonesia	-	Rupiah 40,000 million	-	94.79	-	2.88	-	5.34	(1.93)	3.37
Monde Malee Beverage Corporation	Philippine Peso 300 million	Philippine Peso 300 million	65.22	90.21	53.83	42.04	46.99	62.18	(40.13)	(2.39)
Mega Malee Company Limited	-	Baht 30 million	-	7.63	-	2.00	-	2.68	-	(13.32)
PT Kino Malee Trading	Rupiah 15,000 million	-	36.44	-	0.54	-	5.66	-	(2.08)	-

12. LONG - TERM LOANS TO SUBSIDIARY, NET

	Baht			
	Separate financial statements			
	2019	Increase	Decrease	2020
Loans	31,500,000	10,000,000	(10,000,000)	31,500,000

On the 4th quarter of year 2018, the Company had entered into a loan agreement with a subsidiary no. 1 in the amount Baht 2 million with interest at the rate MLR% p.a.. The principal and interest are repayable within year 2020 and interest are repayable in quarterly.

Later, in year 2019, the Company and subsidiary have entered into the additional memorandum for the loan agreement in the amount Baht 12 million by extended payment term of principal and interest to be within December 31, 2021, instead.

During the year 2019, the Company had entered into 9 loan agreements with a subsidiary in the amount of Baht 17.50 million with interest is at the rate MLR% p.a.. The interest are repayable in quarterly and total principal which will be repayable within the year 2021.

During the year 2020, the company has entered into additional loan agreement with the same subsidiary at Baht 20 million with interest at 3.50% p.a. (the subsidiary would make a withdrawal due to its necessity). The interest are repayable in quarterly and total principal are repayable within February 2022.

Loans to a subsidiary which is unsecured.

13. LONG - TERM LOANS TO OTHER, NET

	Baht			
	Consolidated financial statements			
	2019	Increase	Decrease	2020
Loans	31,656,758			31,656,758
<u>Less</u> Current portion	(31,656,758)	-	-	-
Loan to other, net	-			31,656,758

During the year 2014 - 2016, Malee International Company Limited ("MIC") had entered into various loan agreements with Lanchang Farm Company Limited ("LCF") (formerly is subsidiary of "MIC" and commencing on March 31, 2017, "LCF" has not been a subsidiary of "MIC"). As of December 31, 2016, the loan balance was Baht 33.52 million with interest at the rate MLR% p.a. and payment conditions on principal and interest as identify in each agreement.

On February 1, 2017, "LCF" has executed a letter of acknowledgement of debt as of January 31, 2017 with "MIC" and amended payment conditions on principal and accrued interest as follows:

- Grace period for all principal and accrued interest until September 2017 and start to make quarterly repayment from October 2017 as described in the agreement and the whole amount will be fully paid within January 2022.
- Starting from February 2017, the loan will be subject to interest rate of 6.275% p.a. monthly payable.

Since Lanchang Farm Company Limited has some liquidity concerns where it cannot meet the obligation to repay its debt and interest for certain period during the past and on December 12, 2018, Lanchang Farm Company Limited has issued the letter requesting to delay debt payments and suggest the approach to comply such obligation. On January 8, 2019, Board of Directors of Malee International Company Limited agreed and approved reduction of the unpaid interest from July 2018 to December 2018 at the amount of Baht 0.82 to Lanchang Farm Company Limited and stopping charging interest expenses commencing from January 1, 2019 onward. Directors of Malee International Company Limited also allow Lanchang Farm Company Limited to sell its land and property under the mortgage, then repay the debt to Malee International Company Limited within December 30, 2020.

On November 30, 2020, Lanchang Farm Company Limited has issued the letter requesting an extension of the repayment period on December 17, 2020, Board of Director of Malee International Company Limited agreed and approved extension of the repayment period within December 30, 2022.

Lanchang Farm Co., Ltd. is currently under sale proposal process which has been postponed due to the Coronavirus disease 2019 Pandemic.

Loans to other is secured by the mortgage of land and construction. The fair value are reference by an independent appraiser, as of December 13, 2017, amount of Baht 52.80 million.

