



Growing Together

ANNUAL REPORT | 2019

THAITHEPAROS PUBLIC COMPANY LIMITED





CONTENT

4

Financial Highlights

6

Message from the Chairman

7

Golden Mountain History

7

Policy and Overview of business

8

Nature of Business

14

Risks Factor

15

General Information and Other significant information

16

Security Information and Shareholders

17

Management Structure

25

The Principles of Corporate Governance

33

Corporate Social Responsibility : CSR

37

Internal Control and Risk Management

39

Related party transactions

41

Management Discussion and Analysis

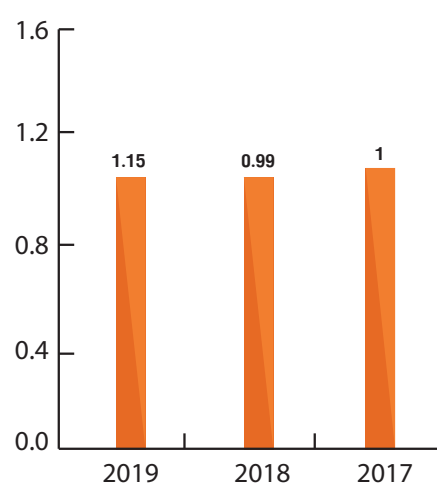
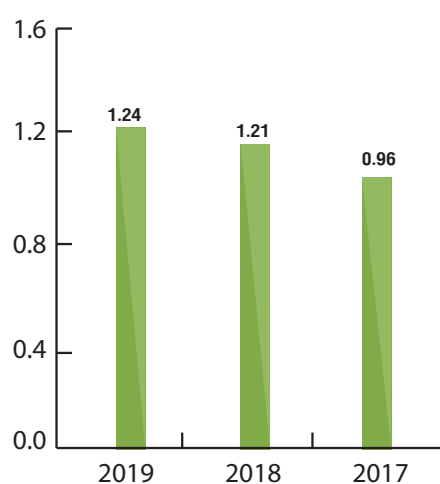
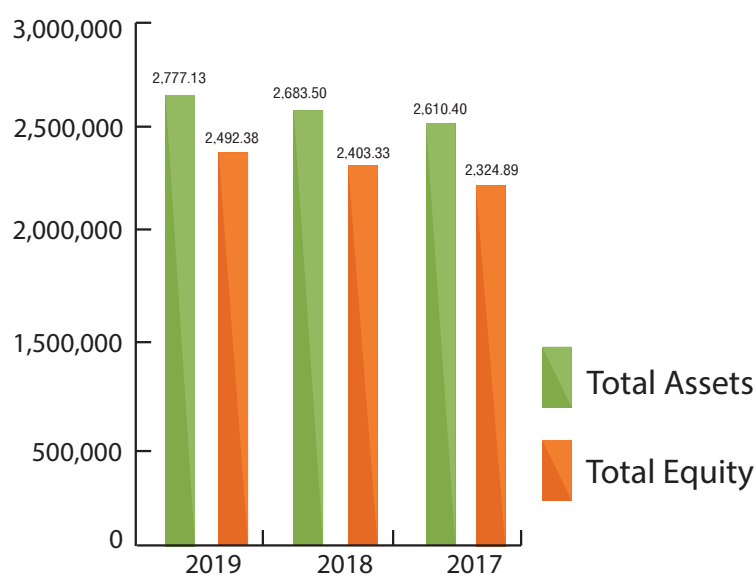
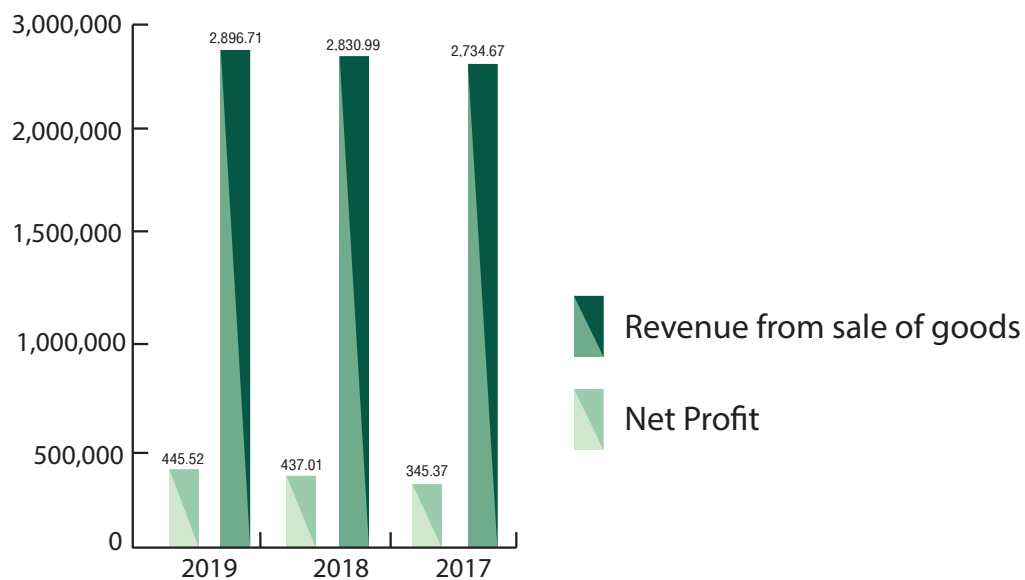
48

Financial Statements

Financial Highlights

	(Million Baht)	2019	2018	2017
Statement of financial position				
Total Assets		2,777.13	2,683.50	2,610.40
Total Liabilities		284.75	280.17	285.51
Total Equity		2,492.38	2,403.33	2,324.89
Statement comprehensive income				
Revenue from sale of goods		2,896.71	2,830.99	2,734.67
Cost of Sales of goods		1,921.82	1,895.22	1,836.15
Gross Profit		974.89	935.77	898.52
Distribution expenses		296.35	270.05	348.98
Administrative expenses		159.99	157.76	148.63
Profit before income tax expense		552.66	541.73	427.65
Net Profit		445.52	437.01	345.37
Shares or Related information of common stock				
Earning Per Share	(Baht)	1.24	1.21	0.96
Book Value Per Share	(Baht)	6.92	6.68	6.46
Dividend Per Share	(Baht)	1.15	0.99	1.00
Pay out Ratio	(%)	92.92	81.55	104.24
Financial ratio				
Sales Growth	(%)	2.32	3.52	3.83
Net Profit Growth	(%)	1.95	26.53	(16.78)
Cost of Sales Ratio	(%)	66.34	66.95	67.14
Gross Profit Margin Ratio	(%)	33.66	33.05	32.86
Earning before tax expense	(%)	19.30	18.91	15.50
Net Profit	(%)	15.55	15.26	12.52
Return on Equity	(%)	18.20	18.49	14.64
Return on Assets	(%)	16.32	16.51	13.11
Current Ratio	(time)	6.55	5.74	4.98
Debt Equity Ratio	(time)	0.11	0.12	0.12

Investor. Could study additional information of the issueing company from the FORM 56-1 . Which have been shown on www.sec.co.th or www.thaitheparos.com



■ Earning Per Share (Baht)

■ Dividen Per Share (Baht)



In 2019, this year is an important and auspicious year for Thailand with many sacred ceremonies and the Royal Coronation Ceremony of His Majesty King Maha Vajiralongkorn PhraVajiraklaochaoyuhua. It is also a year of pride that Thai theparos Public Company Limited has grown to 65th anniversary. This is confirmed the company sustainability, stable and strength with sales that continually grow to meet the target demonstrate our potential in development and further investment both locally and overseas.

The Thai overall economy and food industry in 2019 has slowed down slightly compared to the previous year. There are more stimulus measures after a new government formation to provide a buffer for the economy such as the state welfare card program for low-income earners and others. However, purchasing power and private consumption remain sluggish. Besides, raw materials affected by drought, as well as the international markets slowed down in line with the global economy, in addition the baht appreciation resulted the price competitiveness of Thai exporters has decreased. In this regard, the company has been watching for the slowdown of the Thai economy and the world economy along with the ongoing risk management of the organization.

Thai theparos increasingly focus on the development of production processes optimizing on the raw materials usage along with power consumption as electric power, heat energy and the water utilization. To build trust for customers and consumers in product quality, sanitary and food safety, the company has been certified by top international standards including ISO, HACCP, GMP, FSSC22000, HALAL and Kosher.

Thai theparos always competes with oneself. The company has a policy to adjust the organization strategy proactively for both local and international competitiveness. Especially in an era when technology has changed dramatically, the company is aware of communication channels that can approach customers and consumers easily and speedily. There is also the development of condiments and packaging varieties to meet the customers and consumers needs including household customers, shops, restaurants, food services, modern trade as well as industrial customers both domestically and internationally. We fully committed to deliver the quality condiments with the unique taste at a reasonable price, as well as to support the growth of personnel who possess potential, morality, integrity and loyalty to customers and the organization so that we can grow together.

On behalf of the Board of Directors, I would like to thank the management team and employees for their cooperation and dedication to achieve the good performance over the past period to this day, as well as would like to thank all stakeholders including shareholders, business partners, both the private and government sectors, customers and consumers who have always supported and trusted the company. We remains commitment on implementing the policy of good corporate governance with honesty, transparency, and ethics along with society, community and environment responsibility through various Corporate Social Responsibility (CSR) activities, as well as maintaining benefits for all groups of stakeholders. I strongly believe that such directions will enable Thai theparos to continue stable and sustainable growth in the future.

PARINYA WINYARAT
Chairman of the Board

Golden Mountain History

THAITHEPAROS PUBLIC
COMPANY LIMITED

In 1954, Mr. Chai Sae Kow established Thai Theparos Factory ROP to manufacture variety of food seasoning and distributed them under the “Golden Mountain” brand name.

Under the professional guidance of Mr. Chai Sae Kow and Mr. Krailas Winyarat. Golden Mountain met with marketing success and achieved remarkable production efficiency. Since then, the company’s management has continually striven for excellence in the industry, and at present, under the leadership of Mr. Parinya Winyarat, “Golden Mountain” is the trademark of Thai Theparos Public Company Limited 65 years



Under thoroughly professional leadership, which has established firm confidence through operational efficiency and successful marketing strategies, Thai Theparos has experienced steady growth and on going development, as a set policy, the company has always devoted a good portion of its resources to research and development in order to secure continual product excellence.

Certified quality system of
international standards.



Policy and Overall Business

Vision, Objectives, Goals, and Strategies

Vision

“SAUCE”

Moves forward to be the leader of condiment manufacturers in Thailand; and eventually becomes “Your taste and happiness”



Mission

“SAUCE aims to run business sustainably with integrity for delivering the high quality products to consistently meet customers and consumers’ satisfaction; and enhances our brand loyalty

คุณค่านิยมหลัก

1. Put the right man on the right job.
2. Push an action as soon as you learn; work out immediately
3. Create the positive thinking as follows: honesty, discipline, educating, hard-work, hygienic practice and economizing.
4. Unity creates happiness and benefits.

Nature of Business

Thaitheparos Public Company Limited is in the food and beverage industry. We are the manufacturer and distributor of seasoning food products under “Golden Mountain” brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder as well as Sriraja chilli sauce under “Sriraja Panich” brand and naturally brewed Japanese soy sauce under “Kinzan Shoyu” brand including house brand.

In 2011, Company product and sale Raw Sauce to associate “Exter (Thailand) company Limited.

Structure of Sales Revenue

In 2019, the Company distributes all our products both domestic and export market. Domestic sales accounts for 88.20% of total sales, consists of wholesalers, discount stores, department stores, restaurants and food shops, retailers and industry, both in Bangkok and up-country, and trading firm. Export sales accounts for 11.80% of total sales, consists of direct exporter and export industrial.

(Unit : Million Baht)

Products	2019		2018		2017	
	Amount	%	Amount	%	Amount	%
Domestic Sales	2,554.96	88.20	2,527.88	89.29	2,457.73	89.87
Export Sales	341.75	11.80	303.11	10.71	276.94	10.13
Total Sales	2,896.71	100.00	2,830.99	100.00	2,734.67	100.00
Increase (Decrease) of Total Sales	65.72	2.32	96.32	3.52	100.92	3.83



Significant Changes



Exter (Thailand) Limited.

The company produces “Raw Sauce” distributing to Exter (Thailand) Limited, associated company, since the third quarter of 2011 with total sales in the Ninth year amounting to Baht 36.18 MB increased by 3.78 Baht million or increased 11.67% compared to that of 2018 Baht 32.40 Million



Exter (Thailand) Limited.



Significant Changes



Sriraja Panich Sauce

Sriracha Spicy Mayo Sauce. There is a change in the label size 250 grams to be more attractive and modern. By emphasizing the color and the letters on the label more clearly than before By the company There has been a new label gradually. Released to market in the 4th quarter of 2019



Released a new size packaging

Due to the company Saw the current environment Therefore has issued environmentally friendly packaging And is a very durable packaging Using different types of paper boxes Can be reused or recycled Which is considered as something that should meet the needs in the age of love for the environment as well Paper boxes in this era, in addition to being strong, are also environmentally friendly as well.

Therefore, in the year 2019, the company has increased the packaging of 20 liters (BIB: Back In Box) made from strong paper boxes. And designed to be easy and convenient to use By using 20 liters of orange juice and 20 liters of red cap flavored sauces to meet the needs of the market and industrial entrepreneurs as well. By starting production and distribution since the first quarter of year 1/2019

Industry and Competition

In the year 2019, Thai Economy continuous regressive from 2018, this matter been effected from Trade war between USA and China. Included of Thailand political instability, Bath appreciation and long term droughty in Thailand effected to framer revenue, PM 2.5 effected to tourism, Consumer didn't believed in economy would improvable in the year, Environment concerned trend, Technology Disruption and The consumer behavior was changing form cooking at home to eating out. All were challenging the competitive in industry.

Form market continuous slowed down. Government tried to stimulated the economy by Welfare card, But it could useful only some products and some retailers. That made promotion price war especially in modern trade, and Business tried to launched new item in to market for increase their sale.

In 2019, Company (as the market leader) emphasized the importance of each distribution channel that able to pushed and enhanced sale (Focus Target), Especially Big partner (Yi Pua) we have sales promotion programs that tie sales targets on a quarterly basis and yearly, Included the Samui Island travel reward program which excellent feedback form our customer , The Samui Island travel reward program excepted able to built up sale it could made good impression and more closely relationship with customers too. Also in van channel we focused on efficiency customer and did sales promotion programs that tie sales targets on a quarterly basis and yearly. Modern Trade and Export channels, we can work with partners to issue events in the Thai Fex Exhibition, Makro Showhuay, Makro Horeca , Yaowarat Chinese New Year 2019. Running events that organized by partners. Thai Theparos Public Co., Ltd dedicated to producing high quality and safe products to meet requirement and satisfaction of consumers and partners.



The Export Market

In 2019, seasoning products of Thailand were exported more than 24,349 million baht that said more than 3 % increase compare with 2018. The main products as Soy Sauce, Chili Sauce, Fish Sauce, Instant Curry Paste and Seasoning Powder and other Seasoning products. Only Soy Sauce export more than 1,078 million baht which is 4.43% of total value. As for other sauce: Oyster Sauce, Chili Sauce, Seasoning Powder, Curry Paste, fish Sauce were more than 22,919 million baht which is 62.39% of total value.

The main importers of Soy Sauce are USA, Lao, The Netherlands, Vietnam and Australia which acquired more than 567.87 million baht or 52.64% of total value 1,078.63 million baht. As for Chili Sauce are UK, Germany, The Netherlands, USA, and Sweden acquired more than 1,201.04 million baht or 41.24% of total value 2,912.16 million baht.

In 2019, SAUCE export seasoning products totaling 341.75 million baht increase 12.75 % or 38.64 million baht compared with 303.11 million baht in 2018. SAUCE has the marketing strategy to expand the market by increasing new customers both old market and new market in 2019 that SAUCE can success in both ways. This year SAUCE can expand the market in Asian Country more than in the past both traditional trade and industrial channel.

Marketing & Social Activities



Golden Mountain Sauce has organized for full of 2 day

activities in the Chinese New Year event at Yaowarach. The highlight menu is a show of fried noodle in the Giant Pan and give away to participants and selling for special omelette rice. Together with contribution a hundred thousand Baht to Thian Fa Foundation Hospital for charity. And next activities, participants will do charity together by selling omelette rice specially and the recipe by Chef Pom (M.L. Khwanthit Devakul) the famous Thai chef and One of the committee of Master Chef and Master Chef Junior. This event was donated to Thian Fah Foundation Hospital for 100,000 baht for charity.



An event cooking workshop “Big C Big Kitchen,

Healthy and Fun Kitchen by Golden Mountain Sauce” at Big C Extra, Ladprao 2 Branch, Golden Mountain Sauce collaborated with Big C Supercenter. Lad Prao 2 Branch organized the Cooking Workshop “Big C Big Kitchen Healthy and Fun Kitchen by Golden Mountain Sauce” by Chef Lat (Khun Nalat Chirawirakul), the runner-up from Master Chef Thailand SS2. Who reveal the secret recipe “Pad Mee Hong Kong J” on Wednesday 18 September 2019



“Makro HoReCa 2019” will be held once again

during 21 – 24 November 2019. In the event, the Cooking Workshop was organized by 2 professional chefs, Chef Pom (M.L. Khwanthit Devakun), the director of MasterChef Thailand and Chef Toey (Padcha Kanlayanamit) from MasterChefThailand SS3, both in the Pavilion section and at Golden Mountain booth on 21 – 24 November 2019 to create experience, create cooking ideas. So the customers can use the menu and develop their business in further



Cooking Workshop “Opening Secrets Upgrade Menu and Learning to raise Value in Year 2” On Tour 4 regions,

which this year the company has partnered with Makro to go to the provincial branches as follows: Hat Yai, Udon Thani, Rayong and Sathorn. The company still does not support and organize Cooking Workshop with local stores such as TMK in Kanchanaburi and Kiat Sin Wholesale And created a special menu That introduces seasoning sauce “orange cap” and Chili Sauce “Sriracha Panich” by Chef Lat (Khun Nalat Chirawirakul), the runner-up from Master Chef Thailand SS2 and Chef Pom (M.L. Kwanthit Devakul) (Thai food expert and director of the Master Chef Thailand) revealed the cooking tips for creating experience, creating cooking ideas. So that customers can use the menu to improve the business



“Golden Mountain” who support the project in different steps “Moving forward with the small power of the south”

in the amount of 100,000 Baht on 24 -27 October 2019. The project take all income and not deduct expenses and provide to 7 Southern Community Hospital.

