

Annual Report 2020

EFFICIENCY TOWARDS EXCELLENCE



T.A.C. Consumer PCL.

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)

EFFICIENCY TOWARDS EXCELLENCE

TACC remains committed to creating and developing quality products. Both domestic and international standard.



- TACC received the Superior Taste Award from the International Taste Institute, Belgium. The international level leader in evaluating and certified the taste of food and beverage. Part of the panel of judges was among those honored at the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau. The Superior Taste Award is well recognized by major retailers worldwide and makes a significant difference to both domestic and international markets; with more than 72 participating countries around the world during March 2020.

The Superior Taste Award is considered a prestigious global standard award and an encouragement to all executives and employees, who are committed and determined. Although, in the past the Company has been affected by the COVID-19 situation, but continue to develop and invent good quality products as well as places importance on product research and development. The Company considered RD department as the heart of the organization, therefore invested on the team of personnel with diverse knowledge and ability to develop beverage products. In addition, the RD Lab is equipped with a wide range of tools and equipment of international standards, in order to support innovative development for beverage in the future.

The awarded beverage is available in 7-Eleven convenient stores, which are cold beverages dispenser, consisted of Latte Coffee and Thai Tea; including lemon tea in the All Café corner.



Forbes Asia
BEST UNDER A BILLION



- Forbes Magazine has announced Asia's 200 Best Under A Billion 2020 list; where TACC is one of the 19 companies representing Thailand with the best qualifications in Asia.

The criteria for consideration are range between medium sized and small sized public companies in Asia-Pacific region with revenues above US \$ 10 million but less than US \$ 1 billion. A total of 18,000 companies, where 200 companies with the best qualifying criteria were selected; Such criteria includes good revenue and profit for at least the past 3 years, Strong average return per share over the past 5 years, low debt level and robust governance. TACC meets the good eligibility criteria with the aforementioned, allowing the company to be 1 of 19 listed companies representing Thailand.

Awards and Recognition



- The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2020, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was award "Outstanding Investor Relations Awards" (The fourth consecutive year) This award presentation ceremony to listed companies that have outstanding performance of Investor Relations activities. Which important to emphasize that the participation of the whole organization in carrying out the activities



- T.A.C. Consumer Public Company Limited, Ban Bueng factory Branch entered into international standard with food safety management system certification with Food Safety System Certification (FSSC 22000) by the combination of ISO 22000: 2018 and HACCP Codex as well as GMP Codex. All of these standards are world-class commercially accepted standards that cover all the requirements for food quality and safety of food products to consumer.



- TACC received Corporate Governance Report of Thai Listed Companies 2020 was a Excellent score from Institute of Director.



- TACC was excellent score (100 Point) in AGM checklist program from Thai Investor Association and Securities and Exchange Commission, Thailand.



- TACC was rating in ESG 100 by Thaipat Institute announcement 100 Listed Companies outstanding environment, Social and Corporate Governance.

Core Value



T-Team Work



A-Achievement & Attitude



C-Creativity



C-Customer & Consumer Focus

Vision

"To be a leading company in ASEAN offering beverages and Lifestyle products to promote everyone's well-being".

Mission

TACC is committed to become a leading company offering beverage and Lifestyle product especially tea and coffee with both in B2B and consumer markets domestically and in CLC group of countries, Cambodia, Laos and China with make stability of 4 profit as follow:

- customers, by creating customer satisfaction from making high quality product sold at reasonable price.
- trading partners, by emphasizing on sustainable and long term trading relationships.
- the society, in taking part in improving quality of lives to community, social and environmental.
- the organization, by providing satisfactory return to shareholders and compensation to employees.

Business Goal

- Grow together with major trading partners, with an aim to operate the business under sustainable growth and business partnership principles.
- Focus on continuous products development to differentiate the business.
- Create and strengthen distribution channels in both domestic and international markets.
- Increase sales volume in Domestic and International market by maintaining existing customer base and tapping into new consumer groups.



Business
to Business :

B2B



The Company researches and develops products closely with its key strategic partner in order to manufacture and distribute products to customer's stores mostly in convenience stores and food chain restaurants such as Cold Beverage Dispenser, Non Coffee menu in the All Café at 7-Eleven etc.



Business
to Customer :

B2C



Apart from researches and develops products closely with its key strategic partner. The Company also develops products under its own brands which this group of products such as Ready to Drink under the brand "Zenya", Instant Powder Drink under the Brand "Na-Arun", Chocolate Hershey's Beverage Character Business and Café Business.