14. PROPERTY, PLANT AND EQUIPMENT, NET

	Baht							
	Consolidated financial statements							
	Land	Plant and equipment	Land improvement	Machineries and equipment	Motor vehicles	Furniture, fixtures and office equipment	Construction In progress	Total
Cost :								
As at December 31, 2019	111,862,629	595,080,319	25,100,352	2,311,368,991	71,199,691	115,038,758	205,012,296	3,434,663,036
Reclassification to right - of - use assets	-	-	-	(181,645,011)	(4,050,538)	(8,127,756)	-	(193,823,305)
As at January 1, 2020	111,862,629	595,080,319	25,100,352	2,129,723,980	67,149,153	106,911,002	205,012,296	3,240,839,731
Acquisition	-	1,249,800	-	13,329,251	146,902	2,189,035	6,464,032	23,379,020
Disposals/Write - off	-	-	-	(3,356,457)	-	(162,590)	-	(3,519,047)
Transfer in (out)	-	23,262,097	-	136,716,286	-	(157,850)	(159,820,533)	-
Exchange differences on translating translating financial statement	-	(104,928)	-	(797,065)	(101,997)	(8,497)	(1,846)	(1,014,333)
As at December 31, 2020	111,862,629	619,487,288	25,100,352	2,275,615,995	67,194,058	108,771,100	51,653,949	3,259,685,371
Accumulated amortization :								
As at December 31, 2019	-	(301,342,164)	(17,773,857)	(1,296,657,456)	(50,136,172)	(75,804,832)	-	(1,741,714,481)
Reclassification to right - of - use assets	-	-	-	57,284,295	1,649,154	5,236,169	-	64,169,618
As at January 1, 2020	-	(301,342,164)	(17,773,857)	(1,239,373,161)	(48,487,018)	(70,568,663)	-	(1,677,544,863)
Depreciation for the year	-	(30,607,713)	(2,668,288)	(162,693,209)	(4,604,378)	(11,952,654)	-	(212,526,242)
Disposals/Write - off	-	-	-	162,058	-	146,702	-	308,760
Transfer in (out)	-	-	-	-	-	-	-	-
Exchange differences on translating financial statement	-	144,016	-	845,647	226,821	14,318	-	1,230,802
As at December 31, 2020	-	(331,805,861)	(20,442,145)	(1,401,058,665)	(52,864,575)	(82,360,297)	-	(1,888,531,543)
Allowance for impairment loss :								
As at December 31, 2019	-	(13,317,340)	-	(1,475,262)	-	-	-	(14,792,602)
Increase	-	-	-	(1,420,037)	-	-	-	(1,420,037)
Disposals/Write - off	-	-	-	-	-	-	-	-
As at December 31, 2020	-	(13,317,340)	-	(2,895,299)	-	-	-	(16,212,639)
Netbook value :								
As at December 31, 2019	111,862,629	280,420,815	7,326,495	1,013,236,273	21,063,519	39,233,926	205,012,296	1,678,155,953
As at December 31, 2020	111,862,629	274,364,087	4,658,207	871,662,031	14,329,483	26,410,803	51,653,949	1,354,941,189
Incremental amount :								
As at December 31, 2019	314,957,371	-	-	-	-	-	-	314,957,371
Increase (Decrease)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Write - off	-	-	-	-	-	-	-	-
As at December 31, 2020	314,957,371	-	-	-	-	-	-	314,957,371
Revaluation basis assets, net :								
As at December 31, 2019	426,820,000	280,420,815	7,326,495	1,013,236,273	21,063,519	39,233,926	205,012,296	1,993,113,324
As at December 31, 2020	426,820,000	274,364,087	4,658,207	871,662,031	14,329,483	26,410,803	51,653,949	1,669,898,560
Depreciation for the years ended December 31 :								
2019								245,288,705
2020								212,526,242

Baht								
Separate financial statements								
	Land	Plant and equipment	Land improvement	Machineries and equipment	Motor vehicles	Furniture, Fixtures and office equipment	Construction In progress	Total
Cost :								
As at December 31, 2019	99,288,436	478,514,138	25,100,352	2,043,765,131	18,343,834	92,263,868	204,051,093	2,961,326,852
Reclassification to right - of - use assets	-	-	-	(181,645,011)	(4,050,538)	(8,127,756)	-	(193,823,305)
As at January 1, 2020	99,288,436	478,514,138	25,100,352	1,862,120,120	14,293,296	84,136,112	204,051,093	2,767,503,547
Acquisition	-	1,249,800	-	10,758,263	-	2,137,435	6,464,032	20,609,530
Disposals/Write - off	-	-	-	(651,905)	-	(53,690)	-	(705,595)
Transfer in (out)	-	23,262,097	-	136,716,286	-	(157,850)	(159,820,533)	-
As at December 31, 2020	99,288,436	503,026,035	25,100,352	2,008,942,764	14,293,296	86,062,007	50,694,592	2,787,407,482
Accumulated amortization :								
As at December 31, 2019	-	(256,829,970)	(17,773,857)	(1,147,309,570)	(12,918,206)	(55,986,950)	-	(1,490,818,553)
Reclassification to right - of - use assets	-	-	-	57,284,295	1,649,154	5,236,169	-	64,169,618
As at January 1, 2020	-	(256,829,970)	(17,773,857)	(1,090,025,275)	(11,269,052)	(50,750,781)	-	(1,426,648,935)
Depreciation for the year	-	(23,796,158)	(2,668,288)	(138,184,152)	(73,737)	(10,653,709)	-	(175,376,044)
Disposals/Write - off	-	-	-	162,058	-	51,999	-	214,057
As at December 31, 2020	-	(280,626,128)	(20,442,145)	(1,228,047,369)	(11,342,789)	(61,352,491)	-	(1,601,810,922)
Allowance for impairment loss :								
As at December 31, 2019	-	(4,100,825)	-	(1,475,262)	-	-	-	(5,576,087)
Increase	-	-	-	(1,420,037)	-	-	-	(1,420,037)
As at December 31, 2020	-	(4,100,825)	-	(2,895,299)	-	-	-	(6,996,124)
Netbook value :								
As at December 31, 2019	99,288,436	217,583,343	7,326,495	894,980,299	5,425,628	36,276,918	204,051,093	1,464,932,212
As at December 31, 2020	99,288,436	218,299,082	4,658,207	778,000,096	2,950,507	24,709,516	50,694,592	1,178,600,436
Incremental amount :								
As at December 31, 2019	309,311,564	-	-	-	-	-	-	309,311,564
Increase (Decrease)	-	-	-	-	-	-	-	-
As at December 31, 2020	309,311,564	-	-	-	-	-	-	309,311,564
Revaluation basis assets, net :								
As at December 31, 2019	408,600,000	217,583,343	7,326,495	894,980,299	5,425,628	36,276,918	204,051,093	1,774,243,776
As at December 31, 2020	408,600,000	218,299,082	4,658,207	778,000,096	2,950,507	24,709,516	50,694,592	1,487,912,000
Depreciation for the years ended December 31 :								
2019								208,555,417
2020								175,376,044

As at December 31, 2020 and 2019, the Company's land including building and construction and certain machineries are mortgaged to a local bank as security against credit facilities in long - term loan of Baht 618.40 million and Baht 442.40 million, respectively, derivatives, letter of credit and letter of guarantees.