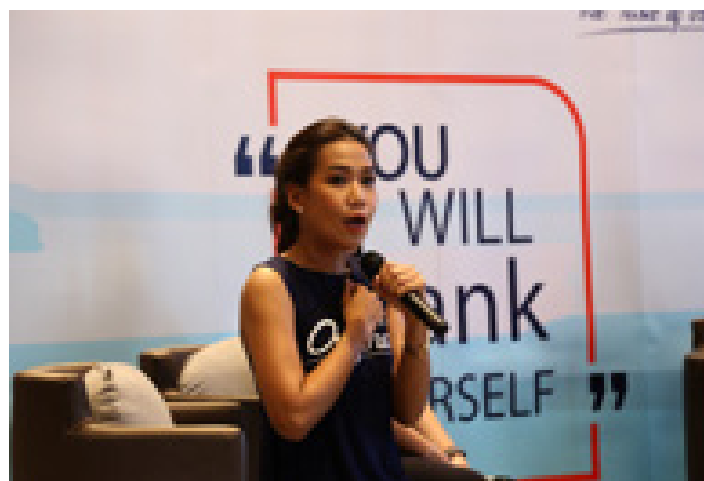


With a chill vacation for 2 trips in Phichit Province, the small city but it is cute. In the “Family Journey Blooming Blossom by Golden Mountain Sauce” activity under the “Amazing Stories Bloom Along The Way” campaign which Golden Mountain Sauce co-operated with the Tourism Authority of Thailand and Housewife Magazine, held on 23-25 August 2019 and on the second trip, “A Day Trip by Golden Mountain”, at Chanthaburi On Sunday, June 30, 62, under the “Local Taste with Junior Chef Cooking Workshop” program, with Chef Peach Master Chef Junior Thailand who reveal the secret recipe. In the activity, aside from resting, there is also a cooking workshop for participants, exchange experiences in cooking and learn cooking techniques. And in these 2 trips, the Golden Mountain has selected the participants who are family, and join trip in good activities to build relationships in the family



65th Growing Together Travel Trip for Special Customers “Travel to Surat Thani Province, the South Sea Paradise in Koh Samui 3 Days 2 Nights (20-22 Sep. 19)

With a super chilling trip for 3 days 2 nights in Surat Thani province, the Paradise of the South Sea, held on 20-22 September 2019 that will be the special thank for all the customers and business partners. This Travel trips bring all special customers to the famous destination in Thailand, the first thinking for the sea, it must always think to this place first, that is, Koh Samui



In this activity that is indispensable is the show of making healthy food menus by Khun Kalamere with the basil fried rice menu with quinoa for health lovers. and serving the deliciousness with a delicious drink Mocktail Sriracha Panich, Mayo crackers and whole wheat buns by emphasizing that Sriracha Panich sauce is not mixed with flour, does not contain preservatives, does not add color, and most importantly, it does not contain MSG. For all of the these, we can get good feedback more than 100% from groups of health-loving people

Risks Factors

Operation Risk

- Customer Dependence

More than 1,000 wholesalers (Yi pua), retailers and end users are our valued customers very long time with a good business relationship. The company will not receive any affectation if we lost anyone of them except the major three discount stores.

In the past three years, sales revenue of the three major discount stores accounts to 22% of total sales as follows:

Thousand Baht	2019	2018	2017
Sales revenue of three major discount stores	630,180	641,990	617,688
% of total sales	21.76	22.68	22.59

Besides the discount stores, we employs all distribution channel covering wholesalers (yi pua), restaurants, food stores as well as industry and more than 6,000 retailers nationwide.

From the factors of various customers, high quality of products, and the trade mark “Golden Mountain” brand name which is well known among customers more than 65 years establishing a significant advantage over competitors.

Production Risk

- Lack of Raw Materials

Although the company purchases raw material from a few manufacturers or suppliers, Most of them are major suppliers and they can supply raw material to the company throughout the year so we has never experience in lacking of raw materials. We can purchase its from another suppliers but the price will be higher than major suppliers slightly. Seasonal raw materials such as chili and garlic which have been processed for supporting the production throughout the year.

In the fourth quarter of 2008, we have affected by the lacking of seasonal raw materials and lost revenue accounts to Baht 23 million or equal to 1% of total sales. After that we has never experiences lacking of raw materials as the increasing of storage tank.

Management Risks

As of the Annual General Meeting of Shareholders 2019, Winyarat family holding share equal to 75.88% of entire shares which can control the resolution of the meeting in the matter of the appointment director or other matters which shall propose to the meeting for consideration and approval. Except the matters stipulating that the majority vote must not be less than third – fourth of the shareholders who come to participate in the meeting. Therefore, the other shareholders could not collect votes in order to examine and balance the matters proposed by major shareholders.

General Information and Other significant

Name of Company	Thaitheparos public company limited (former name Thai Theparos Food Products Public Company Limited)
Head office	208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel: +66-2703-4444 Fax: +66-2387-1163, +66-2703-4444 Ext 3000 www.thaitheparos.com
Registration No.	0107536001265
Branch 1	162/1 Moo 2, Ban-Fon Mae Ta Road, Chompoo District, Muang District, Lampang Province 52000 Tel: (054) 251-149, (054) 251-005 Fax: (054) 251-138
Established	1954
First Trade Date	20 January 1995
Symbol	SAUCE
Industry / Sector	Agro and Food Industry / Food and Beverage
Registered Share Capital	600 Million Baht (600,000,000 shares of Baht 1 par value)
Issued and paid up Capital	360 Million Baht (360,000,000 shares of Baht 1 par value)
Dividend Policy	Minimum of 50% of net profit annually and will be paid in next year.
Number of Staff	Head office 767 persons
Fiscal Year	1 January - 31 December
Other Reference	A. Register Thailand Securities Depository Co., Ltd 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand. Tel: (66 2) 009 9000 Fax: (66 2) 009 9991 SET Contact center: (66 2) 009 9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th B. Auditors Ms. Orawan Chotiwiiriyakul CPA Registration Number 10566 or Mrs. Siripen Sukcharoenyingyong CPA Registration Number 3636 or Mr. Charoen Phosamritlert CPA Registration Number 4068 KPMG Phoomchai Audit Limited. 50 nd Floor Empire Tower 1 South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Tel: +66-2677-2000 Fax: +66-2677-2222
Associate	EXTER (THAILAND) LTD. 208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel: +66-2755-2888 Fax: +66-2755-2887
Core Business	Manufacturer and distributor of seasoning food products under "Exter" brand export to Europe and South East Asia.
Registered Share Capital	40 Million Baht (2,000,000 shares of Baht 10.00 par value)
Issued and paid up Capital	40 Million Baht (2,000,000 shares of Baht 10.00 par value)
Proportion holds shares	40%
Nature of Business	Thaitheparos PLC. is the manufacturer and distributor of seasoning food products under "Golden Mountain" brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder, as well as Sriraja chilli sauce under "Sriraja Panich" brand and naturally brewed Japanese soy sauce under "Kinzan Shoyu" brand including house brand.



Security information and Shareholders

1. Share capital

Registered Share Capital 600 Million Baht (600,000,000 shares of Baht 1 par value)

Issued and paid up Capital 360 Million Baht (360,000,000 shares of Baht 1 par value)

2. Shareholders

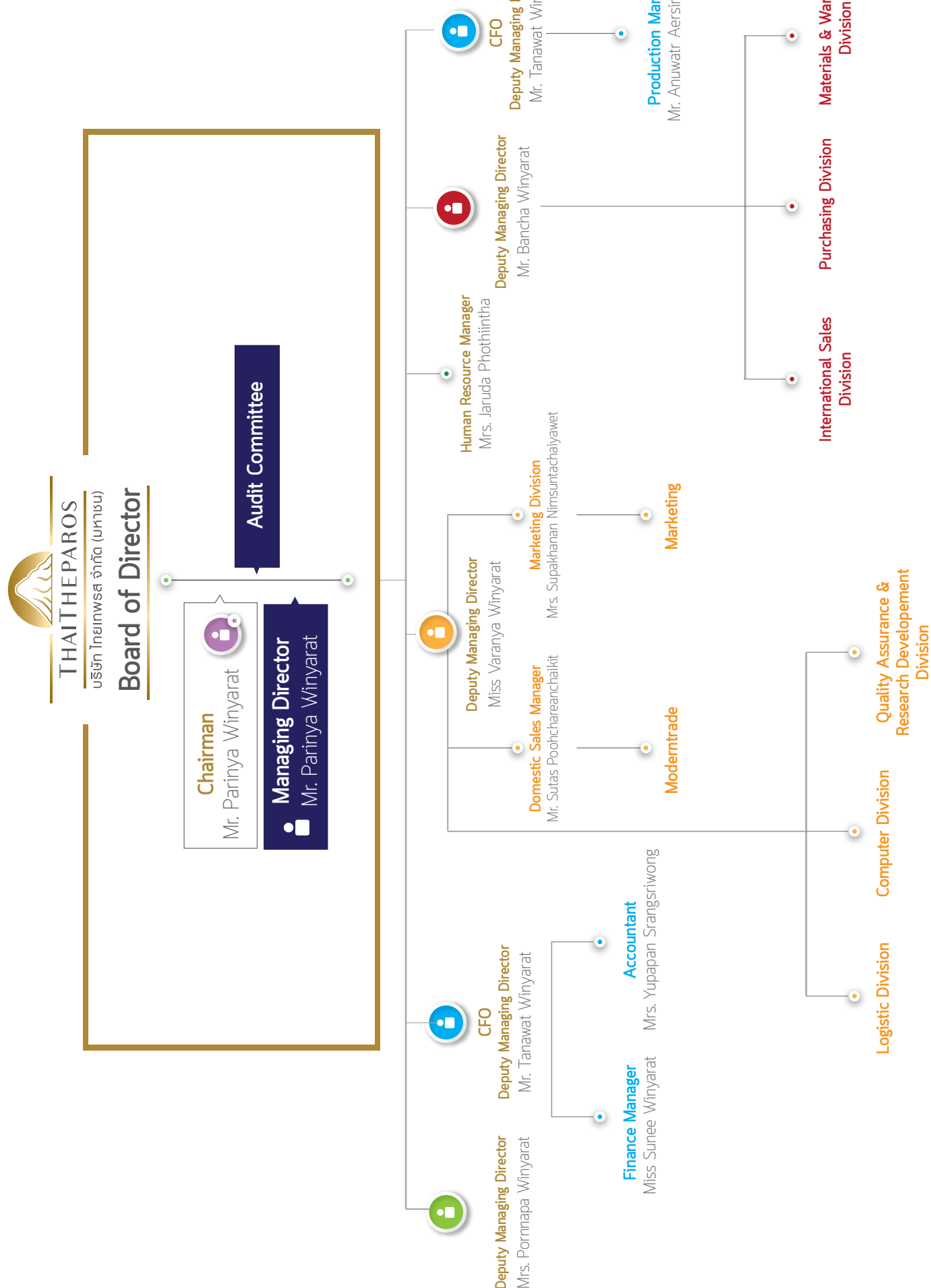
Major Shareholders as of the Annual General Meeting of Shareholders 2019 hold on April 24, 2019.

Major	Shareholders	Shares	(%) of Total Share
1.	WINYARAT FAMILY	273,161,620	75.88
2.	Bangkok Life Insurance PLC.	11,464,300	3.18
3.	Ms. Jaruda Pothiinta	5,665,100	1.57
4.	Ms. Pattama Sethanukul	4,200,000	1.17
5.	Green Spot (Thailand) Co.Ltd.	3,861,000	1.07
6.	Miss Natechanok Suwanacheep	3,650,000	1.01
7.	Bangkok Insurance PLC	3,579,500	0.99
8.	Mr. Cherdchoo Soponpanich	2,921,400	0.81
9.	CS Capital Co.,Ltd	2,346,300	0.65
10.	Mr. Cherdphong Wongwitwichote	2,110,000	0.59
Total		312,959,220	86.92

Remark WINYARAT FAMILY consist of :

Major Shareholders	Shares	(%) of Total Share
Mr.Parinya Winyarat and related persons	140,158,580	38.93
Mr.Bandid Winyarat	31,032,420	8.62
Mr.Bancha Winyarat and related persons	27,632,000	7.68
Mr.Tanawat Winyarat	25,709,000	7.14
Mrs.Pornnapa Winyarat and related persons	21,588,570	5.99
Miss.Malee Winyarat	14,004,520	3.89
Miss.Sunee Winyarat	13,066,530	3.63
WINYARAT FAMILY TOTAL	273,191,620	75.88

Management Structure





Board of Directors

	1	2	3	4
5	6	7	8	9

1. Mr. Parinya Winyarat

(Director / Chairman of the Board and Managing Director)

Date of Birth	: May 26, 1954
Age	: 65 yrs.
Education	: Honorary Doctor of Home Economics (Food and Nutrition) Faculty of Home Economics Technology Rajamangala University of Technology, Thailand Bachelor Degree in Chemistry, National Taiwan University
Experience	
2000 - Present	: Managing Director, Thaitheparos Public Company Limited
1993 - Present	: Director / Chairman of the Board and Managing Director Thaitheparos Public Company Limited
No. of holding shares	: 119,158,580 shares,
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None listed companies	
2018 - Present	Director Thepland Company Limited
2017 - Present	Director Rachakram Agriculture Company Limited
2011 - Present	Director Bangpa-in Sport club Company Limited
2010 - Present	Director Rachakram Property Company Limited
2008 - Present	Director Promma Mining Company Limited
2005 - Present	Director Rachakram Land Company Limited
2008 - Present	Director Siam Agrotex Company Limited
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Bancha Winyarat's Father and Mr. Tanawat Winyarat's uncle.
Director remuneration	: 1,155,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 5 out of 5 Board of Director's Meeting

2. Mrs. Pornnapa Winyarat

(Director)

Date of Birth	: July 26, 1949
Age	: 70 yrs.
Education	: -
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1996 - Present	: Deputy Managing Director, Thaitheparos Public Company Limited
1993 - Present	: Director, Thaitheparos Public Company Limited
No. of holding shares	: 16,958,570 shares
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None listed companies	: None
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Tanawat Winyarat's Mother and Mr. Parinya Winyarat's Elder
Director remuneration	: 525,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 5 out of 5 Board of Director's Meeting

3. Miss Malee Winyarat

(Director)

Date of Birth	: February 14, 1954
Age	: 65 yrs.
Education	: Bachelor Degree in Business Administration (Money and Banking) Ramkhamhaeng University
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1993 - Present	: Director Thaitheparos Public Company Limited
1993 - 2010	: Director and Deputy Managing Director (Accounting and Finance) Thaitheparos Public Company Limited
1987 - 1993	: Accounting and Finance Manager, Thaitheparos Public Company Limited
No. of holding shares	: 14,004,520 shares
No. of share changed	: -
Relation Among family with the Company	: Mr. Parinya Winyarat's niece and Mr. Bandit Winyarat's sister
Director remuneration	: 525,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 5 out of 5 Board of Director's Meeting

4. Mr. Bandit Winyarat

(Director)

Date of Birth	: October 2, 1956
Age	: 63 yrs.
Education	: Master of Arts, Major: Man and Environment Management, Chiang Mai University Bachelor Degree in Engineering, Adamson University, Philippines
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1993 - Present	: Director Thaitheparos Public Company Limited
1993 - 2008	: Deputy Managing Director Thaitheparos Public Company Limited
1993 - 2007	: Branch Manager (Lampang) Thaitheparos Public Company Limited
No. of holding shares	: 26,427,020 shares
No. of shares Changed	: -
Position in Other Listed Companies	: None
Position in None Listed Companies	: None
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Parinya Winyarat's niece and Miss Malee Winyarat's Brother
Director remuneration	: 525,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 4 out of 5 Board of Director's Meeting (business trip overseas)

5. Mr. Tanawat Winyarat
(CFO / Director)

Date of Birth	: November 13, 1972
Age	: 47 yrs.
Education	: Master of Science in Finance, Bentley College , Massachusetts, USA : Master of Science in Manufacturing System Engineering, Rensselaer Polytechnic Institute, USA : Bachelor of Science in Management System Rensselaer Polytechnic Institute, USA
Director Training Program	: Property, plant, equipment for year 63 and relevant financial reporting standards : Transfer Pricing for year 62 : Cost accounting Cost analysis and cost management for planning and decision making
Experience	
2018 - Present	: CFO Thaitheparos Public Company Limited.
2014 - Present	: Deputy Managing Director Thaitheparos Public Company Limited.
2010 - Present	: Director, Thaitheparos Public Company Limited.
2004 - 2012	: Marketing Manager Thaitheparos Public Company Limited.
No. of holding shares	: 25,709,000 shares
No. of share changed	: -
Position in Other Listed Companies	: None
Position in none Listed Companies	: 2 Positions:-
2010 - Present	: Director, Exter (Thailand) Limited
2005 - Present	: Director, Ratchatayothin Co.,Ltd
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mrs. Pornapa Winyarat's son Mr. Parinya Winyarat 's nephew
Director remuneration	: 315,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 5 out of 5 Board of Director's Meeting

6. Mr. Bancha Winyarat
(Director)

Date of Birth	: April 27, 1985
Age	: 34 yrs.
Education	: MSc & DIC in Environmental Engineering, Imperial College London, U.K. : Bachelor of Engineering in Engineering with Business Finance with First Class Honours , University College London ,U.K
Director Training Program	: -
Experience	
2014 - Present	: Deputy Managing Director Thaitheparos Public Company Limited.
2010 - Present	: Director, Thaitheparos Public Company Limited.
2011 - Present	: Purchasing Manager Thaitheparos Public Company Limited.
No. of holding shares	: 27,632,000 shares
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None Listed Companies	: 4 position :-
2018 - Present	Nakornluang Agricultural Company Limited
2017 - Present	Director/Bangpa-in Sport club Company Limited
2010 - Present	Director Exter (Thailand) Limited
2015 - Present	Director Gower Intertrade Company Limited
Position in None listed companies	
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Parinya Winyarat 's son
Director remuneration	: 315,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 4 out of 5 Board of (Business Trip Overseas)

7. Mr. Phot Kongphuthi
(Independent Director / Audit Committee Chairman)

Date of Birth	: October 18, 1938
Age	: 81 yrs.
Education	: Accounting, A.B.I., Institute of Book - Keeper, London
Director Training Program	: -
Experience	
2018 - Present	: Audit Committee Chairman Thaitheparos Public Company Limited
2011 - Present	: Audit Committee Thaitheparos Public Company Limited
2002 - Present	: Independent Director Thaitheparos Public Company Limited
No. of holding shares	: None
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None Listed Companies	: 1 position
2002 - Present	Director and Managing Director Promma Mining Co.,Ltd.
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: -
Director remuneration	: 385,000 Baht
Audit Committee Remuneration	: 198,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 4 out of 5 Board of Director's Meeting
Attended Audit Committee's Meeting	: Attended 4 out of 5 Audit (Sick leave)

8. Mr. Jirawit Masrangsang

(Independent Director / Audit Committee)