**ART
STORY**
BY AUTISTIC THAI



T.A.C.C. **SUSTAINABILITY** DEVELOPMENT



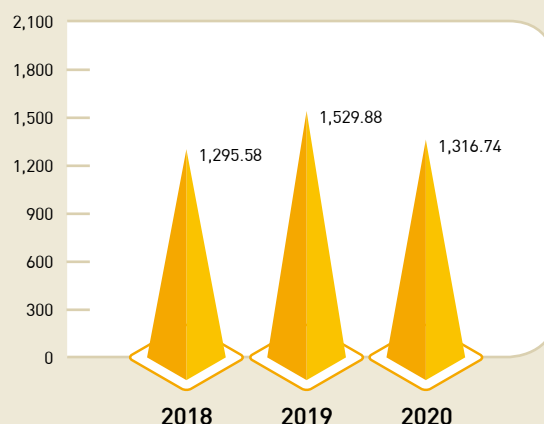


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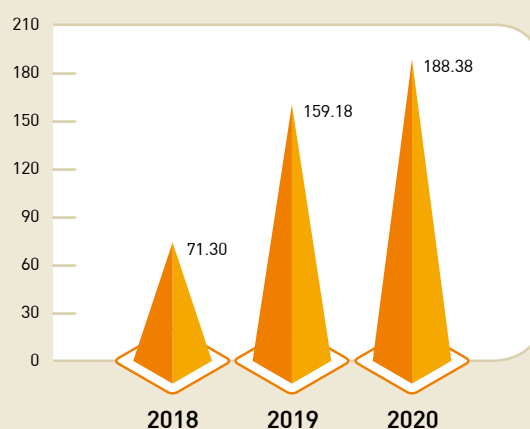
Total Revenues

(Million Baht)



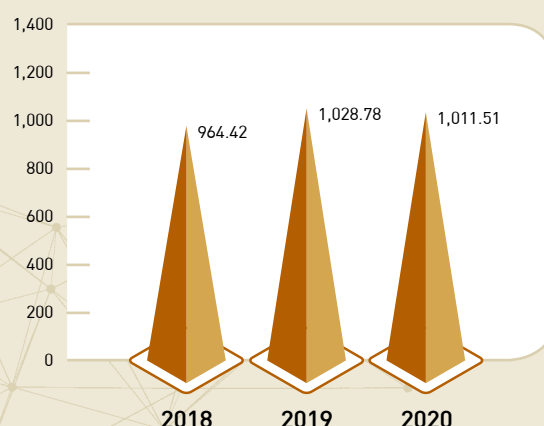
Profit for the Years

(Million Baht)



Total Assets

(Million Baht)



Financial Highlight

	Unit	2018	2019	2020
Statements of Comprehensive Income				
Total Revenues	Million Baht	1,295.58	1,529.88	1,316.74
Total Expenses	Million Baht	1,200.06	1,328.60	1,082.85
Profit Before Income Tax Expense	Million Baht	95.04	200.93	234.70
Profit for the Years	Million Baht	71.30	159.18	188.38
Statements of Financial Position				
Total Assets	Million Baht	964.42	1,028.78	1,011.51
Total Liabilities	Million Baht	304.38	330.31	288.82
Shareholders' Equity	Million Baht	660.04	698.47	722.69
Statements of Cash Flows				
Cash Flow from Operating Activities	Million Baht	152.95	232.35	234.45
Cash Flow from Investing Activities	Million Baht	-79.67	-177.79	122.36
Cash Flow from Financing Activities	Million Baht	-81.95	-118.46	-169.34
Increase in Cash and Cash Equivalents-Net	Million Baht	-8.67	-63.90	187.47
Financial Ratio				
Current Ratio	X	2.97	2.94	3.46
Account Receivable Turnover	X	3.95	5.09	4.91
Average Collection Period	Day	91.09	70.75	73.37
Average Sale Period	Day	16.34	15.34	16.52
Account Payable Turnover	X	4.94	5.69	5.58
Average Payment Period	Day	72.84	63.25	64.55
Gross Profit Margin	%	28.76	30.71	33.87
Operating Profit Margin	%	6.94	12.61	17.64
Net Profit Margin	%	5.50	10.41	14.16
Return on Equity : ROE	%	10.76	23.44	26.23
Return on Assets : ROA	%	7.46	15.97	18.27
Asset Turnover	X	1.36	1.54	1.29
Debt to Equity Ratio : D/E	X	0.46	0.47	0.40
Interest Coverage Ratio	X	373.71	707.66	238.00
Cash Basis	X	1.67	1.54	1.26
Dividend Payout	%	110.86	91.67	97.86

* In 2020, The Company has reclassified according to financial standard. Which makes the figures for the year 2018-2019 had been significantly changed.