As at December 31, 2020 and 2019, the Group have certain buildings, vehicles and equipment items of the Group have been fully depreciated but they are still in use. The original cost in those assets amounted to approximately Baht 1,054.74 million and Baht 912.78 million, respectively (the Company only: amounted to approximately Baht 921.66 million and Baht 809.77 million, respectively).

For the year ended December 31, 2019, the Company has capitalized borrowing costs relating to the acquisition of construction of building improvement and machineries amounted to Baht 6.67 million, with a capitalization rate of 3.05% to 3.44%.

15. RIGHT - OF - USE ASSETS, NET

The net book value of right - of - use assets related to land, building and equipment lease contracts and the movement for the year ended December 31, 2020 are presented below.

	Baht					
	Consolidated financial statements					
	Machineries and equipment	Office equipment	Motor vehicles	Leasehold right on assets	Financial leases	Total
Cost :						
As at December 31, 2019	-	-	-	-	-	-
Effects of the adoption of TFRS 16 :						
- Reclassification from property, plant and equipment	181,645,011	8,127,756	4,050,538	-	-	193,823,305
- Reclassification from intangible assets	-	-	-	103,679,219	-	103,679,219
- Recognized from operating leases	-	-	-	-	354,211,873	354,211,873
- Recognition to sub lease	-	-	-	-	(38,312,838)	(38,312,838)
As at January 1, 2020	181,645,011	8,127,756	4,050,538	103,679,219	315,899,035	613,401,559
Acquisition	-	-	-	-	1,520,658	1,520,658
Disposals/Write - off	-	-	(4,050,538)	-	(369,177)	(4,419,715)
Exchange differences on translating translating financial statement	-	-	-	(592,108)	-	(592,108)
As at December 31, 2020	181,645,011	8,127,756	-	103,087,111	317,050,516	609,910,394
Accumulated amortization :						
As at December 31, 2019	-	-	-	-	-	-
Effects of the adoption of TFRS 16 :						
- Reclassification from property, plant and equipment	(57,284,295)	(5,236,169)	(1,649,154)	-	-	(64,169,618)
- Reclassification from intangible assets	-	-	-	(5,964,127)	-	(5,964,127)
As at January 1, 2020	(57,284,295)	(5,236,169)	(1,649,154)	(5,964,127)	-	(70,133,745)
Depreciation for the year	(15,986,283)	(2,196,073)	(205,410)	(3,389,201)	(42,356,278)	(64,133,245)
Disposals/Write - off	-	-	1,854,564	-	184,589	2,039,153
Exchange differences on translating translating financial statement	-	-	-	(145,114)	-	(145,114)
As at December 31, 2020	(73,270,578)	(7,432,242)	-	(9,498,442)	(42,171,689)	(132,372,951)
Netbook value :						
As at December 31, 2019	-	-	-	-	-	-
As at December 31, 2020	108,374,433	695,514	-	93,588,669	274,878,827	477,537,443

	Baht				
	Separate financial statements				
	Machineries and equipment	Office equipment	Motor vehicles	Financial leases	Total
Cost					
As at December 31, 2019	-	-	-	-	-
Effects of the adoption of TFRS 16 :					
- Reclassification from property, plant and equipment	181,645,011	8,127,756	4,050,538	-	193,823,305
- Recognized from operating leases	-	-	-	293,116,845	293,116,845
- Recognition to sub lease	-	-	-	(38,312,838)	(38,312,838)
As at January 1, 2020	181,645,011	8,127,756	4,050,538	254,804,007	448,627,312
Acquisition	-	-	-	1,520,658	1,520,658
Disposals/Write - off	-	-	(4,050,538)	-	(4,050,538)
Transfer in (out)	-	-	-	-	-
As at December 31, 2020	181,645,011	8,127,756	-	256,324,665	446,097,432
Accumulated amortization					
As at December 31, 2019	-	-	-	-	-
Effects of the adoption of TFRS 16 :					
- Reclassification from property, plant and equipment	(57,284,295)	(5,236,169)	(1,649,154)	-	(64,169,618)
- Recognized from operating leases	-	-	-	-	-
- Recognition to sub lease	-	-	-	-	-
As at January 1, 2020	(57,284,295)	(5,236,169)	(1,649,154)	-	(64,169,618)
Depreciation for the year	(15,986,283)	(2,196,073)	(205,410)	(30,988,791)	(49,376,557)
Disposals/Write - off	-	-	1,854,564	-	1,854,564
As at December 31, 2020	(73,270,578)	(7,432,242)	-	(30,988,791)	(111,691,611)
Netbook value					
As at December 31, 2019	-	-	-	-	-
As at December 31, 2020	108,374,433	695,514	-	225,335,874	334,405,821

The following are the amounts recognised in profit or loss for the year ended December 31, 2020 is as follows:

	Baht	
	For the year ended December 31, 2020	
	Consolidated financial statements	Separate financial statements
Depreciation of right of use assets	64,133,245	49,376,557
Interest expense on lease liabilities	5,125,526	4,690,416
Reduction in lease payments	(493,727)	-
Expense relating to short - term lease	-	-
Expense relating to leases of low - value assets	3,577,632	3,474,840
Total	72,342,676	57,541,813