Date of Birth	: May 5, 1938
Age	: 81 yrs.
Education	: Bachelor of Commerce Thammasat University Bachelor of Accountancy Thammasat University
Director Training Program	: None
Experience	
2017 – Present	: Independent Director / Audit Committee Thaitheparos Public Company Limited
2001 – Present	: Independent Auditor (CPA Registration No. 1309) CFO (Chief Financial Officer) Hemaraj Land and Development PCL.
1991 – 2001	
1989 – 1991	: Project Director Windmill Golf Club and Bangpakong Golf Club Green Valley Country Club , Bangkok
1967 – 1989	: Deputy Director (Accounting Department) Kasikorn Bank PCL.
No. of holding shares	: -
No. of share changed	: -
Position in Other Listed Companies	: None
Position in Other Companies	: Director J.M.C. Business Co.,Ltd.
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Family Relationship with other directors	: None
Director Remuneration	: 385,000 Baht
Audit Committee Remuneration	: 132,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 5 out of 5 Board of Director's Meeting
Attended Board of Audit Committee Meeting in 2019	: Attended 5 out of 5 Audit Committee's Meeting

9. Mr. Niwat Wongprompreeda

(Independent Director / Audit Committee)

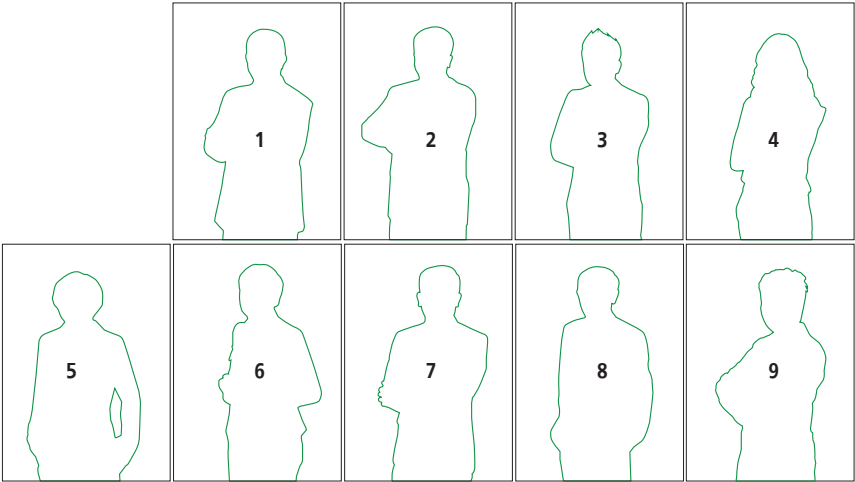
Date of Birth	: February 15, 1961
Age	: 58 yrs.
Education -	: Ph. D. In Communication Arts Chulalongkorn University Certificate in Integrated Marketing Communication Northwestern University Certificate in Marketing Management , MAT M.S. in Advertising, Medill School of Journalism Northwestern University, USA Bachelor of Arts program in Journalism (Second Class Honors) Thammasat University Certificate of Commerce , Assumption Commercial College
Directors Training Program	: Director Certification Program (DCP) Class 31/2003 Thai Institute of Directors Association
Present Position	
2017 – Present	: Independent Director/Audit Committee Thaitheparos Public Company Limited
Experienced	
2003 – 2005	: Independent Director Traffic Corner Pcl.
2002 – Present	: Executive Director, Video Research International (Thailand) Ltd. Client Service Director SC Matchbox Co. Ltd. Account Director Far East Advertising Co., Ltd. Head of Advertising Department Faculty of Journalism and Mass Communication Thammasat University Advisor (Research and Marketing) Saha Pattana Piboon Co.,Ltd. Assistant Dean for Student Affairs Faculty of Journalism and Mass Communication Thammasat University
1991 – 1992	
1990 – 1991	
1989 – 1990	
1987 – 1990	
1987 – 1989	
No. of holding shares	: -
No. of share changed	: -
Position in Other Listed Companies	: None
Position in Rival Companies/ Connected Business that may cause Conflicts of Interest	: None
Family Relationship with other Directors	: None
Director Remuneration	: 385,000 Baht
Audit Committee Remuneration	: 132,000 Baht
Attended Board of Director's Meeting in 2019	: Attended 5 out of 5 Board of Director's Meeting
Attended Board of Audit Committee Meeting in 2019	: Attended 5 out of 5 Audit Committee's Meeting

Director		Historial Forward	No.of share changed		Carry Forward
		January 1, 2019	Buy	Sale	December 31,2019
1.Mr. Parinya	Winyarat	119,158,580	-	-	119,158,580
2.Mrs. Pornnapa	Winyarat	16,958,570	-	-	16,958,570
3.Miss Malee	Winyarat	14,004,520	-	-	14,004,520
4.Mr. Bandit	Winyarat	26,427,020	-	-	26,427,020
5.Mr. Tanawat	Winyarat	25,709,000	-	-	25,709,000
6.Mr. Bancha	Winyarat	27,632,000	-	-	27,632,000
7.Mr. Phot	Kongputhi	-	-	-	-
8. Mr. Jirawit	Masrangsang	-	-	-	-
9. Mr. Niwat	Wongprompreeda	-	-	-	-
Total		229,889,690	-	-	229,889,690



Management Team

1. **Mr. Parinya Winyarat**
Chairman of the Board and Managing Director
2. **Mr. Tanawat Winyarat**
Director/Deputy Managing Director
3. **Mr. Bancha Winyarat**
Director/Deputy Managing Director
4. **Miss Varanya Winyarat**
Director/Deputy Managing Director
5. **Miss Sunee Winyarat**
Finance Manager
6. **Mrs. Jaruda Pothiinta**
Human Resource Manager
7. **Mr. Sutas Phucharoenchai**
Domestic Sale Manager
8. **Mr. Anuwatr Aersitrakool**
Production Manager
9. **Mrs. Yupapan Srangsiwong**
Accountant



Management Team

4. Miss. Varanya Winyarat (Deputy Managing Director)

Age : 36 yrs.
 Education : Bachelor of Arts with a major in Economics ,
 University of California
 Experience
 2014 – Present : Deputy Managing Director
 Thai theparos Public Company Limited.
 2013 : Marketing Manager
 Thai theparos Public Company Limited.
 No. of holding shares : 21,000,000 shares
 No. of shares changed : -

5. Miss Sunee Winyarat (Finance Manager) Corporate secretary

Age : 60 yrs.
 Education : Bachelor Degree in Economics,
 Ramkamhaeng University
 Experience
 2008 – Present : Corporate Secretary
 1994 – Present : Finance Manager
 Thai theparos Public Company Limited
 Seminar : Corporate Secretary Development
 Program, Chulalongkorn University
 No. of holding share : 13,066,530 shares
 No. of shares changed : -

6. Mrs. Jaruda Phothiinthra (Human Resource Manager)

Age : 59 yrs.
 Education : Bachelor of Public Administration
 Sukhothai Thammathirat University
 Experience
 2004 – Present : Human Resource Manager
 Thai theparos Public Company Limited
 No. of holding shares : 5,665,100 shares
 No. of shares changed : -

7. Mr. Sutas Poochareanchaikit (Domestic Sales Manager)

Age : 51 yrs.
 Education : Master of Business Administration
 Ramkamheang University
 : Bachelor of Business Administration
 (Marketing)
 Dhonburi Rajabhat University
 Experience
 2017 – Present : Domestic Sales Manager
 Thai theparos Public Company Limited
 2012 – 2017 : Up Country Sales Division Manager
 Thai theparos Public Company Limited
 No. of holding shares : -
 No. of shares changed : -

8. Mr. Anuwat Aersitrakool (Production Manager)

Age : 53 yrs.
 Education : Master of Business Administration
 Ramkamheang University
 : Bachelor of Agriculture Industry,
 King Mongkut Institute of
 Technology Ladkrabang
 Experience
 2005 – Present : Production Manager
 Thai theparos Public Company Limited
 2001 – 2005 : Plant Manager
 Wang Palm Oils Company Limited
 (Wangkanai Group)
 No. of holding shares : -
 No. of shares changed : -

9. Mrs. Yupapan Srangsiwong (Accountant)

Age : 58 yrs.
 Education : Bachelor of Business Administration in
 Accounting Manager (Accounting)
 Experience
 1992 – Present : Accounting Manager (Accountant)
 Thai theparos Public Company Limited
 1988 – 1992 : Supervisor, cost accounting unit, accounting
 department Thai theparos Public Company
 Limited
 Trained 2019 : Techniques for financial statements preparation,
 how to solve problems and the submission of
 financial statements via e-filing system (new
 course, year 2019)
 : Company Secretary: CS (New course in 2019)
 : TFRS9 and related financial reporting standards
 : Counting hours, 6 hours and 6 hours of other hours
 No. of holding shares : -
 No. of shares changed : -

Management Team	Historical Forward January 1, 2019	No. of share changed		Carry Forward December 31, 2019
		Buy	Sale	
4. Miss Varanya Winyarat	21,000,000	-	-	21,000,000
5. Miss Sunee Winyarat	13,066,530	-	-	13,066,530
6. Mrs. Jaruda Phothiinthra	5,665,100	-	-	5,665,100
7. Mr. Sutas Poochareanchaikit	-	-	-	-
8. Anuwat Aersitrakool	-	-	-	-
9. Mrs. Yupapan Srangsiwong	-	-	-	-
Total	39,731,630	-	-	39,731,630

Corporate Secretary

Sauce has appointed Miss Sunee Winyarat, Finance Manager as Corporate Secretary. She has suitable knowledge and experience to perform this function and assumes the of the Secretary to the Board of Directors and the Audit Committee.

Remuneration for Directors and the Management

Remuneration for Directors: On approval by the Annual General Meeting of the shareholders, the Company set the remuneration for Directors and additional salary for the Audit Committee.

Remuneration for the Management: The Board set the remuneration for the Management. The Executive Director will have salary and bonus in addition to the remuneration.

The Company has provided all remuneration for Directors and the Management for the year 2019 as follow:

	Person	Remuneration for Director
Directors	9	4,515,000.00
Directors and Management	15	24,559,436.00
Total		29,074,436.00

*Salary / bonus / consultant fee / contribution to provident fund / contribution to social security fund / perdium

	(million)				
	Person	2019	2018	Change	%
Remuneration for Director	9	4.52	4.52	-	-
Salary/Bonus & other - Directors	9	17.06	15.09	1.97	13.06
Total Directors	9	21.58	19.61	1.97	10.05
Salary/Bonus & other - Management	6	7.49	6.29	1.20	19.08
Total Directors and Management	15	29.07	25.90	3.17	12.24

Personnel

In 2019, The Company has 767 employees equal to the year of 2018 in each operation as follow:

Person	2019	2018	Change	%
Management	5	5	0	0.00
Production Department	442	438	4	0.91
Quality Assurance & Research Development Department	23	23	0	0.00
Engineering Division	15	17	(2)	(11.76)
Sales Department, Marketing Department and Logistic Division	215	219	(4)	(1.83)
Accounting Department, Financial Department	33	31	2	6.45
Computer Division	6	6	0	0.00
Human Resource Department	21	21	0	0.00
Purchasing Division.	6	5	1	20.00
Quality management Division and Secretaries	1	2	(1)	(50.00)
Total	767	767	0	0.00

Remuneration is a key success factor to attract and retain a better performance in SAUCE of which include salary, wages, overtime payment, cost of living, the incentive fee, commission, allowances, bonuses, severance pay and provident fund of which for the year 2019 totally Bht 280.52 million; increase of Bht 263.68 million or 16.84% or 6.39% in 2018, (this amount

included Directors and Advisors Remuneration). Besides, SAUCE provides other welfares to our employees.

SAUCE recognizes the importance of our employees, so the key role of our policy is Human Resource Development by training and empowering staff skills both in-house and outside. We have an annual training plan including ON THE JOB TRAINING for new staff and the rotated staff.

The Company has no significant labor disputes in the past 3 years.

The Principles of Good Corporate

The Board of Director realizes on the importance of good corporate governance which is for transparency, accountability, business competency and confidence to stakeholders ,investors as well as relevant persons and set the good corporate governance policy covering an important principle as follows

1. Right of Shareholders

SAUCE recognizes on the right of shareholders and gives the importance and facilities to all shareholders to get the basic shareholder's right both in the position of investor in the securities and the owner of the company. Shareholders have the right to purchase, sell or transfer their securities independently as well as the right to receive the appropriate net profit, to join the shareholders meeting, give their opinions in the meeting. All shareholders have the right to vote according to their holding shares .The vote is counted one vote per share. No shareholders have privilege to restrict the right of other shareholders

Besides the above mentioned Basic Shareholders' rights, sauce gives the importance on the information disclosure correctly, in time and transparently to shareholders by disclosing the important information via the company's website both Thai and English version. In 2019, the Board of Directors has principle the activity for the matter of promoting and giving the facilities in using the right of shareholders as follows:

1.1 Disclosure the Board of Directors' Meeting's resolution no.2/2019 which held on March 12, 2019 providing to arrange the Annual General Meeting of Shareholders on April 24, 2019 via the Stock Exchange of Thailand 's website since the had pass the resolution to fix the meeting date.

1.2 The company will send the Invitation Letter for attending the Annual General Meeting of Shareholders no less than 21 days prior to the meeting date which mention the time ,place to attend the meeting and the agenda completely in accordance with the articles of the Stock Exchange of Thailand and the company's Article of Association which has sufficient information regarding the issues to be decided at the meeting. Each agenda will be specified whether it is for approve, disapprove or for abstain.

Invitation letter for attending the annual general meeting of shareholders has been disclosed in advance one month prior to meeting date on company's website at "Investor Relation" Menu. Shareholders will have opportunity to receive information before the meeting adequately. They can propose the additional agenda to the shareholders meeting according to the time provided by the company.

The company will notify the shareholders of such meeting through Thai newspaper 30 days which published from March 20-21-22, 2019 In the attending the meeting, the company shall inform shareholders to bring the documents required prior to attending the meeting and attached the proxy and specify the name of Independent Director and Audit Committee Chairman or appoint any other person as a proxy to attend and vote on their behalf in meeting.

1.3 On the meeting date, the company give shareholders to register prior one hour before the meeting begin and printing the voting ticket for each agenda to all shareholders.

1.4 Before the meeting Begin, the Chairman will explain the voting procedure and vote-counting method which will be in an efficient and transparent (counting by staff of Audit Firm). One share will count as one Vote and the resolution is by the majority votes. In case the resolution which is provided the votes not less than two-third of all votes of shareholders who attend the meeting and have the right to vote or the resolution which provide the votes not less than three-fourth of all votes of Shareholders who attend the meeting and have the right to vote which shall be in accordance with the laws and the company article's of association.

1.5 During the meeting, Chairman of the Board gives the opportunity and be allowed sufficient time to give opinions, ask questions and propose the additional agenda for appropriate time. The director will inform and give the information to shareholders with completely.

Besides, shareholders who attend the meeting afterwards the meeting begin, have the right to vote in the agenda which is being considered and still not passing the resolution.

1.6 The company has set the policy to the Board of Directors attending the Annual General Meeting of Shareholders, shareholders can ask questions to them. Board of Directors who attend the Annual General Meeting of Shareholders 2019 which was held on April 24, 2019 comprise of Board of executive director consisting of 3 persons : Chairman of the Board, and Deputy Managing Director 3 person and non executive director 2 persons, Audit Committee Chairman 1 person and audit committee member 3 person . The company, therefore, has a total of 9 directors attending the shareholders meeting.

2. Equitable treatment of shareholders

SAUCE gives precedence to equal treatment of shareholders. The Board of Directors has set up a supervision policy to take care of the company by paying attention to the right of shareholders, and to treat all shareholders fairly and equally. This is achieved as follows:

2.1 Managing the shareholder meetings effectively, and in line with the regulations of the company. Consideration and voting will take place in accordance with the agenda, including the consideration about committees to appoint, remuneration for committees, the auditor to appoint, approving the auditor's fees and other agenda items that are raised by the shareholders in the meeting.

2.2 Shareholders who are not comfortable to attend the meeting may authorize the independent committee/ chairman or any other person, to represent them to attend the meeting and vote.

2.3 In order to vote about any agenda item, ballot papers will be used in order to carry out counting of the votes effectively and fast. The company will only archive the ballots in case some shareholders object or abstain. The auditor will evaluate the votes and ensures the vote is executed correctly, including archiving the ballots to be able to check later.

2.4 During the general shareholders' meeting minutes will be drawn up completely and correctly. The following points shall be included: conclusion of the meeting and the result of voting, by showing clear details with the numbers of voters who agreed, disagreed and abstained, and the total number of the votes for each agenda item, including questions, explanation and the opinion of the meeting. The aforementioned minutes will be distributed to all concerned parties within 14 days after the general meeting. The aforementioned minutes will also be published on the company's website. The company has published the conclusion of the shareholders' meeting on the website of the Stock Exchange of Thailand, in order to inform all shareholders as soon as the meeting was finished.

2.5 SAUCE has a policy that confidential information shall not be disclosed. Confidential information will be taken out before disclosing information to the public. The executives have to report all changes in the situation of the assets of the company. Executives are prohibited to trade assets of the company, from one month before the disclosure to the public and 2 weeks after it. The company strictly follows the guidelines of good practice from the Security and Exchange Commission.

The Board of Directors and executive with the position of general manager or higher, and accounting manager and finance manager with a comparable level, have to report the shares that they hold in the company. This also applies to their spouses and underage children. They have to report any changes in their shareholdings, after buying, selling, transferring or accepting a transfer to the Security and Exchange Commission within 3 days, and also report to the secretary of the Board.

3. Role of stakeholders

SAUCE has given precedence to the rights of every group of stakeholders, both insider stakeholders e.g. shareholders, employees and executives, and outsider stakeholders, e.g. customers, rivals, trade partners, creditors, the government sector and other concerned parties including communities. Because the company realizes that support from stakeholders will enable the company to compete and generate profit, which is part of being successful in the long term.

3.1 Shareholders: the company is engrossed with operating the business in order to create a stable development and a competitive position, by considering the risks at present and in the future, in order to gain value for shareholders of the company in the long term. The company shall disclose clear, fair, fast, timely, correct and complete information, and seriously strive to protect the assets of the company, including paying dividend, in order to let shareholders have the topmost satisfaction.

3.2 The Board of Directors and executives are the people who have access to all information to be able to make the best assessment how to take care of every group of company stakeholders, both insider stakeholders and outsider stakeholders, in an equal and fair manner.

3.3 Employees: the company always realizes that the employees of the company are the most important resource, so the company is prepared to support the personnel continuously, by emphasizing development of knowledge, abilities, skills, and the quality of an employee. The Company provides continuous and regular management training, both inside and outside, like training-on-the-job for new employees, or for employees who change position, or move to another department, etc. Besides that, the company also takes care of employees' welfare, with providing facilities, such as association provident fund, scholarships for employee's children, tourist trips, the arrangement rehearsals for the fire prevention and hazard protection systems, etc. This is done to support a good quality of life, which is suitable to live in society and have a chance to grow with the development of the company.

3.4 Customers: the company is determined to give customers topmost satisfaction, both in quality and service, for the company's products, including timely delivery, fully meeting the requirements of customers by paying attention to and being responsible to a customer. The annual satisfaction survey gives the customers an opportunity to share their opinions. The Company also manages a program to continuously promote relationships between customers and the company. It organizes trips, both domestic and abroad, invites customers to visit factories etc. Sales administrator has been set up to respond to complaints from customers.

3.5 Trade partners: the Company acknowledges the importance of treating trade partners in accordance with the commercial conditions and to treat them in accordance with contracts. The Company also has a Code of Conduct, which contains rules for fair and honest behavior.