Message from the Chairman of the Board of Director



ว.อ.อ. ADM

ADM Apichart Pengsritong
The Chairman of the Board of Director

The year 2020, is one of a challenging year for T.A.C. Consumer PCL facing with inevitable challenges from external factors such as the COVID-19 epidemic; which directly and severely affect the economic system globally and all sectors. Lockdown measures are being put into force in many countries to halt the outbreak, causing people unable to live normally; which resulted in a new lifestyle change (New Normal). However, with the Company's determination and management strategies, allowing the performance to continuously grow.

The Company performance for the year 2020, total revenue of 1,316.74 million baht, 13.79% decreased compared to the previous year, with total revenue of 1,527.36 million baht. The decreased is mainly due to the impact of the Covid-19 epidemic situation that directly affects the economy; causing decrease in travelling that result in an overall sales decreased.

Although, the Company's revenue decreased, not meeting the set target, however, the Company has continuous operating performance from the previous year. Mainly due to the Company's ability to adapt strategies to keep pace with the situation well; manage costs and operations for maximum efficiency and most importantly is non-stop development along with continuously searching for business opportunities that can expand the Company's business.

The Board of Directors places importance and emphasizes on the review and determination of the Company direction, vision, mission, strategies and significant policies; by supervising and monitoring to ensure compliance with the specified mission or goal with efficiency and effectiveness. Moreover, the Company continues to strictly adhere to the principles of good corporate governance while also taking into account all stakeholders. Information disclosed to shareholders is accurate, complete, transparent and timely along with placing importance on social and environmental responsibility. According to the Corporate Governance Report of Thai Listed Companies 2020, conducted by the Thai Institute of Directors (IOD), under the support from the Stock Exchange of Thailand and The Securities and Exchange Commission; the Company was assessed at the level of "Excellent" or 5 stars, showing continuous development in this area. While the Annual General Meeting of Shareholders Assessment for the year 2020, the Company has been assessed at the level of "very good"; and was rated as one of the top 100 listed companies with outstanding business sustainability (Environmental Social Governance: ESG100) from Thaipat Institute

On behalf of the Board of Directors, I would like to express my gratitude to our shareholders for consistently having confidence in TACC. I would also like to express my gratitude to the management team and all of our employees for performing their task with dedication and join hands to drive the organization to success. I ensure that we will operate our business based on good governance principles and be responsible to all stakeholders in all sectors; in order for "TACC" to grow steadily while taking care of society, community and environment in every dimension and create sustainable returns to shareholders.

Message from the Chairman of the Executive Committee

Due to the challenges posed in 2020, the COVID-19 outbreak situation, fine particulate matter PM 2.5 problems, trade war between the United States and the People's Republic of China, as well as the rapid change in technology resulting in all sectors having to adapt to overcome this crisis together.

The Company is quite being affected by COVID-19 epidemic this year, resulting in the impact on sales revenues that did not grow according to the target set. However, the performance of the year 2020, the Company had a net profit of 188.38 million baht, increased 18.34% or equivalent to net profit margin of 10.42% from the previous year with a net profit of 159.18 million baht; which is considered a continuous growth from the previous year. Factors for the increased in gross profit is increasing the sales of high-profit products; including continuous cost development, control on expenses and operational management for maximum efficiency.

Although, lately the Company has been affected by the inevitable external factors but those never prevent the company from continuously developing and inventing good quality products. Another success of is being certified with various assessments at international level and other areas. Which are:

- Superior Taste Award from the International Taste Institute, Belgium. The international level leader in evaluating and certified the taste of food and beverage. The certificate is considered a prestigious global standard award; well recognized by major retailers worldwide and make a significant difference to both domestic and international markets. The awarded beverage is available in 7-Eleven convenient stores, which are cold beverages in the drinks dispenser, consisted of coffee, latte and Thai tea; including lemon tea in the All Café corner.
- Forbes Magazine has announced Asia's 200 Best Under A Billion 2020 list; where TACC is one of the 19 companies representing Thailand with the best qualifications in Asia. Such includes good income and profit for at least the past 3 years, Strong average return per share over the past 5 years, low debt level and robust governance. TACC meets the good eligibility criteria with the aforementioned, allowing the company to be 1 of 19 listed companies representing Thailand.
- Outstanding Investor Relations Awards for the fourth consecutive year at the SET Award 2020, an award that guarantees the importance of the Company's information disclosure, transparency and good corporate governance

On behalf of the Chairman of the Executive Committee, I would like to express my gratitude to our shareholders, customers, business partners, business alliances, the Board of Directors, Management team and our employees; who work to their fullest potential and ready to adapt to changes that occurred. The Company strives to adhere to good corporate governance and to operate sustainable business for long-term business growth; including to be successful as planned. The Company has taken in to account social and environmental responsibilities, as well as ready to be one of the leaders in beverage creation and lifestyle products; in order to lead the Company towards sustainability and stability.