16. INTANGIBLE ASSETS, NET

Baht					
Consolidated financial statements					
	Leasehold right on land	Customer relationship	Trademark	Computer software	Total
<u>Cost</u>					
As at December 31, 2019	103,679,219	699,386	163,481,463	74,628,846	342,488,914
Reclassification to right - of - use assets	(103,679,219)	-	-	-	(103,679,219)
As at January 1, 2020	-	699,386	163,481,463	74,628,846	238,809,695
Acquisition	-	-	-	2,188,642	2,188,642
Exchange differences on translating financial statement	-	(1,344)	(287,766)	-	(289,110)
As at December 31, 2020	-	698,042	163,193,697	76,817,488	240,709,227
<u>Accumulated amortization</u>					
As at December 31, 2019	(5,964,127)	-	-	(51,436,047)	(57,400,174)
Reclassification to right - of - use assets	5,964,127	-	-	-	5,964,127
As at January 1, 2020	-	-	-	(51,436,047)	(51,436,047)
Depreciation for the year	-	-	-	(9,092,889)	(9,092,889)
As at December 31, 2020	-	-	-	(60,528,936)	(60,528,936)
<u>Net book value</u>					
As at December 31, 2019	97,715,092	699,386	163,481,463	23,192,799	285,088,740
As at December 31, 2020	-	698,042	163,193,697	16,288,552	180,180,291

Baht	
Separate financial statements	
Computer Software	
<u>Cost</u>	
As at December 31, 2019	69,020,094
Increase	2,188,642
Decrease	-
As at December 31, 2020	71,208,736
<u>Accumulated amortization</u>	
As at December 31, 2019	(47,501,691)
Increase	(7,726,223)
Decrease	-
As at December 31, 2020	(55,227,914)
<u>Net book value</u>	
As at December 31, 2019	21,518,403
As at December 31, 2020	15,980,822

17. OVERDRAFT AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2020 and 2019, overdraft and short - term loans from financial institutions were as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Overdraft	9,968,444	25,594,946	9,968,444	20,632,710
Promissory notes				
(Interest rate of MMR% p.a.)	927,462,500	1,328,714,400	888,135,000	1,288,844,900
Trust receipts	35,443,215	57,367,517	-	-
International Trade Finance Solutions	9,299,328	27,814,489	9,299,328	27,814,489
Discounted promissory notes				
(interest rate of MRR% p.a.)	122,004,397	-	47,128,853	-
Total	<u>1,104,177,884</u>	<u>1,439,491,352</u>	<u>954,531,625</u>	<u>1,337,292,099</u>

Bank overdrafts and loans from several local banks are secured by the mortgage of land, building and construction.

As at December 31, 2020, as a guarantee for repayment of loans, the Group had transferred the right to collect trade receivables to several local financial institutions of Baht 122.00 million (the Company only, amounted to Baht 47.13 million).

In the 2nd quarter of year 2020, the Company had entered into a debt conversion contract from promissory note to long-term loan with a local bank as mentioned in the Note 20 to the financial statement.

18. OTHER PAYABLES

Other payables, are as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Other Payable	71,194,462	88,972,721	73,646,368	77,256,327
Accrued expenses	155,749,991	189,880,659	30,734,067	43,360,407
Account payable on purchase of assets	15,496,600	23,764,163	15,496,600	23,764,163
Total	<u>242,441,053</u>	<u>302,617,543</u>	<u>119,877,035</u>	<u>144,380,897</u>

19. LEASE RECEIVABLE / LEASE LIABILITIES

19.1 Lease receivable

The net book value of lease receivable for the year ended December 31, 2020 is as follows:

	Baht
	Separate financial statements
Lease receivables as at December 31, 2019	-
Effects of the adoption of TFRS16 :	
Lease receivable	48,137,415
<u>Less</u> Deferred interest income	(9,824,577)
Lease receivable as of January 1, 2020	38,312,838
<u>Add</u> Recognition of deferred interest income	1,027,456
<u>Less</u> Recognition payments	(3,024,340)
Lease receivable as at December 31, 2020	36,315,954
<u>Less</u> Current portion	(1,959,075)
Lease receivables, net	34,356,879

19.2 Lease liabilities

The net book value of lease liabilities for the year ended December 31, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Lease liabilities	87,806,833	87,806,833
<u>Less:</u> Deferred interest expenses	(6,810,176)	(6,810,176)
Lease liabilities as at December 31, 2019	80,996,657	80,996,657
Effects of the adoption of TFRS16 :		
Lease liabilities	328,407,600	304,768,540
<u>Less</u> Deferred interest expenses	(12,508,565)	(11,651,695)
Lease liabilities as at January 1, 2020	396,895,692	374,113,502
Increase (Decrease) during the year :		
<u>Add</u> Lease payments at the commencement date	1,520,658	1,520,658
<u>Add</u> Recognition of deferred interest expenses	5,125,526	4,690,416
<u>Less</u> Payments	(75,569,264)	(66,998,549)
<u>Less</u> Reduction in lease payments	(493,727)	-
<u>Less</u> Transferred out during the year	(1,839,507)	(1,470,329)
Lease liabilities as at December 31, 2020	325,639,378	311,855,698
<u>Less:</u> Current portion	(63,553,343)	(55,541,840)
Lease liabilities, net	262,086,035	256,313,858