3.6 Competitors: the Company follows the commercial competition rules, and does not use dishonest ways to destroy commercial rivals, but allows the market mechanism to work.

3.7 Creditor: the Company behaves in accordance with the conditions of business agreements, and maintains the duty to behave towards the creditor as a good debtor. The company also gives information in advance to creditors.

3.8 Government sector and other concerned parties: the Company always follows laws and regulations from the government and other concerned parties, and has no intention to disobey the aforementioned practices.

3.9 Communities, society and environment: the Company is concerned about communities, society and the environment, and manages these issues as follows;

- Waste water treatment system: the waste water treatment system of the company can process twice the amount of waste water as needed. At this moment BOD is not more than specified in the law. Over a period of 12 months, the average BOD of 2019 for the company was 5.92 milligram per liter (the law requires that the BOD at a temperature 20 C during 5 days does not exceed 20 milligrams per liter).

- Environmental and safety arrangements in work places by considering safety, occupational health and environment, and offering conveniences to employees and customers.

- Supporting the conservation of the environment.

- Supporting activities of students from educational institutes regularly and continuously, including the annual activities on children's day.

- Supporting activities of the government sector, both inside Samutprakarn province and Bangkok.

- Supporting public charity activities with government and other parties from the private sector.

- Supporting activities to support the Buddhism.

- Running welfare stores where economically priced goods are sold, and discounts are given to employees and customers from nearby communities, including general customers, etc.

4. Disclosure and Transparency

Board of Directors recognizes an importance of information disclosure with completeness, accountability both in financial and general including significant information effecting market of the share by issuing such information to the investors and shareholders to all channels of the Stock Exchange of Thailand.

Regarding to the Investor Relation, the company has not yet set up an investor relation office since the Investor Relation activity is still small, but assigned Marketing Manager to communicate with the investors, institutes, shareholders as well as analysts and stakeholders. The investors can access the information through the company secretary at Tel no. 02-703-4444 or via website: www.thaitheparos.com

In 2019, the company has disclosed sufficiently significant financial information in the financial statements in accordance with the Stock Exchange of Thailand and Office of Securities and Stock Exchange Commission and accounting standards by the information disclosure system of the Stock Exchange of Thailand. The financial statements has been audited and given and opinions without any condition by Certified Public Accountant, Audit Committee Meeting and Board of Director before disclosing to shareholders. Board of Directors have disclosed the responsibilities of Board of Directors to the financial report in the annual report as well.

The company has disclosed the summary of its Performance Result, Reviewed Financial Statements and quarterly & yearly Management Discussion and Analysis, the Declaration of Dividend Payment, fixing the date of Annual General Meeting of Shareholders

For more convenience to shareholders, sauce has set up the "shareholders" menu on company website since 2007 (In 2011 change to "Investor Relation").

Invitation letter for attending the annual general meeting of shareholders has been disclosed in advance one month prior to meeting date on company's website at "shareholder" menu. Shareholders will have opportunity to receive information before the meeting adequately. They can propose the additional agenda to the shareholders meeting according to the time provided by the company.

Sauce has improved the aforesaid information by disclosing via company's website which is always up to date.

Sauce has disclosed the significant information and news regularly. Shareholders and stakeholders will receive the information with completely via channels as follows

1. The Stock Exchange of Thailand's website
 - Quarterly and yearly financial statements
 - Annual report
 - Form 56-1
 - News (F45-1, MD &A, the declaration of dividend payment, Shareholder's resolution, Connected transaction, etc.)
2. Office of the Securities and Stock Exchange of Thailand Commission
3. Ministry of Commerce
4. Thai Newspaper (Invitation Letter to attend the Meeting, Balance sheet and loss and profit of account, the declaration of dividend payment etc.)
5. Company's website (www.thaitheparos.com) Both Thai and English version.
6. Company Visit
7. Deliver the Invitation Letter to Shareholders by mail.

5. Responsibilities of the Board

5.1 Structure of the Board of Directors

The company's Board of Directors is comprised of qualified persons who possess knowledge, abilities and experience which are beneficial to the company. The election of Board members follows the resolutions of the Shareholder's Meetings, as well as the rules, regulations and the company's Articles of Association. The number of directors is appropriate to the company's business operations.

The Board of Directors has 9 members comprised of:

- 2 Non-Executive Directors, equal to 22.22% of the Board member
- 4 Executive Directors, equal to 44.44% of the Board member
- 3 Independent Directors, equal to 33.33% of the Board member

(Two Independent Directors have adequate expertise and experience to review creditability of the financial report)

The primary authorized directors with signatory authority on behalf of the company are Mr. Parinya Winyarat, Mr. Tanawat Winyarat, Mr. Bancha Winyarat must be signed by two authorized directors and affixed with the Company Seal.

Qualifications of Independent Directors

1. An Independent Director must not hold more than 0.5 percent of the Company's shares with voting rights, or those of any affiliated or associated company.
2. An Independent Director must not take part in management and not be an employee. Staff member, or adviser who receives a regular salary; nor be in a profession such as auditor, lawyer, etc, that might effect the giving of impartial opinions to the company. Furthermore, the Independent Director must not be someone who has control over the company, the affiliated or the associated company, nor be a person with a conflict of interest, except in cases where he or she has resigned from any such position at least two year previously.
3. An Independent Director must have no direct or indirect business relationship that would restrict the Directors' Independence and impartiality, in an amount or value significant to the company's income, nor benefit, either directly or indirectly from the finances or management of the company, the affiliated or associated company, nor be a person with a conflict of interest that could affect him or her from giving an unbiased opinion.
4. An Independent Director must not be a close relative of any senior executives or a major shareholder of the company, the affiliated or associated company. Neither shall he be a person with a conflict of interest, nor be a representative acting to safeguard the interests of any.

Term of Office

As required by our Articles of Association, in the General Shareholders Meeting, 1/3 of the directors have to be retired by rotation. The Directors of the public company limited have to be retired in the first and second year by random procedure, and the coming years, the directors who are entitled for the longest period have retired by rotation. The retired directors can be re-elected for another period. The Shareholders Meeting may vote any of directors for retirement before their term ending by the votes not less than 3/4 of total shareholders attending in the meeting and have the right to vote of which the total shares not less than half of total shareholders.

Regarding the term of office of the Audit of Committee shall hold office for a term of 2 years.

Directorship of the Board of Directors and Executives in other Companies

At present, not Sauce director or executive holds a directorship in more than three other listed companies, nor are any in the position of chairman, executive director with signatory authority in excess of three companies.

Separation of the Chairman of The Board and the Managing Director

The Chairman of the Board, and the Managing Director is the same person because the Chairman is appointed to be in charge for the Managing Director.

Corporate Secretary

Sauce has appointed Miss Sunee Winyarat Finance Manager as Corporate Secretary. She has suitable knowledge and experience to perform this function and assumes the of the Secretary to the Board of Directors and the Audit Committee.

Board of Director

As of December 31,2019 Board of Directors of Thai Theparos Public Company Limited consists of 9 qualified persons as follows:

1. Mr. Parinya	Winyarat	Chairman of the Board and Managing Director
2. Mrs. Pornnapa	Winyarat	Director/Deputy Managing Director
3. Mr. Tanawat	Winyarat	Director/Deputy Managing Director
4. Mr. Bancha	Winyarat	Director/Deputy Managing Director
5. Miss Malee	Winyarat	Director
6. Mr. Bandit	Winyarat	Director
7. Mr. Phot	Kongputhi	Independent Director / Audit Committee Chairman
8. Mr. Jirawit	Masrangsan	Independent Director Audit Committee Member
9. Mr. Niwat	Wongprompreeda	Independent Director Audit Committee Member

Recruitment of The Board of Directors

SAUCE do not have the nominating committee. The Board of Directors will propose the qualified person to the Shareholders Meeting for approval.

Independent Directors have adequate expertise and experience to creditability of the financial report at least 1 person.

Sauce has two independent directors namely ; Mr.Phot Kongputhi , Mr. Jirawit Masrangsan. They also have adequate expertise and experience to creditability of the financial report

There is no limit on percentage of the director's representatives in each of shareholders' groups.

As required by our regulation, Board of Directors consist of directors which not less than five persons and half of total directors have domicile in Thailand. The Board of Directors Election have been acted by the Shareholders Meeting. The shareholders has right to vote only one time (one share one vote). Every shareholder has to vote one person with all his votes, which can not separate any to other persons or other groups. In the General Shareholders Meeting, 1/3 of the directors have to be retired by rotation. The Directors of the public company limited have to be retired in the first and second year by random procedure, and the coming years, the directors who are entitled for the longest period have retired by rotation. The retired directors can be re-elected for another period. The Shareholders Meeting may vote any of directors for retirement before their term ending by the votes not less than 3/4 of total shareholders attending in the meeting and have the right to vote of which the total shares not less than half of total shareholders.

5.2 Committees

The Board has set up an Audit Committee to monitor the business operation.

The Company has no a remuneration committee, but uses a proper evaluation procedure; information from the same industry and size, also the Company operation result are considered.

Audit Committee consist of 3 persons as follows:

- | | | |
|----------------|----------------|---|
| 1. Mr. Phot | Kongputhi | Independent Director / Audit Committee Member |
| 2. Mr. Jirawit | Masransan | Independent Director Audit Committee Member |
| 3. Mr. Niwat | Wongprompreeda | Independent Director Audit Committee Member |

The Audit Committee number 1 and 2 who have adequate expertise and experience to review creditability of the financial reports.

Audit committee Duties and Responsibilities

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, and to determine an independent of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on Securities and Exchange, the SET's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate independent persons to be the Company's auditors, and to propose such persons' remuneration, as well as to attend a non-management meeting with the auditors at least once a year;
5. To consider the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the SET's regulations, to be ensured that the said transactions are reasonable and made for the highest benefit of the Company;
6. To prepare the Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information to be disclosed in the Company's annual report:
 - the number of the Audit Committee meetings, and the attendance of such meetings by each member of the Audit Committee,
 - an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - an opinion on the adequacy of the Company's internal control system,
 - an opinion on the compliance with the law on Securities and Exchange, the SET's regulations, or the laws relating to the Company's business,
 - an opinion on the suitability of an auditor,
 - an opinion on the transactions that may lead to conflicts of interests,
 - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

Board of Executive Director consist of 4 persons as follows:

- | | | |
|------------------|----------|---|
| 1. Mr. Parinya | Winyarat | Chairman of the Board and Managing Director |
| 2. Mrs. Pornnapa | Winyarat | Director/Deputy Managing Director |
| 3. Mr. Tanawat | Winyarat | Director/Deputy Managing Director |
| 4. Mr. Bancha | Winyarat | Director/Deputy Managing Director |

Board of Executive Director's Duties and Responsibilities

To oversight company's efficiency Corporate Governance and business strength, the business expansion and investment in accordance with the Board of Directors policies. To look after financial management and screening other issues that will be proposed to the Board of Directors for determination and also operate other assignment from the Board of Directors.

5.3 Board of Director's Duties and Responsibilities

The Board of Directors is responsible to SAUCE's shareholders.

The Board has roles and responsibilities as follow:

1. Supervise and manage the company so that it complies with the law and the company objectives, the Articles of Association and the resolutions of Shareholder's meeting.
2. Approve the Vision, Mission, Values and Statement of Business Conduct.
3. Monitor the company's performance and progress toward achieving objectives as well as compliance with the laws, regulations and related policies.

4. Set up company's policies.
5. Ensure the existence of an effective internal control system and appropriate risk management framework.
6. Ensure effective audit system executed by both internal and external auditors.
7. Approve quarterly, and annual financial report; ensure that the reports are prepared under generally accepted accounting standards.
8. Ensure the disclosure of information correctly, completely and transparently.
9. Ensure protect the conflict of interest.
10. Consider and screen the other issues which will propose to shareholder meeting for consideration.

Policy on Corporate Governance

The Board of Directors realize on the importance of good corporate governance, which is for accountability, business competency, and confidence of shareholders, investors and all related party. The Board has set the policy to cover all important aspect as follow :

Equally and fairly treat to shareholders and all stakeholders.

Focus in the additional long term value of the Company, carefully manage, be competence and efficient for maximum benefit of the shareholders. Precaution on any conflict of interests, and be responsible on own decisions and actions.

Do business with accountability, and auditable. Enough information should be accessible for all related party.

Inside Information Rules and Practices

Our inside information rules and practices are not disclosed inside information before the information to be disclosed to public which the management have to report the company securities movement in management accounts in every movement as well. The management are forbidden to trade all of their accounts 1 month before and 2 weeks after the information is disclosed and made to public. The company is strictly perform according to inside trading practices of the Securities and Stock Exchange Commission.

Internal Control

The company maintains an internal control structure and monitors that structure to ensure that the company's operations comply with established policies and procedures. The objectives of the internal control structure are to provide reasonable, but not absolute, assurance as to the integrity and reliability of financial statements, protect asset from unauthorized use of disposition, and ensure that

5.4 Board of Directors' Meetings

The Board of Directors set periodical meetings in February, March, May, August, and November. Special meeting can be called as required. The agenda is clearly set in advance and including the review of operation.

The secretary issues invitation with agenda and information 7 days in advance. A regular meeting consumes 2.5-3 hours. In 2019, there are 5 regular meetings with all the directors attend except Mr. Bandit Winyarat and Mr. Bancha Winyarat Attended 4 out of 5 Board of Directors' Meeting

In 2109 (business trip overseas) and Mr. Phot Kongputhi attended 4 out of 5 Audit Committee Meeting due to sick leave

5.5 Remuneration for Directors and the Management

Remuneration for Directors: On approval by the Annual General Meeting of the shareholders, the Company set the remuneration for Directors and additional salary for the Audit Committee.

Remuneration for the Management: The Board set the remuneration for the Management. The Executive Director will have salary and bonus in addition to the remuneration.

The Company has provided all remuneration for Directors and the Management for the year 2019 as follow:

	Person	Remuneration for Directors	*Salary/Bonus & other	Total
Directors	9	4,515,000.00	17,639,931.00	21,578,931.00
Management	6	-	7,495,505.00	7,495,505.00
Directors and Management	15	4,515,000.00	24,559,436.00	29,074,436.00

*Salary / bonus / consultant fee / contribution to provident fund / contribution to social security fund / peridium

Corporate Social Responsibility : CSR

Corporate Social Responsibilities: CSR)

SAUCE strongly recognizes the interests of all stakeholders including, investors, employees, the community and the environment. These are translated into the company's Corporate Social Responsibility policy, principles and directions and laid influential grounds of employees and executives' practices.

This policy is a guideline for shared practice comprised of 7 categories.

1. Ethical Business Operation

We are committed to ensure that our business is fairly conducted according to ethical, professional and legal standard. The company embraces the guidelines of the good corporate governance by following on Corporate Governance of the Stock Exchange of Thailand (SET).

2. Anti-Corruption

Our company is operated with transparency and has no involvement with any kinds of corruption. We have a commitment to full legal compliance. Moreover, there are reliable external and internal inspection agencies to monitor our business.

Members of Board of Director, executives and all employees are strictly obliged to company rules, regulations and business integrity to impede business bribery. Violators are subject to the highest punishment.

3. Respect on Human Right

We emphasize on booting a standard human right, human right and freedom. Our employees are equally treated with respect and no subjection on gender and diversity. Furthermore, we are against child labor employment.

4. Labor justic and Employee Responsibility

We promote a quality of life of our employees to meet labor standards by enforcing a fair treatment and an equality of opportunity in employment, a standard social welfare and a safe working environment.

Occupational Health and Safety Policy

"Working safely and attentively for no accidents"

In addition, we have continually engaged in a project named "Employees' Children Tuition Fee Fund" which was first established in 1992 by Mrs.Kim-Siew Sae-Tung (a wife of Mr.Chai Sae-Kow, a founder of a company). This fund is conducted aiming to support a tuition fee of our employees' children who have a good record on studying and pleasant behaviors.

5. Consumer Responsibility

- The company has set up a Hotline Number service to gather comments and complaints about our products and sale service from customers for further improvement.

- We continuously develop alternative methods and means that can effectively help extend our production and manufacturing quality to certify international standard; Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) and ISO 9001:2008.

Quality Policy

"Produce high-quality and safe products according to food regulations to serve our customers' needs and satisfaction."

HAL-Q Policy

"Produce quality and health-concern condiment, without any restricted contaminants as Islamic provision."

- We have invested and utterly utilized our resources in Research and Development (R&D) to bring high quality products to consumers.

6. Environmental Conservation

- We are aware of environmental issues that can affect human life and well-being. Therefore, the company has implemented green technology and environmental friendly production process. We carefully use and reduce the consumption of energy resources. We have initiated waste and water recycling project.

Environmental Management System (EMS) Policy

"1. Continually manage and develop an Environmental Management System

2. Operate under relevant environmental rules and regulations

3. Carefully manage the use of energy resources and lessen pollution from its source "

Energy Conservation Worthily Policy

"consume resources and energy; continuously develop under a related conservation energy law"

- We have adopted a new "Green Carton" packaging which is a packaging innovation for environment reduce the use of natural resources. It's also lighter and stronger.

- Our employees are implanted the concept of the energy and environmental conservation. They have played a part in reducing energy consumptions.

7. Community or Society Development

We actively establish an engagement among our local community, society, country and Thai citizens. The company has valued the importance of supporting and creating our stakeholders' advantages. We attempt to engage ourselves to our community and society, where we belong to and largely share cultivation. Therefore our CSR's vision reflects through diverse projects and activities.

SAUCE is continuing with our full determination and capacity to drive and sustain our CSR strategies and projects. We are looking forward to delivering the great prospect to and our community, society and Thai citizens.

This Corporate Social Responsibility policy will become effective on December 4th, 2013.



(Parinya Winyarat)
Chairman of the Board

CSR ACTIVITIES – SAUCE has organized projects and CSR activities as follows :

By the way, we have many projects and activities on the social responsibility from the company.



• Give Back 3th Project : Khun Kho Long Heoy

We will join with Golden Mountain volunteer at Tak province. On 7-10 February 2019, Thai Theparos Public Co., Ltd did CSR project to enhance quality of lives for students in rural area school by join with Golden Mountain volunteer team to built kitchen room and support kitchen equipment to Thai Yai Mountain Community Learning Center “Mae Fah Luang” Bann Glujata for improve hygienic cooking for the student, Also provided Study tool, equipment and company product to the Community Learning Center , Activity budget use THB 77,000.



“ Dek Dee Phukhotong 5th” on National Children’s Day 2019

Thai Theparos Public Co., Ltd aware in Children and surrounding social , So the company organized Dek Dee Phukhotong 5th festival on National Children’s Day 2019 ; 12 Jan 2019 for make good relation between the company and surrounding social, Also enhance children to aware on their role and responsibility , Assertive , Included propose for parents be aware to children care. The activity aim to family feeling and warm for surrounding social to the company. This activity the company provided Scholarships to surrounding school’s student. In the festival had foods beverages to children and parents, Enjoy activity to improve skill and happiness to children. Budget used of the festival was THB 280,000



Provided student uniform fund to employee’s daughters and sons

In March 2019 , Thai Theparos Public Co., Ltd provided student uniform fund to employee’s daughters and sons , Year 5th. The aim for support expenditure of employee and to present employee that company pleasure to support them, to be harmonize on the company and employee. No. of scholarship 285 , Budget used THB 114,000.