As at December 31, 2020 and 2019, the Group have committed to pay the lease under the lease agreements is as follows:

	Baht	
	Consolidated financial statements	
	As at December 31, 2020	
	Principal	Deferred Interest
Current portion	63,553,343	3,121,824
1 - 5 years	95,258,739	4,630,162
Over 5 years	166,827,296	6,568,479
Total	325,639,378	14,320,465

Baht			
Separate financial statements			
As at December 31, 2020			
	Principal	Deferred Interest	Total
Current portion	55,541,840	2,820,641	58,362,481
1 - 5 years	89,486,562	4,518,407	94,004,969
Over 5 years	166,827,296	6,568,479	173,395,775
Total	311,855,698	13,907,527	325,763,225

Baht			
Consolidated and separate financial statements			
As at December 31, 2019			
	Principal	Deferred Interest	Total
Current portion	38,493,738	3,851,509	42,345,247
1 - 5 years	42,502,919	2,959,224	45,462,143
Over 5 years	-	-	-
Total	80,996,657	6,810,733	87,807,390

20. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS

Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Loans of the Company</u>				
Loan from a local bank no. 1	350,400,000	392,400,000	350,400,000	392,400,000
Loan from a local bank no. 2	5,299,949	15,507,766	5,299,949	15,507,766
Loan from a local bank no. 3	203,124,254	270,316,081	203,124,254	270,316,081
Loan from a local bank no. 4	268,000,000	-	268,000,000	-
<u>Loan of the Subsidiary in Vietnam</u>				
Loan from a foreign bank	5,845,500	6,191,799	-	-
	832,669,703	684,415,646	826,824,203	678,223,847
<u>Less</u> current portion	(224,482,174)	(142,999,202)	(224,482,174)	(142,999,202)
Long - term loans, net	608,187,529	541,416,444	602,342,029	535,224,645

The Company:

Loan from a local bank no.1

On May 8, 2017, the Company had entered into a loan agreement with a local bank in the amount of Baht 1,000.00 million being used to renovate factory, office, production area and machines. The Company is able to drawdown the loan in installment when necessary with interest at the special rate agreed upon. The loan withdrawal 24 periods on each drawdown date. The principal is repayable in 3 tranches according to the type of payment required by the bank. The principals are repayable equally in 10 six - month installments according to the drawdown principal on September 2017 and the interest are payable in every month.

Later March 8, 2019, the Company has changed the repayment of the outstanding principal to be 61 monthly repayment from March 2019 onwards.

The 1st - 22th installment: Each installment will be repayable at Baht 5 million

The 23rd - 34th installment: Each installment will be repayable at Baht 7 million

The 35th - 58th installment: Each installment will be repayable at Baht 9 million

The 59th - 60th installment: Each installment will be repayable at Baht 11 million

The 61st installment: Each installment will be repayable at Baht 10.40 million or the remaining total amount

Later April 23, 2020, the Company has changed the repayment of the outstanding principal to be 48 monthly repayment from April 2020 onwards.

The 1st - 9th installment: Each installment will be repayable at Baht 3 million

The 10th - 21st installment: Each installment will be repayable at Baht 7 million

The 22nd - 45th installment: Each installment will be repayable at Baht 9 million

The 46th - 47th installment: Each installment will be repayable at Baht 11 million

The 48th installment: Each installment will be repayable at Baht 28.40 million or the remaining total amount

Loan from a local bank is secured by the mortgage of land, building and machineries.

Loan from a local bank no.2

On June 4, 2018, the Company had entered into a loan agreement with a local bank in the amount of Baht 30.00 million being used to funding for the Company, at the special rate agreed upon.

The principals and interest are repayable amount minimum Baht 0.89 million in monthly commencing from the date of the first installment on June 2018.

Loan from a local bank is unsecured.

Loan from a local bank no.3

On August 1, 2018, the Company had entered into a loan agreement with a local bank in the amount of Baht 300.00 million being used to funding for the Company and its subsidiaries. The Company is able to drawdown the loan in installment when necessary with interest at the rate of at the special rate agreed upon the principal is repayable on each drawdown date (on August 2018) as follow:

The 1st - 12th installment grace period for all principle, which interest is repayable in monthly

The 13th - 60th installment, the principal and interest are repayable amount Baht 6.70 million in monthly

Loan from a local bank is secured by a subsidiary in Thailand.

Loan from a local bank no.4

On August 26, 2020, the Company had entered into a debt conversion contract from promissory note to long - term loan with a local bank in the amount of Baht 298.00 million with interest at the special rate agreed upon. The principal are repayable the repayment of the outstanding principal to be 60 monthly repayment from July 2020 onwards as follow:

The 1st - 59th installment, the principal and interest are repayable not less than Baht 5.00 million in monthly.

The 60th installment, complete the repayment of principal, interest and other expenses to the bank.

Loan from a local bank is secured by the mortgage of land and building.

Subsidiary :

Subsidiary in Vietnam :

On November 7, 2013 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 4,500.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of November, 2013).

Later, on August 19, 2015 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 2,400.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of August, 2015).

Later, on October 16, 2015 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 4,100.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of October, 2015).

Later, on October 25, 2017 (the date before the acquisition date), Long Quan Safe Food JSC (“LQSF”) had entered into a loan agreement with a local bank in Vietnam such additional in the amount VND 20,700.00 million. The interest is on the market rate. The principal and interest are repayable in quarterly and paid within 5 years commencing from the date of the first installment (at the end of October, 2017).

These loans are secured by the leasehold right on land and mortgage for construction.

The Company has applied the project “DR BIZ Program” with financial institutions and proposed a debt restructuring plan in November 2020 for adjusting the terms of installments to repay the principal and the interest rate.

However, this plan is still being considered and would be approved by each financial institutions.

21. PROVISIONS FOR EMPLOYEE BENEFITS

Movement in the present value of the provisions for employee benefits for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefits				
at beginning of the year	100,605,531	96,323,591	80,915,295	81,162,633
Current service cost and interest	10,205,403	11,176,666	7,883,325	7,806,255
Benefits paid	(1,851,066)	(6,894,726)	(1,013,067)	(5,608,992)
Transfer Parent Company’s				
employees to subsidiary	-	-	-	(2,444,601)
Gains (Loss) arising from defined benefit plan	(9,493,716)	-	(8,190,684)	-
Provisions for employee benefits				
at ending of the year	99,466,152	100,605,531	79,594,869	80,915,295

Expenses recognized in the income statement for the year ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current service costs	7,683,757	9,136,465	5,870,780	5,992,604
Interest cost	2,521,646	2,040,201	2,012,545	1,813,651
Total	10,205,403	11,176,666	7,883,325	7,806,255

Principal actuarial assumptions as at December 31, 2020 and 2019 are as follows:

	Percent			
	Consolidate financial statement		Separate financial statement	
	2020	2019	2020	2019
Discount rate	0.78 - 1.93	2.36 - 3.14	1.30	2.36
Salary increase rate	2.50 - 4.00	2.50 - 4.00	2.50 - 4.00	2.50 - 4.00
Employee turnover rate	0 - 70.00*	0 - 50.00*	0 - 70.00*	0 - 19.00*
Mortality rate	TMO2017**	TMO2017**	TMO2017**	TMO2017**

* Based on the weighted average by age group of employees

** Reference from TMO2017: Thai Mortality Ordinary Table 2017

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and employee turnover rate, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as December 31, 2020 is as follows:

- If the discount rate increases (decreases) by 0.5%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 4.99 million (increase Baht 5.36 million) and Separate financial statements would decrease Baht 3.89 million (increase Baht 4.17 million).
- If the salary increase rate increases (decreases) by 0.5%, the provisions for employee benefits in Consolidated financial statements would increase Baht 4.66 million (decrease Baht 4.40 million) and Separate financial statements would increase Baht 3.69 million (decrease Baht 3.48 million).
- If the employee turnover rate increases (decreases) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 3.41 million (increase Baht 3.72 million) and Separate financial statements would decrease Baht 2.63 million (increase Baht 2.85 million).

In presenting the above sensitivity analysis, the present value of the provisions for employee benefits has been calculated by using the same method that applied in calculating the provisions for employee benefits recognized in the statement of financial position.

22. TREASURY STOCK

On August 10, 2017, the Board of Directors has approved to undertake a treasury stock program for financial management purposes with the maximum amount of not exceeding Baht 500 million for the repurchase of not exceeding 15,000,000 shares at the par value of Baht 0.50 per share or equal to not exceeding 5.36% of the total of paid - up shares. The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand. The repurchase period covers the duration of 6 months, starting from August 25, 2017 to February 23, 2018.

The period of the resale of share is 6 months after the completion date of share repurchase and not later than 3 years from this time which the Board of Directors will consider fixing the schedule of the share resale later on.

During the 1st quarter of year 2018, the Company had purchased back 4.00 million ordinary shares (par value of Baht 0.50 each), or 1.43% of the total number of issued and fully shares, for a total of Baht 114.34 million (excluded cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated February 14, 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduced its paid - up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 March 2018, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounting to Baht 114.34 million.

On November 13, 2020, the Board of Directors has approved the resale of repurchased shares. The repurchased shares will be resold on the Stock Exchange of Thailand from November 30, 2020 to December 4, 2020 and resale price of the repurchased shares shall not be less than 85% of the average closing price of the latest 5 trading days of such average closing price.

The Board of Directors Meeting approved the decrease in issued and paid-up share capital of the Company by writing off the unsold amount of the repurchased shares, totaling 4,000,000 shares at a total cost of Baht 2 million. Also, the Company has registered the decrease in issued and paid-up share capital with the Ministry of Commerce at December 15, 2020, resulting in a decline in the issued and paid-up share capital from Baht 140 million to Baht 138 million and adjust treasury shares reserve with retained earnings at Baht 5.85 million.

23. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside to a legal reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The legal reserve is not available for dividend payment.

24. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3.0 percent of their basic salaries, and by the Company and its subsidiaries at the same rate, and will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Asset Management Company Limited.

The Company and its subsidiaries contributed to the fund for the year ended December 31, 2020 and 2019 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provident fund contribution	6,613,024	9,971,303	5,090,288	5,750,462

25. TAX INCOME (EXPENSE)

Tax income (expense) for the year ended December 31, 2020 and 2019, consisted of:

	Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current tax income (expense)	(9,514,311)	(13,070,944)	-	-
Deferred tax income (expenses)				
of temporary differences	71,309,900	80,953,996	74,089,197	82,000,462
Adjustments recognized in the years				
for current tax of prior year	3,853,272	(1,864,487)	-	-
Tax income (expense) reported in				
statement of income	65,648,861	66,018,565	74,089,197	82,000,462