Provided Scholarships to employee’s daughters and sons

In May 2019 , Thai Theparos Public Co., Ltd provided scholarship to employee’s daughters and sons , Time 27th, By provided scholarship to employee’s daughters and sons that have good grade point average in Primary level to vocational 65 number , Budget used THB 251,900 บาท. The aim for support employee and make warm and relation like a big family feel with employee, and gave encouragement to employee.



Train operators under the Act , Samut Prakan Province.

On August 2019, Thai Theparos Public Co., Ltd joined with Public Health and Environment Division, Pak Nam Municipality organized training for Food shop and Restaurant business knowledge to restaurant owner in Samut Prakan Province area. With the mayor of Pak Nam municipality as president .The company had opportunity to provided knowledge about seasoning product both products in Golden Mountain and Sriraja Panich Brand



Provided fund for purchase support Indian Oyster mushroom seed to Phuthakaset high School, Nakhon ratchasima province.



Provided fund for purchase support Indian Oyster mushroom seed to Phuthakaset high School, Nakhon ratchasima province.

On August 2019 , Thai Theparos Public Co., Ltd provided fund for purchase support Indian Oyster mushroom seed 1,000 Pc. And 20 hens to Phuthakaset high School for teacher and student growth and raise to expand yield to cooking for their launch and for they can sales the mushroom or egg to community for their revenue in future. Budget used THB 40,705.



Share Smile and kindness by 2 hands to Watladbuakhaw School, Chachoengsao province.

On November 2019, Thai Theparos Public Co., Ltd coordinated with Mahanakorn Rice Co., Ltd organized Share Smile and kindness by 2 hands project to Watladbuakhaw School, Chachoengsao province by recreation activity for student can join , show ability , assertive. Provided study and sport equipment to school , With cooked and served lunch to student. Also provide company product to school for use in cooking. Budget used THB16,580.



Donate to Kaokonlakao ; "Kaotorpaidueypalung Lek Lek to the South" at Phuket.

Thai Theparos Public Co., Ltd under brand Golden Mountain and Sriraja Panich donated THB 100,000 to Kaokonlakao ; "Kaotorpaidueypalung Lek Lek to the South" , to passed donate to 7 hospitals in the south at Phuket Province on 24-27 October 2019.

Budget used THB 100,000.



Give Back and fulfill Happiness to kids 4th at Sinraesaim School , Ratchaburi province.

On December 2019, Thai Theparos Public Co., Ltd coordinated with Charity guy society supported student uniform, Student shoes , study and sport equipment to Sinraesaim School , Also provided nutrition , hygiene knowledge and mindful contact disease in school knowledge to student. With provided lunch to student and company product to school for use in cooking in future. Budget used THB 79,401.



Share Smile and kindness by 2 hands to Watladbuakhaw School, Chachoengsao province.

Internal Control and Risk Management

Internal control and Risk management

Internal control

Auditor Committee's Opinion

The company maintains an internal control structure and monitors that structure to ensure that the company's operations comply with established policies and procedures. The objectives of the internal control structure are to provide reasonable, but not absolute, assurance as to the integrity and reliability of financial statements, protect asset from unauthorized use of disposition, and ensure that transactions are executed in accordance with the authorization management.

The board of directors of Thaitheparos Public Company Limited at a meeting No. 1/2020 held on February 20, 2020. The board of directors assigned the Audit Committee to evaluate the internal control system of the company in 2019. The Audit Committee has the question to the management related 5 parts of the internal control program as follows :

1. Organization and environment
2. Risk management
3. Management operation control,
4. Information technology & communication program and
5. Monitoring program.

To ensure internal control system and internal audit program. In an Audit Committee's opinion, "internal control system of Thaitheparos Public Company Limited is adequate , appropriate and efficacious",



Audit Committee's Report

To : The Shareholders of Thai Theparos Food Products Public Company Limited

The Audit Committee of Thaitheparos Public Company Limited has been assigned by the Board of Director. During the accounting period for the year ended December 31, 2019, there are 5 audit committee meetings and all of them attend meeting.

Audit Committee Responsibilities are as follow :

1. To review the quarterly and the yearly financial statement of the company in 2019. In our opinion, Thaitheparos Public Company Limited 's financial statement is correct ,complete and credible. Also the company prepared financial statement under Accounting Standard as indicated in The Accounting Act B.E. 2543 ,the Declaration of the Securities and Stock Exchange Committee , the Declaration of the Stock Exchange of Thailand including disclose correctly and sufficiently detailed information of financial statement.

2. To ensure internal control system and internal audit program . In our opinion, internal control system of Thaitheparos Public Company Limited is adequate , appropriate and efficacious.

3. To ensure Good Corporate Governance, the Audit Committee ensure the company to follow the Good Corporate Governance Practice and give opinion that Thaitheparos Public Company Limited have follow the declaration of the Securities and Stock Exchange Committee including relevant law and disclose information adequately, correctly, completely as well as emphasizing to do business strictly and accountability.

Considering in conflicts of interest transaction for the year 2019, audit committee give an opinion that connected transaction of Thaitheparos Public Company Limited. is fairly transaction It will not give any benefit to person with a conflict of interests. It is an appropriate transaction and utmost usefulness for the company.

4. To Select Auditor for the year 2020. The Audit Committee select and offer to the Board of Director concerning auditor appointment including auditor's fee which is suitable for the company. In our opinion, the shareholders Meeting is hereby advised to elect Ms. Orawan Chotiwiwiyakul CPA Registration No. 10566 or Mrs. Siripen Sukcharoenyingyong, CPA Registration No. 3636 or Mr. Charoen Phosamritlert, CPA Registration No. 4068 of KPMG Phoomchai Audit (Thailand) Co. Ltd. As the auditor of the company for the year 2020.

The above mentioned auditors are independent. They do not have any relevant to the company and do not give any services except audit of accounting.

During the year 2019, Audit Committee attended the meeting with Auditor of company independently in order to ask for their opinions for any matter 5 times.

5. In our opinion, audit committee operating are independent. The Board of Directors have reported the operating results to the audit committee continual. There are not any events which may cause important effects to the company's operating results.

On behalf of the Audit Committee



Mr. Phot Kongputhi
Independent Director and Audit Committee Member

20 February 2020

Related party transactions

The company has no related parties transaction with shareholders or by common shareholders or directors. Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entire	Exter (Thailand) Ltd.(Exter BV Netherland 60% shareholding)		
Nature of relationship	Associate, 40% shareholding Mr. Tanawat Winyarat and Mr. Bancha Winyarat are co director		
		2019 (in thousand Baht)	2018
Transactions	Purchase of raw materials	-	6,906
	Sales of goods	36,181	32,401
Pricing policies	Market price		
The necessary	The purpose of Foundation Exter (Thailand) Limited is to, export “EXTER” reaction flavour in European countries and South East Asia region and authorized Thaitheparos Public Company Limited to be the sole manufacturer of the main raw material in Thailand.		
		2019 (in thousand Baht)	2018
Transactions	Rental income	1,960	1,694
	Other income		
	Water utility charge	244	307
	Electricity charge	3,504	3,183
	steam charge	4,409	4,908
	Other	3,333	3,937

Pricing policies	Contractually agreed price which compared to the lease of the company nearby.		
The necessary	Sauce entered into a building granted – lease agreement for use as an office and factory with Exter Thailand totally 880 square meters which it is benefits for mutual companies on transportation cost saving as well as management and utilities’ convenience.		
		2019	2018
Transactions	Loan to associated company	12,000	-
	interest	548	-
Pricing Policy	MLR (KBANK)+0.5%		
The necessary	Sauce provided loan to Exter Thailand for our mutual benefits on monetary liquidity of Exter Thailand with the reasonable loan interest.		

Audit Committee give an opinion relating to the related party transaction according to the Audit Committee’s report dated February 20, 2019 as follows.

“Considering in conflicts of interest transaction for the year 2019, audit committee give an opinion that connected transaction of Thaitheparos Public Company Limited. is fairly transaction. It will not give any benefit to person with a conflict of interests. It is an appropriate transaction and utmost usefulness for the company.”

Management Discussion and Analysis

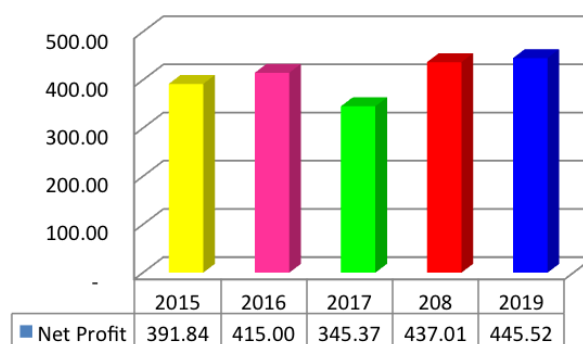
Management Discussion and Analysis Translation For the year ended December 31, 2019 and December 31, 2018 Operating and Financial Status

Overview

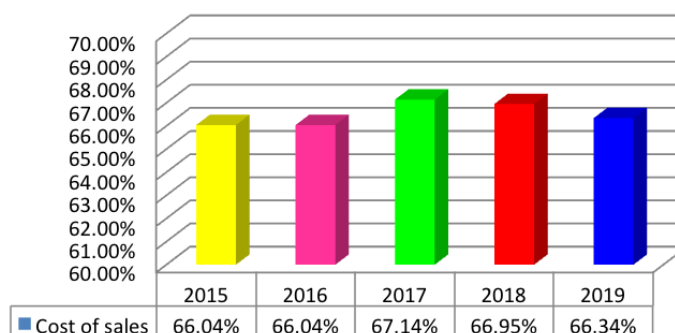
Operating Results in 2019 is better than 2018 resulting in an increase in net profit from the previous year 1.95% or Bt. 8.51 million. Revenue has increased by 2.32% or Bt. 65.72 million from 2018. Traditional sales channel increased by 3.49% or increased Bt. 35.20 million. On the other hand the Cash Van sales channels, the Modern trade channels and Trading firms decreased, and have cost of sales of goods increased 1.40% or Bt. 26.60 million. In 2019 the distribution expenses channels increased by 9.74% or Bt. 26.30 million.

(in million Baht)	2019	%	2018	%	Change	%
	Jan.		Jan.			
Domestic Sales	2,263.51	77.07	2,252.20	78.75	11.31	0.50
Industrial Sales	295.63	10.07	207.27	7.25	88.36	42.63
Sales to associate	36.18	1.23	97.40	3.41	(61.22)	(62.85)
Export Sales	341.75	11.64	303.11	10.60	38.64	12.75
Total	2,937.07	100.00	2,859.98	100.00	77.09	2.70
Less volume rebates	(40.36)	(1.37)	(28.99)	(1.01)	(11.37)	39.22
Net sales	2,896.71	98.63	2,830.99	98.99	65.72	2.32
Cost of sales	1,921.82	66.34	1,895.22	66.95	26.60	1.40
Distribution expenses	296.35	10.23	270.05	9.54	26.30	9.74
Administrative expenses	159.99	5.52	157.76	5.57	2.23	1.41
Net Profit	445.52	15.38	437.01	15.44	8.51	1.95

Net profit compared 5 Years(Million Baht.)



Cost of sales (% of sales) compared 5 Years (Million Baht)



Operating review

Profitability

Thai Theparos Plc. earn net profit for year ended December 31, as follow:-

	2019	2018	Change	%
Net profit (Million Baht)	445.52	437.01	8.51	1.95
Gross Profit Margin %	33.66	33.05	0.61	
Net Profit Margin %	15.21	15.28	(0.07)	
Return on Equity %	17.88	18.18	(0.30)	
Return on Total Assets %	16.04	16.28	(0.24)	

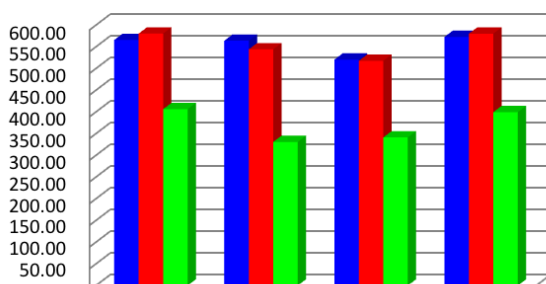
The company's net profit in 2019 to increased by 1.95 % or Bt. 8.51 million baht from the year 2018.

(Million Baht)	2019 Jan.-Dec.	%	2018 Jan.-Dec.	%	Change	%
1.Domestic Sales	2,263.51	77.07	2,252.20	78.75	11.31	0.50
Industrial Sales	295.63	10.07	207.27	7.25	88.36	42.63
Sales to associate	36.18	1.23	97.40	3.41	(61.22)	(62.85)
Export Sales	341.75	11.64	303.11	10.60	38.64	12.75
Total	2,937.07	100.00	2,859.98	100.00	77.09	2.70
Less volume rebates	(40.36)	(1.37)	(28.99)	(1.01)	(11.37)	39.22
Net sales	2,896.71	98.63	2,830.99	98.99	65.72	2.32
2.Cost of sales	1,921.82		1,895.22		26.60	1.40
% Cost of sales / Sales	66.34%		66.95%		(0.61)	
3. Distribution expenses	296.35		270.05		26.30	9.74
% of total sales	10.23%		9.54%		0.69	
4. Administrative expenses	159.99		157.76		2.23	1.41
% of total sales	5.52%		5.57%		(0.05)	
5. Other income						
Interest income	7.46		5.06		2.40	47.43
Other	25.60		23.43		2.17	9.26
Total Other Income	33.06		28.49		4.57	16.04

Domestic sales increased by Bt.11.31 million or increased by 0.50% due to the Traditional sales increased by Bt. 35.20 million or increased by 3.49% , the Cash Van sales decreased by Bt.6.65 million or 2.51 % , Modern trade sales decreased by Bt. 3.01million or 0.38% and Trading firms decreased by Bt.13.98 million or 7.68%.

(Million Baht)	2019	%	2018	%	Change	%
Credit Traditional Sales	1,045.05	46.17	1,009.85	44.84	35.20	3.49
Cash Van Sales	258.28	11.41	264.93	11.76	(6.65)	(2.51)
Modern Trade	789.98	34.90	792.99	35.21	(3.01)	(0.38)
Trading Firms	168.11	7.43	182.09	8.08	(13.98)	(7.68)
Other	2.09	0.09	2.34	0.10	(0.25)	(10.68)
Total Domestic Sales	2,263.51	100.00	2,252.20	100.00	11.31	0.50
Less volume rebates	(40.36)	(1.78)	(28.99)	(1.29)	(11.37)	39.22
Net Sales	2,223.15	98.22	2,223.21	98.71	(0.06)	(0.00)

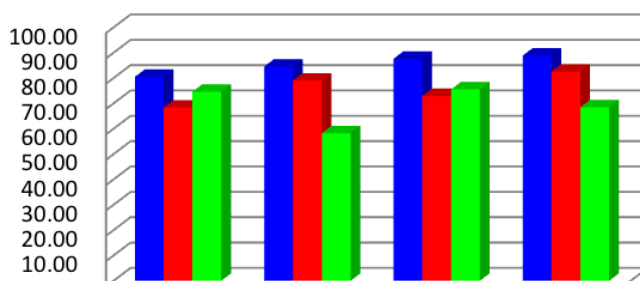
Domestic sales by Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	SOU
2019	565.75	564.11	520.46	572.83	2,223.15
2018	580.62	544.28	517.83	580.48	2,223.21
2017	406.42	330.89	341.35	399.61	1,478.27

Export Sales increased by 12.75% or Bt. 38.64 million .Due to the increasing from Asia.

Export Sales Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	SOU
2019	80.55	84.60	87.65	88.95	341.75
2018	68.39	79.07	73.04	82.61	303.11
2017	74.66	58.27	75.54	68.47	276.94

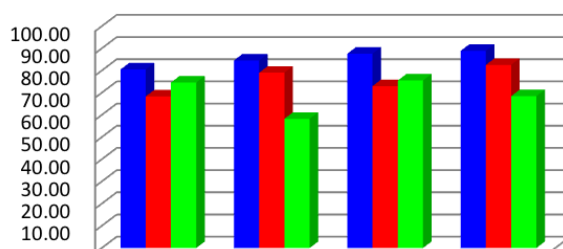
The sale of associated companies in 2019 does not include sales of Yamasa (Thailand) Co., Ltd. which has been sold on November 27, 2018. We continue to do business with Yamasa (Thailand) Co., Ltd. Account will be under industrial customers group. Sales are continue to growing.

Exter (Thailand) Limited sales in year 2019 increased Bt. 3.78 million or 11.67% increase from 2018. Due to additional investments in machinery and floor improvement resulting in increased production capacity to expand the Asian market.

(Million Baht)	2019	2018	Change	%
Exter(Thailand)	36.18	32.40	3.78	11.67%

From the above reasons, the total sales increased by 2.32% or Bt. 65.72 million in 2019.

Export Sales Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	SOU
2019	65.46%	66.80%	67.39%	65.80%	66.34%
2018	67.58%	66.43%	67.27%	66.53%	66.95%
2017	65.05%	66.85%	67.45%	69.17%	67.14%

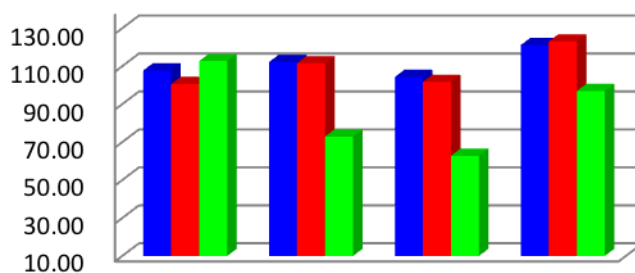
Cost of sales decreased from 66.95% of sales in 2018 to 66.34 % of sales in the year. Decline in 2019 by 0.61% due to a decrease in free products for customers.

Distribution expenses of sales increased from 9.54% of sales in 2018 to 10.23% of sales in 2019, increased by 9.74% or Bt. 26.30 million, due to promotion and advertising expenses.

The administrative expenses decreased from 5.57% of sales in 2018 to 5.52% of sales in 2019. Mainly due to lower doubtful accounts, loss from termination of assets.

From the reasons mentioned above performance for the year ended December 31, 2019

Net Profit(Million Baht) by Quarterly



	Q1	Q2	Q3	Q4	S3U
2019	107.73	112.23	104.39	121.17	445.52
2018	100.62	111.58	101.75	123.06	437.01
2017	112.72	72.93	62.80	96.92	345.37

Sauce has earning before income tax (EBT) for year ended December 31, as follows:-

	2019	2018	Change	%
Earning before income tax expense	552.66	541.73	10.93	2.02
EBT Margin %	18.86	18.95	(0.09)	

Dividend Policy

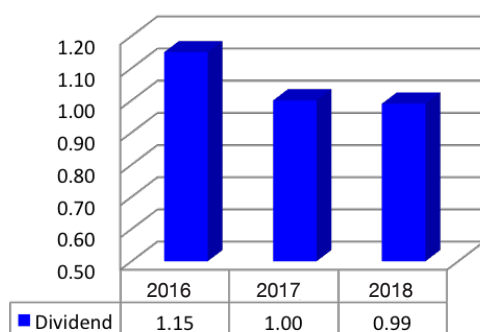
Minimum of 50% of net profit annually and will be paid in next year.

Dividend Payment

At the annual general meeting of the shareholders of the Company held on 24 April 2019, the shareholders approved the appropriation of dividend for 2018 amounting 360 million shares, operation of Baht 0.99 per share, amounting to Baht 356.40 million (payout ratio 81.55%). The dividend was paid to shareholders on May 17, 2019.

	2018	2017	Change	%
Net profit (Last year)	437.01	345.37	91.64	26.53
Dividends paid (Million Baht)	356.40	360.00	(3.60)	(1.00)
Dividends per share (Baht)	0.99	1.00	(0.01)	(1.00)
Dividends pay out ratio (%)	81.55	104.24	(22.68)	

Dividend payment by Annually (Baht)



Report and Analysis of Financial Position**Financial Structure****Debt Equity Ratios**

The Debt equity ratio was 0.11 in 2019 decreased 0.12 in 2018. The financial structure was suitable to the size of operations and business with most liabilities being current liabilities.

	31 December 2019		31 December 2018	
	Million Baht	%	Million Baht	%
Total liabilities	284.75	10.25	280.17	10.44
Equity	2,492.38	89.75	2,403.33	89.56
Total assets	2,777.13	100.00	2,683.50	100.00
Trade accounts payable	75.01	2.70	92.50	3.45
Income tax payable	53.13	1.91	54.80	2.04
Other accounts payable	99.57	3.59	91.37	3.40
Non current liabilities	57.04	2.05	41.50	1.55
Total liabilities	284.75	10.25	280.17	10.44
Issued and paid-up share capital	360.00	12.96	360.00	13.41
Premium on ordinary shares	615.60	22.17	615.60	22.94
Fair value change in investment	(0.06)	(0.00)	0.01	0.00
Legal reserve retained earning	60.00	2.16	60.00	2.24
Unappropriated retained earning	1,456.84	52.46	1,367.72	50.97
Total equity	2,492.38	89.75	2,403.33	89.56

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities. All working capital come from shareholders.

Liquidity**Cash flows**

(Million Baht)	2019	2018	Change	%
Cash flows from operating activities	605.37	515.97	89.40	17.33
Net cash uses in investment activities	(172.43)	(91.51)	(80.92)	88.43
Net cash uses in financing activities	(356.40)	(359.99)	3.59	(1.00)
Net increase (decrease) in cash and cash equivalents	-	-	-	-
	76.54	64.47	12.07	18.72

(Million Baht)	2019	2018	Change	%
Current assets	1,491.69	1,369.86	121.83	8.89
Current liabilities	227.71	238.67	(10.96)	(4.59)
Current ratio (%)	6.55	5.74	0.81	14.13

Collection Period (days)	39	39	0	0.00
Inventories Turnover Period (days)	80	84	(4)	(4.76)
Cash Cycle Period (days)	105	105	0	0.00

Current ratio

Current ratio in 2019 is 6.55 times, increased from 5.74 times in 2018. This result from the increase of current assets by Bt.121.83 million, mostly in cash or cash equivalents Temporary investments and current liabilities decreased by 10.96 million, which is mostly Accounts payables.

However, the company Held strict financial management policies. The company has a high working capital ratio. No liquidity problems average collection period of 39 days is equal to 2018, the average product sales period was 80 days decreasing 4 days from 84 days in 2018. The average cash cycle in 2019 is 105 days equal to 2018.

As at December 31, 2019, we have total cash and cash equivalents more than Bt. 476.26 million, in addition, have clear credit limit with the major banks more than Bt. 32.50 million, To support the Company for emergency funding and still have a credit line which has not yet been drawn down in the amount of Baht 65 million, totaling to a credit limit in the amount of Bt. 97.50 million.

The ability to pay debt and practice according to the loan

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities from trade account payable and accrued expenses. The company has performed its duty as a good debtor and paid debt in accordance with customer's trade agreement.

Quality of Assets**Change in Assets**

As at December 31, 2019 Sauce has Bt. 2,777.13 million of total assets, the growth increased 3.49% compare to Bt. 2,683.50 million as at December 31, 2018.

(Million Baht)	2019	2018	Change	%
Current assets	1,491.69	1,369.86	121.83	8.89
Non current assets	1,285.44	1,313.64	(28.20)	(2.15)
Total assets	2,777.13	2,683.50	93.63	3.49
Current assets / Total assets %	53.71	51.05	2.67	
Non current assets / Total assets %	46.29	48.95	(2.67)	
Total assets %	100.00	100.00	-	

As at December 31, 2019, Sauce has current assets as 53.71%, and non current assets as 46.29% of total assets compare to 51.05% and 48.95% as at December 31, 2018.

Main Part of Assets

	December 31, 2019		December 31, 2018	
	Million Baht	%	Million Baht	%
Property, plant and equipment	996.63	35.89	1,056.73	39.38
Cash and cash equivalent	476.26	17.15	399.71	14.90
Inventories	411.74	14.83	443.43	16.52
Trade accounts	311.97	11.23	316.23	11.78
Current investments	267.81	9.64	177.70	6.62
Unused land	189.90	6.84	189.90	7.08
Other long-term investment	40.37	1.45	20.46	0.77
Deferred tax assets	18.87	0.68	16.47	0.61
Investments in associate	18.19	0.65	17.15	0.64
Other receivables	13.18	0.47	6.35	0.24
Long-term loans to associate	11.00	0.40	-	-
Other current assets	9.73	0.35	6.80	0.25
Intangible assets	4.62	0.17	6.58	0.24
Bank deposits under commitment	4.59	0.17	4.59	0.17
Other non-current assets	1.27	0.04	1.77	0.07
Current portion of loans to associate	1.00	0.04	-	-
Advance payment for raw materials purchased	-	-	19.63	0.73
Total assets	2,777.13	100.00	2,683.50	100.00

Concerning accounts receivable, the Company has set aside an adequate allowance for doubtful accounts. As at December 31, 2019, we have total allowance for doubtful accounts amounting to Bt. 2.27 million and decreased Bt. 3.10 million as at December 31, 2018.

(Million Baht)	2019	2018	Change	%
Related parties	14.42	20.56	(6.14)	(29.86)
Other parties	299.82	298.77	1.05	0.35
Total	314.24	319.33	(5.09)	(1.59)
Less allowance for doubtful accounts	(2.27)	(3.10)	0.83	(26.77)
Net trade accounts receivable	311.97	316.23	(4.26)	(1.35)

Inventories no the obsolescence and deterioration.

(Million Baht)	2019	2018	Change	%
Finished goods	74.88	91.04	(16.16)	(17.75)
Work in progress	126.83	113.65	13.18	11.60
Raw materials	208.31	234.96	(26.65)	(11.34)
Raw materials in transit	2.27	3.14	(0.87)	(27.71)
Suplies	0.69	0.64	0.05	7.81
Less allowance for decline in value	(1.24)	-	(1.24)	-
Total inventories	411.74	443.43	(31.69)	(7.15)

Long-term investment will be due in 2029 for the amount of Bt. 40 million.

(Million Baht)	2019	2018	Change	%
Debentures	40.00	20.00	20.00	100.00
Investment in marketable equity security	0.37	0.46	(0.09)	(19.57)
Total long-term investment	40.37	20.46	19.91	97.31

Allowance for impairment losses

Unused land

(Million Baht)	2019	2018	Change	%
Unused land at cost	204.07	204.07	0.00	0.00
Less allowance for impairment losses	(14.17)	(14.17)	0.00	0.00
Net	189.90	189.90	0.00	0.00

The land not used in operation had been acquired for the purpose of plant expansion in 1994. The Company had reconsidered the purpose and cancelled the expansion project since the current plant is able to support the growth of the company.

Based on the appraisal report from independent professional appraisers dated 14 September 2018, using the Market Comparison Approach by the fair market value, the revalued unused land was estimated at Baht 189.90 million.





THAITHEPAROS PUBLIC COMPANY LIMITED

Financial Statements

**Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report**

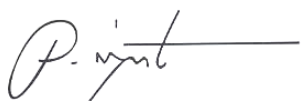


Report of The Board of Directors' Responsibilities For Financial Report

Financial Statements of Thaitheparos PLC. are prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543 which included Accounting Standards issued under the Accounting Professions Act B.E.2547 and the regulations of the Securities and Stock Exchange Committee related to the preparation and presentation of financial report under the Securities and Stock Exchange Act B.E. 2535 including the declaration of Trade Registered Department subject to "Fixing the abbreviation transactions needed in the Financial Statements B.E. 2544" dated 14 September 2001 according to the act under section 11 paragraph 3 of the Accounting Act B.E. 2543.

The Board of Directors is responsible for the Financial report of Thaitheparos PLC. to ensure that it is presented the financial position, revenues, expenses and cash flows with actual and reasonable by recording accounting data correctly, completely and sufficiently in order to maintain the assets and also protect fraud or irregularities. The preparation of Financial report, the Board of Directors has considered Accounting Policy with reasonable and generally accepted accounting principals including disclose important data in the Financial Statement Notes adequately which the auditor has provided the opinion of Thaitheparos PLC.'s Financial Statement in the Audit report of Certified Public Accountant.

On behalf of The Board of Directors



(Mr. Parinya Winyarat)
Chairman of The Board



(Mr. Tanawat Winyarat)
Director

20 February 2020

Audit report of Certified Public Accountant



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Empire Tower, 50th - 51st Floors
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Independent Auditor's Report

To the Shareholders of Thaitheparos Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Thaitheparos Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2019, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements in which the equity method is applied 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 financial statements in which the equity method is applied and separate financial statements of the current period. These matters were addressed in the context of my audit of the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recoverability of trade accounts receivable

Refer to Notes 3(c) and 7 to the financial statements

The key audit matter	How the matter was addressed in the audit
<p>The Company has a variety of distribution channels covering wholesalers (Yi Pua), retailers (Car Units), modern trade, restaurants, food stores, manufacturing factories industry as well as export and oversea customers which the Company grants credit term to those customers. The Company's customers are mostly a large number of wholesalers (Yi Pua) which are significant to total sales and to the amount of trade accounts receivable of the Company.</p> <p>Significant judgments and estimates are required in determining the ability to repay the debts of trade accounts receivable in order to assess the adequacy of allowance for doubtful accounts that the Company estimated since the net book value of the Company's trade accounts receivable is significant. Accordingly, it is considered a key audit matter.</p>	<p>My audit procedures included;</p> <ul style="list-style-type: none"> - understanding the processes of the determination of allowance for doubtful accounts which was specific considered from the report of defaulting receivables; - assessing design and implementation of the controls and the expectation of receivables' future payments from the report; - inspecting and assessing the correctness of the aging report by sampling test invoices and recalculating; - sampling test the subsequent cash receipts after the end of the year from the defaulting and slow-payment receivables which were overdue more than 3 months; - assessing the appropriateness of the disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements in which the equity method is applied 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 in which the equity method is applied and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

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

In preparing the financial statements in which the equity method is applied and separate financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied 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 financial statements in which the equity method is applied and separate financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied 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 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 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 in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied 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 equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied 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.

Orawan C.

(Orawan Chotiwiwiyakul)
Certified Public Accountant
Registration No. 10566

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2020

Statement of Financial Position

Thaitheparos Public Company Limited Statements of financial position

		Financial statements in which the equity method is applied		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Assets	Note	(in Baht)			
Current assets					
Cash and cash equivalents	5	476,257,619	399,711,757	476,257,619	399,711,757
Current investments	6	267,812,082	177,702,529	267,812,082	177,702,529
Trade accounts receivable	4, 7	311,967,129	316,233,270	311,967,129	316,233,270
Other receivables		13,178,317	6,346,846	13,178,317	6,346,846
Current portion of loans to associate	4	1,000,000	-	1,000,000	-
Inventories	8	411,740,146	443,428,332	411,740,146	443,428,332
Advance payment for raw materials purchased		-	19,632,171	-	19,632,171
Other current assets		9,731,085	6,799,432	9,731,085	6,799,432
Total current assets		1,491,686,378	1,369,854,337	1,491,686,378	1,369,854,337
Non-current assets					
Bank deposits under commitment	6	4,593,000	4,593,000	4,593,000	4,593,000
Investments in associate	9	18,186,104	17,151,209	8,000,000	8,000,000
Other long-term investments	6	40,369,132	20,461,415	40,369,132	20,461,415
Long-term loans to associate	4	11,000,000	-	11,000,000	-
Land not used in operations	10	189,904,000	189,904,000	189,904,000	189,904,000
Property, plant and equipment	11	996,628,856	1,056,725,804	996,628,856	1,056,725,804
Intangible assets	12	4,620,952	6,565,951	4,620,952	6,565,951
Deferred tax assets	21	18,869,303	16,474,861	19,306,528	16,705,107
Other non-current assets	4	1,265,677	1,767,172	1,265,677	1,767,172
Total non-current assets		1,285,437,024	1,313,643,412	1,275,688,145	1,304,722,449
Total assets		2,777,123,402	2,683,497,749	2,767,374,523	2,674,576,786

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

Thaitheparos Public Company Limited
Statement of financial position

		Financial statements in which the equity method is applied		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Liabilities and equity	Note				

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

Statement of Comprehensive Income

Thaitheparos Public Company Limited

Statement of comprehensive income

		Financial statements in which the equity method is applied For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2019	2018	2019	2018
<i>(in Baht)</i>					
Income					
Revenue from sale of goods	4, 17	2,896,712,868	2,830,986,689	2,896,712,868	2,830,986,689
Other income	4, 18	33,064,385	28,494,865	33,064,385	34,029,481
Total income		2,929,777,253	2,859,481,554	2,929,777,253	2,865,016,170
Expenses	20				
Cost of sale of goods		1,921,815,826	1,895,222,572	1,921,815,826	1,895,222,572
Distribution expenses		296,347,324	270,049,972	296,347,324	270,049,972
Administrative expenses		159,992,048	157,757,493	159,992,048	157,757,493
Total expenses		2,378,155,198	2,323,030,037	2,378,155,198	2,323,030,037
Share of profit on investment in associate	9	1,034,895	5,279,208	-	-
Profit before income tax		552,656,950	541,730,725	551,622,055	541,986,133
Income tax expense	21	(107,134,917)	(104,723,503)	(106,927,938)	(105,270,060)
Profit for the year		445,522,033	437,007,222	444,694,117	436,716,073
Other comprehensive income					
<i>Item that may be reclassified to profit or loss</i>					
Net change in fair value of available-for-sale investments	21	(73,826)	(71,236)	(73,826)	(71,236)
<i>Item that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	14	-	1,499,834	-	1,499,834
Other comprehensive income for the year, net of income tax		(73,826)	1,428,598	(73,826)	1,428,598
Total comprehensive income for the year		445,448,207	438,435,820	444,620,291	438,144,671
Basic earnings per share	22	1.24	1.21	1.24	1.21

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

Statement of changes in equity

Thaitheparos Public Company Limited Statement of changes in equity

Financial statements in witch the equity method is applied							
		Additional	Retained earnings		Other component		
		paid in capital			of equity		
		Issued and	Premium on		Net change in		
		paid-up	ordinary shares	Legal reserve	Unappropriated	fair value of	
						available-for-sale	
	Note	Share capital				investments	Total equity

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

Thaitheparos Public Company Limited
Statement of changes in equity

		Financial statements in which the equity method is applied				
		Additional	Retained earnings		Other component	
		paid in capital			of equity	
					Net change in	
					fair value of	
					available-for-sale	
Note	Issued and paid-up Share capital	Premium on ordinary shares	Legal reserve	Unappropriated	investments	Total equity
(in Baht)						
Year ended 31 December 2019						
Balance at 1 January 2019	360,000,000	615,600,000	60,000,000	1,367,720,044	9,132	2,403,329,176
Transaction with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	23	-	-	-	(356,400,000)	(356,400,000)
Total distribution to owners of company		-	-	-	(356,400,000)	(356,400,000)
Comprehensive income for the year						
Profit		-	-	-	445,522,033	445,522,033
Other comprehensive income						
Net change in fair value of available-for-sale investments		-	-	-	(73,826)	(73,826)
Total comprehensive income for the year		-	-	-	(73,826)	445,448,207
Balance at 31 December 2019		360,000,000	615,600,000	60,000,000	1,456,842,077	2,492,377,383

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

Thaitheparos Public Company Limited

Statement of changes in equity

		Separate financial statements					
		Additional paid in capital		Retained earnings		Other component of equity	
		Issued and paid-up	Premium on			Net change in fair value of available-for-sale	
	Note	Share capital	ordinary shares	Legal reserve	Unappropriated	investments	Total equity
(in Baht)							
Year ended 31 December 2018							
Balance at 1 January 2018		360,000,000	615,600,000	60,000,000	1,280,583,174	80,368	2,316,263,542
Transaction with owners, recorded directly in equity							
Distribution to owners of the Company							
Dividends to owners of the Company	23	-	-	-	(360,000,000)	-	(360,000,000)
Total distribution to owners of the Company (360,000,000)		-	-	-	(360,000,000)	-	(360,000,000)
Comprehensive income for the year							
Profit		-	-	-	436,716,073	-	436,716,073
Other comprehensive income							
Net change in fair value of available-for-sale investments		-	-	-	-	(71,236)	(71,236)
Gains on remeasurements of defined benefit plans		-	-	-	1,499,834	-	1,499,834
Total comprehensive income for the year		-	-	-	438,215,907	(71,236)	438,144,671
Balance at 31 December 2018		360,000,000	615,600,000	60,000,000	1,358,799,081	9,132	2,394,408,213

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

Thaitheparos Public Company Limited
Statement of changes in equity

		Separate financial statements						
			Additional	Retained earnings		Other component		
			paid in capital			of equity		
						Net change in		
						fair value of		
						available-for-sale		
Note	Issued and paid-up Share capital	Premium on ordinary shares	Legal reserve	Unappropriated	investments	Total equity		
(in Baht)								
Year ended 31 December 2019								
	Balance at 1 January 2019	360,000,000	615,600,000	60,000,000	1,358,799,081	9,132	2,394,408,213	
Transaction with owners, recorded directly in equity								
<i>Distribution to owners of the Company</i>								
	Dividends to owners of the Company	23	-	-	(356,400,000)	-	(356,400,000)	
	Total distribution to owners of the Company		-	-	(356,400,000)	-	(356,400,000)	
Comprehensive income for the year								
	Profit		-	-	444,694,117	-	444,694,117	
	Other comprehensive income							
	Net change in fair value of available-for-sale investments		-	-	-	(73,826)	(73,826)	
	Total comprehensive income for the year		-	-	444,694,117	(73,826)	444,620,291	
	Balance at 31 December 2019		360,000,000	615,600,000	60,000,000	1,447,093,198	(64,694)	2,482,628,504