Income tax relating to each component of other comprehensive income for the year ended December 31, 2020 and 2019, consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax income (expenses) relating to:				
- Gain loss on revaluation asset	-	12,964,000	-	12,720,000
- Exchange differences on translating				
financial statement	119,750	-	-	-
- Actuarial losses (gains) on defined				
employee benefits plans	(1,898,743)	-	(1,638,137)	-
Deferred tax income (expenses) reported in				
statement of comprehensive income	(1,778,993)	12,964,000	(1,638,137)	12,720,000

Reconciliation between tax income (expense) and the product of accounting profit multiplied by the applicable tax rates for year ended December 31, 2020 and 2019, are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	(301,130,531)	(231,913,625)	(321,416,884)	(278,675,111)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	60,226,106	46,382,725	64,283,376	55,735,023
Tax effect of:				
- Losses of current year which no deferred tax assets was recognized	(4,070,555)	(2,699,320)	-	-
- Share of profit (loss) from investments under equity method	(5,497,002)	(2,314,564)	-	-
- Items treated as revenues under the Revenue Code	(397,292)	-	-	-
- Adjustment deferred tax assets of unused tax benefit recognized in previous years	3,155,687	3,478,601	(697,585)	1,883,122
- Non - deductible expenses	(12,439,092)	(3,549,400)	(14,167,603)	(318,398)
- Added deductible expenses	24,671,009	24,720,523	24,671,009	24,700,715
Tax income (expense) reported in statement of income	65,648,861	66,018,565	74,089,197	82,000,462

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for doubtful accounts	2,508,486	1,328,970	1,436,791	851,639
Allowance for diminution in value of inventories	14,765,201	13,682,295	13,970,687	12,499,276
Allowance for impairment of investments	2,665,080	258,200	258,200	258,200
Loss on accumulated impairment	3,242,528	2,958,520	1,399,225	1,115,217
Provisions for employee benefits	19,744,069	20,121,106	15,918,974	16,183,059
Unused tax benefits on loss carry forward	241,481,787	174,959,891	216,763,063	142,348,507
Transfer parent Company's employees to subsidiary	-	-	300,490	300,490
Total	284,407,151	213,308,982	250,047,430	173,556,388

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax liabilities				
Revaluation of land	62,991,474	63,299,474	61,862,313	61,862,313
Accumulated depreciation resulting from change in the estimated useful lives of assets	4,675,491	4,130,055	4,445,530	563,785
Effect of changes in accounting policy				
From revenue recognition	1,788,319	1,758,517	1,788,318	1,758,517
Effect from business combination adjustments	58,162,246	60,768,118	-	-
Right - of - use - assets	52,625	-	128,437	-
Total	127,670,155	129,956,164	68,224,598	64,184,615

As at December 31, 2020 and 2019, there was unused tax loss amount Baht 33.85 million and Baht 13.50 million from two subsidiaries and a subsidiary, respectively, which no deferred tax assets are recognized due to the managements considered that it is not probable its subsidiary's future taxable profit will be available against which the unused tax losses can be utilized.

26. PROMOTIONAL PRIVILEGES

Malee Applied Sciences Company Limited ("subsidiary") has received promotional privileges from the Board of Investment for research and development of food industry and energy, pursuant to the promotion certificate No. 60-1384-1-00-2-0 at 50 percent deduction of corporate income tax on income derived from the promoted operations for a period of 8 years starting from November 16, 2017.

For the year ended December 31, 2020 and 2019, the subsidiary had loss before income tax amounted Baht 15.58 million and Baht 16.00 million, respectively.

27. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

The weighted average number of ordinary shares is calculated as follows:

	Note	Shares	
		Consolidated and separate financial statements	
		2020	2019
Number of ordinary shares		280,000,000	280,000,000
<u>Less</u> Treasury shares			
- Beginning	22	-	(4,000,000)
- During the periods		-	-
Treasury shares transferred for share reduction	22	(4,000,000)	-
Weighted average number of ordinary shares during the year		<u>276,000,000</u>	<u>276,000,000</u>

28. FINANCIAL INFORMATION BY SEGMENT

The Group's operations involve the manufacturing and distribution of canned agriculture products, fruit juices and non - alcohol beverage which are carried on in both Thailand and foreign countries. Financial information of the Group for the year ended December 31, 2020 and 2019 and as at December 31, 2020 and 2019, broken down by geographic segment, are as follows:

Business segment information 2020

Thousand Baht			
Consolidated financial statements			
For the year ended December 31, 2020			
Segment			
	Agriculture products	Others	Eliminated
Revenues from sales	5,055,324	178,994	(1,363,943)
Gross profit	620,954	69,176	11,406
Other incomes			
Selling expenses			
Administrative expenses			
Other expenses - Loss on impairment of assets			
Finance costs			
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9			
Shares of profit (loss) from investments in joint ventures			
Tax income (expenses)			
Profit (loss) for the year			

Geographic segment information

Thousand Baht			
Consolidated financial statements			
For the year ended December 31, 2020			
	Sales - domestic	Sales - export	Eliminated
Revenues from sale	3,316,056	1,918,262	(1,363,943)
Segment operating profit	497,837	192,293	11,406

Business segment information 2019

Thousand Baht			
Consolidated financial statements			
For the year ended December 31, 2019			
Segment			
	Agriculture products	Others	Eliminated
Revenues from sales	6,415,714	199,701	(1,694,415)
Gross profit	759,584	65,053	(4,279)
Other incomes			
Selling expenses			
Administrative expenses			
Other expenses - Loss on sales of assets			
Finance costs			
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9			
Shares of profit (loss) from investments in joint ventures			
Tax income (expenses)			
Profit (loss) for the year			

Geographic segment information

	Thousand Baht			
	Consolidated financial statements			
	For the year ended December 31, 2019			
	Sales - domestic	Sales - export	Eliminated	Total
Revenues from sale	4,463,292	2,152,123	(1,694,415)	4,921,000
Segment operating profit	635,137	189,500	(4,279)	820,358

Information about major customers

For the year ended December 31, 2020, the Group' revenues from

- 1) export sales amounted Baht 449.66 million from one customer.
- 2) domestic sales amounted Baht 668.07 million from one customer.