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

Statement of cash flows

Thaitheparos Public Company Limited

Statement of cash flows

		Financial statements in which the equity method is applied		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2019	2018	2019	2018
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the year		445,522,033	437,007,222	444,694,117	436,716,073
Adjustments to reconcile profit to cash receipts (payments)					
Income tax expense	21	107,134,917	104,723,503	106,927,938	105,270,060
Depreciation and amortisation		117,282,832	119,512,020	117,282,832	119,512,020
Loss on inventories devaluation	8, 20	1,243,758	-	1,243,758	-
Reversal of impairment losses on assets	11	(514,418)		(514,418)	
Unrealised loss on exchange rate		42,393	156,548	42,393	156,548
Share of profit on investment in associate	9	(1,034,895)	(5,279,208)	-	-
Gain on disposal of investment in associate	9, 18	-	(3,305,791)	-	(8,840,407)
Bad debts and doubtful debts expenses (reversal)					
for trade accounts receivable and other receivables		(830,748)	1,506,318	(830,748)	1,506,318
Loss on write-off of inventories		1,153,584	350,091	1,153,584	350,091
Loss on write-off of machines and equipment		3,713,272	10,038,455	3,713,272	10,038,455
Dividend income		(22,666)	(677,515)	(22,666)	(677,515)
Interest income	18	(7,437,514)	(4,386,480)	(7,437,514)	(4,386,480)
		<u>666,252,548</u>	<u>659,645,163</u>	<u>666,252,548</u>	<u>659,645,163</u>
<i>Change in operating assets and liabilities</i>					
Trade accounts receivable		5,058,892	(19,945,378)	5,058,892	(19,945,378)
Other receivables		(6,260,778)	(474,669)	(6,260,778)	(474,669)
Inventories		29,290,844	(7,188,842)	29,290,844	(7,188,842)
Advance payment for raw materials purchased		19,632,171	(6,082,063)	19,632,171	(6,082,063)
Other current assets		(2,931,653)	649,779	(2,931,653)	649,779
Other non-current assets		501,495	390,583	501,495	390,583
Trade accounts payable		(17,484,971)	515,445	(17,484,971)	515,445
Other payables		6,959,834	(23,937,605)	6,959,834	(23,937,605)
Non-current provisions for employee benefits		<u>15,540,116</u>	<u>1,531,989</u>	<u>15,540,116</u>	<u>1,531,989</u>
Net cash generated from operating		716,558,498	605,104,402	716,558,498	605,104,402
Income tax paid		<u>(111,187,506)</u>	<u>(89,132,906)</u>	<u>(111,187,506)</u>	<u>(89,132,906)</u>
Net cash from operating activities		<u>605,370,992</u>	<u>515,971,496</u>	<u>605,370,992</u>	<u>515,971,496</u>

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

Thaitheparos Public Company Limited

Statement of cash flows

		Financial statements in which the equity method is applied		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<i>Cash flows from operating activities</i>					
Acquisition of current investments		(90,109,553)	(60,118,585)	(90,109,553)	(60,118,585)
Proceeds from sales of investment in associate		-	14,039,820	-	14,039,820
Acquisition of other long-term investments		(20,000,000)	-	(20,000,000)	-
Proceeds from sales of equipments		27,030	739	27,030	739
Acquisition of machines and equipments		(56,743,009)	(49,664,399)	(56,743,009)	(49,664,399)
Acquisition of intangible assets		(489,085)	(471,384)	(489,085)	(471,384)
Loans to associate		(12,000,000)	-	(12,000,000)	-
Dividends received		22,666	677,515	22,666	677,515
Interest received		6,866,821	4,025,432	6,866,821	4,025,432
Net cash from used in investing activities		<u>(172,425,130)</u>	<u>(91,510,862)</u>	<u>(172,425,130)</u>	<u>(91,510,862)</u>
<i>Cash flows from financing activities</i>					
Decrease in bank deposits under commitment		-	10,000	-	10,000
Dividends paid to owners of the Company	23	<u>(356,400,000)</u>	<u>(360,000,000)</u>	<u>(356,400,000)</u>	<u>(360,000,000)</u>
Net cash used in financing activities		<u>(356,400,000)</u>	<u>(359,990,000)</u>	<u>(356,400,000)</u>	<u>(359,990,000)</u>
Net increase in cash and cash equivalents		76,545,862	64,470,634	76,545,862	64,470,634
Cash and cash equivalents at 1 January		<u>399,711,757</u>	<u>335,241,123</u>	<u>399,711,757</u>	<u>335,241,123</u>
Cash and cash equivalents at 31 December	5	<u><u>476,257,619</u></u>	<u><u>399,711,757</u></u>	<u><u>476,257,619</u></u>	<u><u>399,711,757</u></u>
<i>Supplemental disclosures of</i>					
<i>cash flows information:</i>					
Total addition of machines and equipment during the periods	11	57,977,684	49,846,850	57,977,684	49,846,850
Add settlement of payables for machines and equipment previously purchased		897,832	715,381	897,832	715,381
Less payables on purchase of machines and equipment		<u>(2,136,439)</u>	<u>(897,832)</u>	<u>(2,136,439)</u>	<u>(897,832)</u>
		<u>56,739,077</u>	<u>49,664,399</u>	<u>56,739,077</u>	<u>49,664,399</u>

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Note Contents

1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Other investments
7	Trade accounts receivable
8	Inventories
9	Investments in associates
10	Land not used in operations
11	Property, plant and equipment
12	Intangible assets
13	Other payables
14	Non-current provisions for employee benefits
15	Share capital
16	Reserves
17	Segment information and disaggregation of revenue
18	Other income
19	Employee benefit expenses
20	Expenses by nature
21	Income tax
22	Basic earnings per share
23	Dividends
24	Financial instruments
25	Commitments with non-related parties
26	Thai Financial Reporting Standards (TFRS) not yet adopted
27	Reclassification of accounts

Thaitheparos Public Company Limited

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 20 February 2020.

1 General information

Thaitheparos Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 208 Moo 6, Taibarn Road, Tambol Taibarn, Amphur Muang, Samutparkan, Thailand. Its branch is in Lampang.

The Company was listed on the Stock Exchange of Thailand in 20 January 1995.

The Company’s major shareholder during the financial year was the Winyarat Family which holds a 75.88% shareholding.

The principal activities of the Company are the manufacture and distribution of sauces and condiments.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. There is no material impact on the Company’s financial statements. The Company has initial applied TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue, TAS 11 Construction Contracts and related interpretations. The details of accounting policies are disclosed in note 3(o).

The Company has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Company has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 26.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

(c) Use of judgements and estimates

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

(1) Judgements

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

- 3 (o) and 17 Revenue recognition:
 - whether revenue from sales of products is recognised over time or at a point in time;
- 9 Equity-accounted investees: whether the Company has significant influence over an investee.

(2) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following note.

- 7 Measurement of allowance for doubtful accounts: assessing primarily on analysis of payment histories and future expectations of customer payment.

3 Significant accounting policies

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

(a) Foreign currencies

Foreign currency transactions

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

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

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

(b) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

(c) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(d) Inventories

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

Costs are calculated using the following principles:

- | | |
|---|--|
| Finished goods, raw materials and suppliers | - at cost (first in, first out method) |
| Work in progress | - at cost (average method) |

Thaitheparos Public Company Limited**Notes to the financial statements****For the year ended 31 December 2019**

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(e) Investments*Investments in associate*

Investments in associate in the separate financial statements of the Company are accounted for using the cost method. Investments in associate in the financial statements in which the equity method is applied are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

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

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

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

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

(f) Land not use in operations

Land not use in operations is measured at cost less impairment loss.

(g) Property, plant and equipment*Recognition and measurement**Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Subsequent costs

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

Depreciation

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

Depreciation is charged to profit or loss on a declining balance method basis over the estimated useful lives of each component of an item of property, plant and equipment acquired before 1 January 2012. The percentages apply for declining balance methods are as follows:

	Percentage
Land improvements	20
Machinery and equipment	20
Furniture, fixtures and office equipment	20 - 33
Vehicles	10 - 20

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

Building and building improvements	10 - 20 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	5 - 12 years

No depreciation is provided on freehold land, spare parts or assets under construction.

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

(h) *Intangible assets*

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

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

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

Trademarks	3 - 10 years
Computer software	5 years

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

(i) *Impairment*

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

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

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

Calculation of recoverable amount

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

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

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

Reversals of impairment

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

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

(j) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(k) Contract liabilities

A contract liability is the obligation to transfer goods to the customer. A contract liability is recognised when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognises the related revenue.

(l) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Short-term employee benefits

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

(m) Provisions

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

(n) Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that

these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

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

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

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

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

(o) Revenue

Accounting policies for revenue recognition in 2019

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

Sale of goods

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Accounting policies for revenue recognition in 2018

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

(p) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

(q) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(s) Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

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

(t) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) Related parties

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

(v) Segment reporting

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

4 Related parties

Relationships with associate is described in notes 9. Other related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Exter (Thailand) Limited. Key management personnel	Thailand Thai	Associate, 40% shareholding Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise).

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

Transactions	Pricing policies
Sales of goods	Market price
Rental income	Contractually agreed price
Interest income	MLR+0.5%
Other income	Mutually agreed price
Purchase of raw materials	Market price
Service expenses	Mutually agreed price

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

Year ended 31 December	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Associate - Exter (Thailand) Limited.		
Sales of goods	36,181	32,401
Rental income	1,960	1,649
Interest income	548	-
Other income	11,490	12,335
Purchase of raw materials	-	6,906
Key management personnel		
Key management personnel compensation		
Short-term employee benefit	26,180	25,267
Post-employment benefits	2,881	617
Other long-term benefits	13	13
Total key management personnel compensation	<u>29,074</u>	<u>25,897</u>

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Associate – Exter (Thailand) Limited.		
Trade accounts receivable	14,418	20,567
Long-term loan to associate	12,000	-
Other non-current assets	1,363	1,748
Other payables	200	200

Movements during the ended 31 December 2019 of loans to related party was as follows:

	Interest rate 31 December 2019 (% per annum)	1 January 2019	Financial statements in which the equity method is applied/ Separate financial statements		31 December 2019
			Increase	Decrease	
			(in thousand Baht)		
Associate –					
Exter (Thailand) Limited.	MLR+0.5%	-	12,000	-	12,000
Total		<u>-</u>			<u>12,000</u>

The portion due as at 31 December were as follow:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Within one year	1,000	-
After one year but within five years	8,000	-
After five years	3,000	-
Total	<u>12,000</u>	<u>-</u>

Significant agreements with related party

Long-term loan to related party

In April 2019, the company had entered in to long-term lending agreement with Exter (Thailand) Limited, an associated company, amounting to Baht 12 million (2018: nil). This loan bears floating interest rate at the rate of MLR+0.5% per annum (2018: nil) which will be quarterly repaid principal and interest. For the principal will be repaid from May 2020. The agreement will be matured in March 2026.

Operating lease agreement

On 1 July 2019, the Company entered into a building granted-lease agreement for use as an office with an associated company, Exter (Thailand) Limited, covering 10 years starting from 1 July 2019 to 30 June 2029. The Company will receive monthly rental of Baht 61,824. In this regard, the associated company paid the rental deposit of Baht 200,000.

5 Cash and cash equivalents

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Cash on hand	608	2,058
Cash at banks – current accounts	7,321	11,366
Cash at banks – savings accounts	357,546	352,803
Fixed deposits with maturity less than 3 months	110,000	30,000
Cheques on hand	783	3,485
Total	<u>476,258</u>	<u>399,712</u>

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

6 Other investments

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Current investments			
Fixed deposits with maturity more than 3 months		272,405	182,296
Less Fixed deposits with maturity more than 3 months under commitment	25	(4,593)	(4,593)
Total		<u>267,812</u>	<u>177,703</u>
Long-term investments			
Available-for-sale equity security			
Investment in marketable - equity security		369	461
Debt securities held to maturity - Subordinated debentures		40,000	20,000
Total		<u>40,369</u>	<u>20,461</u>

As at 31 December 2019, fixed deposits at bank of Baht 4.6 million (2018: Baht 4.6 million) were pledged to secure the use of electricity.

During 2019, The Company invested in subordinate debenture which was issued by TMB Bank Public Company Limited, amounting to Baht 20 million and is classified as a held to maturity debt instrument with a term of 10 years maturity on 28 July 2029. The issuer has early redemption right and bears interest of 4% per annum for the whole term of the debenture.

7 Trade accounts receivable

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		3,794	5,457
Overdue:			
Less than 3 months		5,924	10,859
3 - 6 months		4,700	4,251
	4	<u>14,418</u>	<u>20,567</u>
Other parties			
Within credit terms		191,219	192,944
Overdue:			
Less than 3 months		106,069	102,526
3 - 6 months		261	109
6 - 12 months		-	1,809
Over 12 months		2,271	1,380
		<u>299,820</u>	<u>298,768</u>
Less allowance for doubtful accounts		<u>(2,271)</u>	<u>(3,102)</u>
		<u>297,549</u>	<u>295,666</u>
Net		<u>311,967</u>	<u>316,233</u>

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Doubtful debts expenses (reversal) for the year	<u>(831)</u>	<u>1,727</u>

The normal credit term granted by the Company ranges from 30 days to 90 days.

8 Inventories

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Finished goods	74,884	91,044
Work in progress	126,826	113,650
Raw materials	208,315	234,960
Raw materials in transit	2,267	3,143
Supplies	<u>692</u>	<u>631</u>
	412,984	443,428
Less allowance for decline in value	<u>(1,244)</u>	<u>-</u>
Total	<u>411,740</u>	<u>443,428</u>

9. Investments in associates

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	17,151	22,606	8,000	13,199
Share of profits on investments in associates	1,035	5,929	-	-
Dividend income	-	(650)	-	-
Disposal	-	(10,734)	-	(5,199)
At 31 December	<u>18,186</u>	<u>17,151</u>	<u>8,000</u>	<u>8,000</u>

On 27 November 2018, the Company sold all of its 26% interest in the issued and paid up capital of Yamasa (Thailand) Co., Ltd., an associated company of the Company, for a consideration of Baht 14.04 million, Yamasa (Thailand) Co., Ltd. was no longer an associated company of the Company as at 31 December 2018. The Company recognised gain on the sale of Baht 3.31 million and Baht 8.84 million in the statement of comprehensive income in which the equity method is applied and separate statement of comprehensive income for the year ended 31 December 2018, respectively.

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Investments in associates as at 31 December 2019 and 2018, and dividend income for the years then ended, were as follows:

Financial statements in which the equity method is applied/ Separate financial statements												
		Type of business	Ownership								Dividend income	
			Interest		Paid-up capital		Cost		Equity			
			2019	2018	2019	2018	2019	2018	2019	2018		
			(%)		(in thousand Baht)							
Associates												
Yamasa (Thailand)	Distribution of											
Co., Ltd. condiments		-	-	-	-	-	-	-	-	-	650	
Exter (Thailand)	Manufacture and distribution											
Limited. of reaction flavours		40	40	40,000	40,000	16,000	16,000	18,186	17,151	-	-	
Total				40,000	40,000	16,000	16,000	18,186	17,151	-	650	
Less allowance for impairment						(8,000)	(8,000)					
Net						8,000	8,000					

None of the Company's associates are publicly listed and consequently do not have published price quotations. All of the Company's associates are incorporated in Thailand.

The following summarised financial information on equity-accounted investees is not adjusted for the percentage ownership held by the Company:

	Reporting date	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net Profit
						(in thousand Baht)					
2019											
Associate											
Exter (Thailand)											
Limited	31 December	40	94,649	37,594	132,243	56,681	29,242	85,924	140,164	137,636	2,528
Total			94,649	37,594	132,243	56,681	29,242	85,924	140,164	137,636	2,528
2018											
Associates											
Exter (Thailand)											
Limited	31 December	40	65,079	29,383	94,462	45,030	5,640	50,670	136,441	130,799	5,642
Total			65,079	29,383	94,462	45,030	5,640	50,670	136,441	130,799	5,642

10 Land not used in operations

**Financial statements in which
the equity method is applied/
Separate financial statements**

	2019	2018
	(in thousand Baht)	
Land not used in operations at cost	204,073	204,073
Less allowance for impairment loss	(14,169)	(14,169)
Net	189,904	189,904

The land not used in operations had been acquired for the purpose of plant expansion in 1994. The Company had reconsidered the purpose and cancelled the expansion project since the current plant is able to support the growth of the Company.

Based on the appraisal reports dated 14 September 2018, by the independent appraisal valuer, using the Market Comparison Approach, the land not used in operations was valued at Baht 189.9 million.

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Measurement of fair value

Fair value hierarchy

The fair value of land not used in operations was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for land not used in operations of Baht 189.9 million (2018: Baht 189.9 million) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of land not used in operations, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market approach: The valuation model considers the selling price by using Weighted Quality Score (WQS) method. Factors that affect pricing include location, land size, utility and land utilisation.	<ul style="list-style-type: none"> • Fluctuation of the offering price of similar land; • Change on environment around land location's area; • Land utilisation condition. 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> • The increase (decrease) of increasing in offering price of similar land.

11 Property, plant and equipment

Financial statements in which the equity method is applied/Separate financial statements

	Land and land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Spare parts	Construction in progress	Advance payment for machinery purchased	Total
Cost									
At 1 January 2018	113,700	586,481	1,910,027	63,090	137,127	29,147	9,640	14,872	2,864,084
Additions	-	-	1,543	1,718	-	-	11,189	35,397	49,847
Transfers	-	552	28,892	586	4,172	2,566	7,559	(44,327)	-
Disposals	-	(854)	(69,344)	(1,770)	-	(5,091)	-	-	(77,059)
At 31 December 2018	113,700	586,179	1,871,118	63,624	141,299	26,622	28,388	5,942	2,836,872
and 1 January 2019	113,700	586,179	1,871,118	63,624	141,299	26,622	28,388	5,942	2,836,872
Additions	-	-	2,547	1,402	-	4,804	11,986	37,239	57,978
Transfers	-	3,715	47,713	171	4,038	(13,797)	(12,108)	(29,732)	-
Disposals	-	-	(53,852)	(3,104)	-	-	-	-	(56,956)
At 31 December 2019	113,700	589,894	1,867,526	62,093	145,337	17,629	28,266	13,449	2,837,89
Accumulated depreciation and impairment losses									
At 1 January 2018	281	282,634	1,313,821	46,401	87,025	-	-	-	1,730,162
Depreciation charge for the year	2	19,180	86,542	4,443	6,837	-	-	-	117,004
Transfers	-	(91)	-	91	-	-	-	-	-
Disposals	-	(588)	(64,861)	(1,571)	-	-	-	-	(67,020)
At 31 December 2018	283	301,135	1,335,502	49,364	93,862	-	-	-	1,780,146
and 1 January 2019	283	301,135	1,335,502	49,364	93,862	-	-	-	1,780,146
Depreciation charge for the year	2	18,879	84,599	4,017	7,352	-	-	-	114,849
Reversal of impairment losses on assets	-	-	(514)	-	-	-	-	-	(514)
Disposals	-	-	(50,443)	(2,773)	-	-	-	-	(53,216)
At 31 December 2019	285	320,014	1,369,144	50,608	101,214	-	-	-	1,841,265
Net book value									
At 1 January 2018	113,419	303,847	596,206	16,689	50,102	29,147	9,640	14,872	1,133,922
At 31 December 2018	113,419	303,847	596,206	16,689	50,102	29,147	9,640	14,872	1,133,922
and 1 January 2019	113,417	285,044	535,616	14,260	47,437	26,622	28,388	5,942	1,056,726
At 31 December 2019	113,415	269,880	498,382	11,485	44,123	17,629	28,266	13,449	996,629

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 615.65 million (2018: Baht 636.64 million).

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

12 Intangible assets

**Financial statements in which the equity method
is applied/
Separate financial statements**

	computer Software	Trademark license (in thousand Baht)	Total
<i>Cost</i>			
At 1 January 2018	21,275	30,927	52,202
Additions	301	170	471
At 31 December 2018 and 1 January 2019	21,576	31,097	52,673
Additions	299	190	489
At 31 December 2019	21,875	31,287	53,162
<i>Amortisation</i>			
At 1 January 2018	14,072	29,528	43,600
Amortisation for the year	1,887	620	2,507
At 31 December 2018 and 1 January 2019	15,959	30,148	46,107
Amortisation for the year	1,848	586	2,434
At 31 December 2019	17,807	30,734	48,541
<i>Net book value</i>			
At 1 January 2018	7,203	1,399	8,602
At 31 December 2018 and 1 January 2019	5,617	949	6,566
At 31 December 2019	4,068	553	4,621

13 Other payables

**Financial statements in which
the equity method is applied/
Separate financial statements**

	Note	2019	2018
		(in thousand Baht)	
Accrued bonus		30,072	29,210
Accrued promotion expense		23,455	18,623
Accrued logistic expenses		10,081	9,569
Other payables - Revenue department		8,307	9,539
Accrued advertising expenses		4,802	4,305
Advance received for goods		3,951	820
Accrued electricity expenses		3,211	3,380
Other payables - Related parties	4	200	200
Others		15,491	15,726
Total		99,570	91,372

Thaitheparos Public Company Limited

Notes to the financial statements

For the year ended 31 December 2019

14 Non-current provisions for employee benefits

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
At 31 December		
Statement of financial position		
Non-current provisions for:		
Post-employment benefits	49,934	34,905
Other long-term employee benefits	7,102	6,591
Total	57,036	41,496
Year ended 31 December		
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	17,646	4,738
Other long-term employee benefits	1,641	1,447
Total	19,287	6,185
Recognised in other comprehensive income:		
Actuarial gains recognised in the year	-	1,875
Cumulative actuarial gain recognised	7,856	5,981
	7,856	7,856

Post-employment benefit plan

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Other long-term employee benefits

Other long-term employee benefit obligation was based on the length of service of employee and actuarial assumptions.

Movement in the present value of the defined benefit obligations

	Financial statements in which the equity method is applied/ Separate financial statements			
	Post-employment benefits		Other long-term employee benefits	
	2019	2018	2019	2018
	(in thousand Baht)			
Present value of the defined benefit obligations				
At 1 January	34,905	34,727	6,591	7,112
Include in profit or loss:				
Current service cost	5,827	4,010	1,497	1,304
Past service cost	10,887	-	-	-
Interest on obligation	932	728	144	143
	17,646	4,738	1,641	1,447
Include in other comprehensive income				
Actuarial gain	-	(1,341)	-	(534)
	-	(1,341)	-	(534)
Other				
Benefit paid	(2,617)	(3,219)	(1,130)	(1,434)
	(2,617)	(3,219)	(1,130)	(1,434)
At 31 December	49,934	34,905	7,102	6,591

Thaitheparos Public Company Limited

Notes to the financial statements

For the year ended 31 December 2019

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

Principal actuarial assumptions

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
Discount rate (%)	2.18	2.18
Salary increased rate (%)	5.50	5.50
Employee turnover rate (%)	0 - 34	0 - 34
Retirement age (Year)	55	55

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted - average duration of the defined benefit obligation was 21.69 years (2018: 20.97 years).

Sensitivity analysis

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

Effect to the defined benefit obligation

	Financial statements in which the equity method is applied / Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2019	2018	2019	2018
At 31 December				
			<i>(in million Baht)</i>	
Discount rate	(3,956)	(2,839)	4,499	3,222
Future salary growth	4,908	3,047	(4,361)	(2,725)
Turnover rate	(4,272)	(3,068)	2,837	2,050
Life expectancy (1 year)	171	122	(171)	(122)

15 Share capital

	Par value per share (in Baht)	Financial statements in which the equity method is applied/ Separate financial statements			
		2019		2018	
		Number	Amount	Number	Amount
		<i>(thousand shares / in thousand Baht)</i>			
Authorised shares at 31 December	1	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
At 31 December					
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>

Share premium

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

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

16 Reserves

Reserves comprise:

Appropriations of profit

Legal reserve

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

Other components of equity

Fair value changes in available-for-sale investments

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

17 Segment information and disaggregation of revenue

Management considers that the Company operates in a single line of business, namely sauce segment, therefore, only one major business segment.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and distribution channels and timing of revenue recognition at the point in time.

Year ended 31 December	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Primary geographical market		
Thailand	2,595,319	2,556,869
International	341,755	303,105
Total	<u>2,937,074</u>	<u>2,859,974</u>
Less volume rebates	(40,361)	(28,987)
Net	<u>2,896,713</u>	<u>2,830,987</u>
Distribution channels		
Domestic sales	2,263,506	2,252,196
Industrial	295,632	207,271
Associate	36,181	97,402
International	341,755	303,105
Total	<u>2,937,074</u>	<u>2,859,974</u>
Less volume rebates	(40,361)	(28,987)
Net	<u>2,896,713</u>	<u>2,830,987</u>

18 Other income

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
		(in thousand Baht)		(in thousand Baht)	
Gain on disposal of investments in associate	9	-	3,306	-	8,840
Interest income		7,438	4,386	7,438	4,386
Others		25,626	20,803	25,626	20,803
Total		<u>33,064</u>	<u>28,495</u>	<u>33,064</u>	<u>34,029</u>

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

19 Employee benefit expenses

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Management		
Wages and salaries	21,004	20,110
Pension costs – defined benefit plans	2,894	630
Pension costs – defined contribution plans	580	570
Others	4,596	4,587
	<u>29,074</u>	<u>25,897</u>
Other employees		
Wages and salaries	188,383	186,809
Pension costs – defined benefit plans	16,393	5,969
Pension costs – defined contribution plans	5,720	5,755
Others	40,946	39,253
	<u>251,442</u>	<u>237,786</u>
Total	<u><u>280,516</u></u>	<u><u>263,683</u></u>

Defined benefit plans

Details of the defined benefit plans are given in note 3(l).

Defined contribution plans

The defined contribution plans comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at the rate of 5% of their basic salaries and by the Company at the rate of 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

20 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2019	2018
		(in thousand Baht)	
Included in cost of sales of goods:			
Changes in finished goods and work in progress		2,985	(5,255)
Raw materials and consumables used		1,553,557	1,548,246
Write-down to net realisable value	8	1,244	-
Employee benefit expenses	19	143,908	135,390
Depreciation and amortisation		100,659	101,044
Goods for sale promotion		125,306	131,895
Others		(5,843)	(16,097)
Total		<u><u>1,921,816</u></u>	<u><u>1,895,223</u></u>

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

		Financial statements in which the equity method is applied/ Separate financial statements	
	Note	2019	2018
		(in thousand Baht)	
<i>Included in distribution costs:</i>			
Marketing expenses		105,727	79,624
Distribution expenses		123,493	124,204
Employee benefit expenses	19	26,834	23,105
Depreciation and amortisation		222	233
Others		40,071	42,884
Total		296,347	270,050
<i>Included in administrative expenses:</i>			
Employee benefit expenses	19	109,774	105,188
Depreciation and amortisation		16,402	18,234
Others		33,816	34,335
Total		159,992	157,757

21 Income tax

Income tax recognised in profit or loss

Income tax recognised in profit or loss	Financial statements in		Separate	
	which the equity		financial statements	
	method is applied			
	2019	2018	2019	2018
	(in thousand Baht)			
Current tax expense				
Current year	109,511	105,635	109,511	105,635
Under provided in prior years	-	1,766	-	1,766
	<u>109,511</u>	<u>107,401</u>	<u>109,511</u>	<u>107,401</u>
Deferred tax expense				
Movements in temporary differences	(2,376)	(2,678)	(2,583)	(2,131)
	<u>(2,376)</u>	<u>(2,678)</u>	<u>(2,583)</u>	<u>(2,131)</u>
Total income tax expense	107,135	104,723	106,928	105,270

Income tax

	Financial statements in which the equity method is applied/ Separate financial statements					
	2019		2018			
	Before tax	Tax (expense) benefit	Net of Tax	Before tax	Tax (expense) benefit	Net of tax
(in thousand Baht)						
Recognised in other comprehensive income						
Fair value changes available-for-sale investments	(92)	18	(74)	(89)	18	(71)
Gains on remeasurements of Defined benefit plans	-	-	-	1,875	(375)	1,500
Total	(92)	18	(74)	1,786	(357)	1,429

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Reconciliation of effective tax rate

Reconciliation of effective tax rate	Financial statements in which the equity method is applied			
		2019		2018
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
		(in thousand Baht)		
Profit before income tax expense		552,657		541,731
Income tax using the Thai corporation tax rate	20	110,531	20	108,346
Share of profit on investments in associates				
which previously unrecognised deferred tax		-		(496)
Income not subject to tax		(4)		(135)
Expenses additionally deductible for tax purposes		(4,578)		(4,584)
Expenses not deductible for tax purposes		1,186		1,592
Total	19	107,135	19	104,723

	Rate (%)	Financial statements in which the equity method is applied	
		2019	2018
		(in thousand Baht)	Rate (%) (in thousand Baht)
			(in thousand Baht)
Profit before income tax expense		551,622	541,986
Income tax using the Thai corporation tax rate	20	110,324	108,397
Income not subject to tax		(4)	(135)
Expenses additionally deductible for tax purposes		(4,578)	(4,584)
Expenses not deductible for tax purposes		1,186	1,592
Total	19	106,928	105,270

Deferred tax

<i>Deferred tax</i>		Financial statements in which the equity method is applied		
		Assets	Liabilities	
At 31 December	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Total	19,423	16,929	(554)	(454)
Set off of tax	(554)	(454)	554	454
Net deferred tax assets	18,869	16,475	-	-

Deferred tax

		Separate financial statements		
		Assets	Liabilities	
At 31 December	2019	2018	2019	2018
		(in thousand Baht)		
Total	19,423	16,929	(117)	(224)
Set off of tax	(117)	(224)	117	224
Net deferred tax assets	19,306	16,705	-	-

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Deferred tax

	Financial statements in which the equity method is applied (Charged) / Credited to:			At 31 December
	At 1 January	Profit or loss Other comprehensive income (in thousand Baht)		
2019				
Deferred tax assets				
Land not used in operations	2,834	-	-	2,834
Property, plant and equipment	1,988	(642)	-	1,346
Accrued promotion expenses	2,117	(71)	-	2,046
Employee benefit obligations	7,924	3,108	-	11,032
Others	2,066	83	16	2,165
Total	16,929	2,478	16	19,423
Deferred tax liabilities				
Marketable securities	(2)	-	2	-
Others	(452)	(102)	-	(554)
Total	(454)	(102)	2	(554)
Net	16,475	2,376	18	18,869
2018				
Deferred tax assets				
Land not used in operations	2,834	-	-	2,834
Property, plant and equipment	374	1,614	-	1,988
Accrued promotion expenses	1,906	211	-	2,117
Employee benefit obligations	8,368	(69)	(375)	7,924
Others	1,765	301	-	2,066
Total	15,247	2,057	(375)	16,929
Deferred tax liabilities				
Marketable securities	(20)	-	18	(2)
Others	(1,073)	621	-	(452)
Total	(1,093)	621	18	(454)
Net	14,154	2,678	(357)	16,475

Deferred tax

	Separate financial statements (Charged) / Credited to:			At 31 December
	At 1 January	Profit or loss Other comprehensive income (in thousand Baht)		
2019				
Deferred tax assets				
Land not used in operations	2,834	-	-	2,834
Property, plant and equipment	1,988	(642)	-	1,346
Accrued promotion expenses	2,117	(71)	-	2,046
Employee benefit obligations	7,924	3,108	-	11,032
Others	2,066	83	16	2,165
Total	16,929	2,478	16	19,423
Deferred tax liabilities				
Marketable securities	(2)	-	2	-
Others	(222)	105	-	(117)
Total	(224)	105	2	(117)
Net	16,705	2,583	18	19,306
2018				
Deferred tax assets				
Land not used in operations	2,834	-	-	2,834
Property, plant and equipment	374	1,614	-	1,988
Accrued promotion expenses	1,906	211	-	2,117
Employee benefit obligations	8,368	(69)	(375)	7,924
Others	1,765	301	-	2,066
Total	15,247	2,057	(375)	16,929
Deferred tax liabilities				
Marketable securities	(20)	-	18	(2)
Others	(296)	74	-	(222)
Total	(316)	74	18	(224)
Net	14,931	2,131	(357)	16,705

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

22 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2019 and 2018 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>445,552</u>	<u>437,007</u>	<u>444,694</u>	<u>436,716</u>
Number of ordinary shares outstanding	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Basic earnings per share (in Baht)	<u>1.24</u>	<u>1.21</u>	<u>1.24</u>	<u>1.21</u>

23 Dividends

At the annual general meeting of the shareholders of the Company held on 24 April 2019. The shareholders approved the payment of dividends of Baht 0.99 per share which was amounting to Baht 356.4 million from the profit from operations in 2018. The dividend was paid to shareholders on 17 May 2019.

At the annual general meeting of the shareholders of the Company held on 24 April 2018. The shareholders approved the payment of dividends of Baht 0.08 per share and Baht 0.92 per share, totaling Baht 1 per share which was amounting to Baht 360 million from the profit from operations in 2016 and 2017, respectively. The dividend was paid to shareholders on 18 May 2018.

24 Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

As at 31 December, the financial assets, which may be affected by interest rate risk, as classified by maturity consisted of:

**Financial statements in which the equity method is applied/
 Separate financial statements**

At 31 December	Effective interest rate (% per annum)	Within 3 months	3 Months- 1 Years (in thousand Baht)	More than 1 Years	Total
2019					
Financial Assets					
Cash at bank – saving accounts	0.10 – 0.75	357,546	-	-	357,546
Fixed deposit at bank	0.70 – 1.70	140,000	237,812	-	377,812
Debentures	3.50 – 4.00	-	-	40,000	40,000
Long-term loan to associate	MLR+0.5%	-	-	12,000	12,000
Total		497,546	237,812	52,000	787,358
2018					
Financial Assets					
Cash at bank – saving accounts	0.10 – 0.75	352,803	-	-	382,803
Fixed deposit at bank	0.50 – 1.70	30,000	182,296	-	182,296
Debentures	3.50	-	-	20,000	20,000
Total		382,803	182,296	20,000	585,099

Foreign currency risk

The Company is exposed to foreign currency risk relating to trade receivables and trade payables in foreign currencies but there is no policy on foreign currencies risk hedging as the Company's financial assets and financial liabilities in foreign currencies are not significant amounts.

At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	2019 (in thousand Baht)	2018 (in thousand Baht)
Financial statements in which the equity method is applied/ Separate financial statements			
United States Dollars			
Cash and cash equivalents	5	531	578
Trade accounts receivable	7	18,590	13,588
Trade accounts payable		-	(1,499)
Eurozone Euro			
Trade accounts payable		(1,722)	(1,444)
Australia Dollars			
Trade accounts receivable	7	1,053	798
Japan Yen			
Trade accounts payable		-	(551)
United Kingdom Pound (GBP)			
Trade accounts receivable	7	-	295
Singapore dollars			
Trade accounts receivable	7	471	-
Gross statement of financial position exposure		18,923	11,765

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt uncollection.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

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

	Financial statements in which the equity method is applied/separate financial statements			
	Carrying amount		Fair value	
		Level 1	Level 2	Total
			(in thousand Baht)	
31 December 2019				
Financial asset measured at fair value				
Equity securities available for sale	369	369	-	369
Financial asset not measured at fair value				
Debt securities held to maturity	40,000	-	42,022	42,022
31 December 2018				
Financial asset measured at fair value				
Equity securities available for sale	461	461	-	461
Financial asset not measured at fair value				
Debt securities held to maturity	20,000	-	19,904	19,904
Measurement of fair values				

The fair value of investment in equity security available for sales in publicly listed has been categorised as a level 1 based on last bid price in active market as of 31 December 2019 and 2018.

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values. For financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 3 (n).

Financial instruments measured at fair value

Type	Valuation technique
Long-term loan to associate	The fair value of long-term loan to associate is determined by the present value of cash flows with discounting rates that reflect current interest rate risk and the associate company's credit risk
Debt securities held to maturity	Quoted selling prices from the Thai Bond Market Association at the close of the business on the reporting date.

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

25 Commitments with non-related parties

	Financial statements in which the equity method is applied/ Separate financial statements	
	2019	2018
	(in thousand Baht)	
Capital commitments		
Contracted but not provided for:		
Building improvement	-	359
Machinery and equipment	2,133	1,905
Total	2,133	2,264
Future minimum lease payments under non-cancellable operating leases		
Within one year	293	358
After one year but within five years	732	1,025
Total	1,025	1,383
Other commitment		
Bank guarantees	4,593	4,593

Bank guarantees

The Company has a commitment with a bank in respect of a letter of guarantee issued by the bank in connection with the Company's use of electricity. This letter of guarantee has been collateralized by pledge of fixed deposits (see note 6).

26 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Company's operations, expected to have impact on the financial statements in which the equity method is applied and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments

a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

The Company has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Thaitheparos Public Company Limited
Notes to the financial statements
For the year ended 31 December 2019

27 Reclassification of accounts

Certain accounts in the 2018 financial statements, which are included in the 2019 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 financial statements as follow:

	2018		
	Financial statements in which the equity method is applied/separate financial statements		
	Before reclass.	Reclass.	After reclass.
		(in thousand Baht)	
Statement of financial position			
At 31 December			
Other receivables	13,146	(6,799)	6,347
Other current assets	-	6,799	6,799
Statement of comprehensive income			
For the year ended 31 December			
Revenue from sales of goods	(2,835,764)	4,777	(2,830,987)
Cost of sale of goods	1,882,680	12,543	1,895,233
Distribution costs	287,370	(17,320)	270,050
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the nature of transactions.

“BEST FOR CHEFS
& EVERY KITCHEN”





THAITHEPAROS

บริษัท ไทยเทพรส จำกัด (มหาชน)



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