For the year ended December 31, 2019, the Group' revenues from

- 1) export sales amounted Baht 839.57 million from one customer.
- 2) domestic sales amounted Baht 691.04 million from one customer.

	Million Baht					
	Consolidated financial statements					
	Domestic		Foreign		Total	
	2020	2019	2020	2019	2020	2019
Trade receivables, net	298.48	666.05	172.29	71.00	470.77	737.05
Property, plant and equipment, net					1,669.90	1,993.11
Other assets					1,861.97	1,478.17
Total assets					4,002.64	4,208.33

29. CREDIT FACILITIES

Credit facilities granted to the Group by financial institutions are secured by the mortgage/pledge of deposits at financial institutions, certain plots of its lands, buildings and some machineries of the Group.

In addition, credit facilities granted to the subsidiary by financial institutions are secured by the guarantee provided by the Company.

As at December 31, 2020, restricted bank deposit has no longer been used for guarantee.

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Commitments

- a) As at December 31, 2020, the Group have commitments relating to the lease agreements for head office buildings, warehouses, machineries, office equipment, vehicles and service fees whereby for the expiration dates range from 2021 - 2035. Future minimum payments under the leases are as follows:

Agreement type	Periods (Million Baht)					
	Consolidated financial statements			Separate financial statements		
	Later than one			Later than one		
	Not later than one year	year and not later than five years	More than five years	Not later than one years	year and not later than five years	More than five years
Lease agreement						
Office buildings	19.89	69.23	173.40	15.06	63.60	173.40
Warehouses	23.36	26.88	-	7.20	-	-
Machineries	7.69	5.10	-	7.49	4.85	-
Office equipments	1.59	1.48	-	1.45	1.48	-
Vehicles	1.57	1.16	-	1.32	1.07	-
Service agreement						
Other service contracts	8.54	0.89	-	7.55	0.89	-

- b) As at December 31, 2020, the Group has recognized lease liabilities as described in Note 30.1 (a) to the financial statement due to the adoption of TFRS 16 as at January 1, 2020, the Group recognises lease liabilities are ever classifies under operating lease measured at the present value of the lease payments discounted by using the incremental borrowing rate, is described in Note 19.2 to the financial statements.
- c) The Company has commitments under the various business advisory agreements, it must pay fees at the rate and condition stipulated in the agreements.

30.2 Bank guarantees

As at December 31, 2020 and 2019, there were outstanding bank guarantees of approximately Baht 10.94 million and Baht 14.08 million, respectively issued by banks on behalf of the Group (the Company only: amounted to Baht 9.43 million and Baht 11.83 million, respectively) in respect of certain performance obligations as required in the ordinary course of its business.

30.3 Guarantee

As at December 31, 2020 and 2019, the Company had guaranteed Baht 185 million and Baht 55 million of loans obtained by a subsidiary from financial institutions. A Subsidiary had guaranteed Baht 350 million and Baht 300 million of loans obtained by the Company from financial institutions These guarantees are effective for as long as the underlying obligations have not been discharged by the Company or its subsidiary.

Guarantee fees have been charged at 2.50 and 3.36 percent per of the guarantee amount.

31. FINANCIAL INSTRUMENTS

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables and other receivables. The Company 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 does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdraft, short-term and long-term loans. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies.

As at December 31, 2020 and 2019, the Group is exposed to foreign currency risk primarily to foreign currency denominated financial assets and liabilities as follows:

Consolidated financial statements			
Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate As at December 31, 2020 (Baht per foreign currency unit)
US dollar	1,276,929	779,924	29.87/30.21
Euro	-	41,958	36.49/37.26
VND (Per 100 VND)	-	13,615,750	0.13/0.13
GBP	-	206	40.20/41.08
As at December 31, 2019 (Baht per foreign currency unit)			
US dollar	1,937,899	1,238,070	29.98/30.33
Euro	-	360,791	33.38/34.08
VND (Per 100 VND)	-	903,306,472	0.13/0.13
Separate financial statements			
Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate As at December 31, 2020 (Baht per foreign currency unit)
US dollar	243,391	779,924	29.87/30.21
Euro	-	41,958	36.49/37.26
GBP	-	206	40.20/41.08
As at December 31, 2019 (Baht per foreign currency unit)			
US dollar	887,617	1,255,670	29.98/30.33
Euro	-	141,359	33.38/34.08

As at December 31, 2020 and 2019, the Group have not the outstanding foreign currency sales and purchase agreement.

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at December 31, 2020 and 2019, the Group does not hedge such exposures to foreign movement risk as it is minimal.

Fair values of financial instruments

Since the majority of the Company's 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 the statements 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.

32. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at December 31, 2020, the Group's debt to equity ratio was 3.77 : 1 (as at December 31, 2019 : 3.09 : 1) and the Company's was 3.17 : 1 (as at December 31, 2019 : 2.47 : 1).

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 22, 2021.

Malee

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