Chatchawe Vatanasuk
Chairman of the Executive Committee

The Change and Key Milestone 2020

January

- The Company has launched the new seasonal flavor of Cold Beverage Dispenser “Milky Berry” at 7-Eleven.



- The Company has launched new seasonal flavor of Instant Powder Drink “Valentine In Love Series” with 3 new menu such as Freshy Yogurt Frappe, Puppy Milky Frappe and Lover Oreo Frappe in fresh corner coffee under “All Café” at 7-Eleven.

February

- Instant Powder Drink “Taiwan Milk Tea” was signature menu in fresh corner coffee under “All Café” at 7-Eleven all year which is revenue recognition from sales full year.



- The Company has launched the new formula of “Thai Tea” as a original of tea at 7-Eleven.

March

- The Company has launched the new seasonal flavor of Cold Beverage Dispenser “Passion Fruit Tea” at 7-Eleven.



- The Company has launched new seasonal flavor of Instant Powder Drink “Mango Splash” with 3 new menu such as Mango Yogurt Frappe, Sago Mango Frappe and Mango Lime Ice Tea in fresh corner coffee under “All Café” at 7-Eleven.



- The Company was Superior Taste Award from International Taste Institute, Belgium which is the international leader in the evaluation and certification of food and beverage flavors. This award includes Cole Beverage Dispenser including Latte Coffee and Thai Tea, and Beverages in the corner of All Café, including Lemon Tea. All beverages are sold in 7-Eleven stores. Recognized in the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau, the Superior Taste Award is recognized by major retailers around the world and make a significant difference to both the domestic and international markets. With more than 72 participating countries around the world.

April

- The Company has launched new seasonal flavor of Instant Powder Drink "Fruit Tea" extracted from fresh tea leaves scented with fruit scent with 2 new menu, Peach Tea and Raspberry Tea and tea bags are biodegradable and can choose the sweetness level in fresh corner coffee under "All Café" at 7-Eleven.



May

- The Company has launched new seasonal flavor of Instant Powder Drink "Honey Black Tea" extracted from fresh tea leaves and honey which new beverage for healthy lover in fresh corner coffee under "All Café" at 7-Eleven.



June

- The Company has launched Aloe vera Topping It can eat together with anything, it can be delicious in every drink menu at 7-Eleven.



- The Company has launched new seasonal flavor of Instant Powder Drink "Orange Passion Fruit" High vitamin C with 3 menu such as Orange Passion Soda, Orange Passion Yogurt Frappe and Orange Passion Tea in fresh corner coffee under "All Café" at 7-Eleven.



July

- The Company has launched new product character of Maa ja special collection at Loft Siam Discovery such as Dog doll, Notebook, Keychain and Glass etc.



- San-X Japan has launched Sumikkogurashi the Movie in Thailand which as a create brand awareness of Sumikkogurashi Character.

August

- Forbes Magazine has announced Asia's 200 Best Under A Billion 2020 list, where TACC is one of 19 companies representing Thailand with the best qualifications in Asia. The criteria for consideration are from medium sized public companies and youngsters in the Asia-Pacific region with revenues above \$ 10 million but less than US \$ 1 billion, of which 18,000 companies, selected the 200 companies with the best qualifying criteria, including: Have good revenue and profit for at least 3 past years, strong average return per share over the past 5 years, low debt burden With strong governance, TACC meets the good eligibility criteria above, making it named 1 of 19 companies representing Thailand.



- San-X, Japan Launched the first Rilakkuma pop-up Cafe in Southeast Asia in Orchard central Singapore where Kumoya worked with San-X, Japan in the development of this cafe with various San-X characters, starting with Rilakkuma, the camp's popular bear character is the first character in the theme "Rilakkuma-The Relax Café". Become a cute menu designer for this café.



- TACC was Shortlisted for the 2020 ESG 100 Fund Universe by Thaipat Institute Announces 100 Outstanding Securities for Environment, Society and Governance.



- Credi Sport and Maaja join in organizing a new Virtual Run event, "Pee Khiaw Thong Run to help friends through the city of 7 marathons "Join the adventure with the story of the journey "Brother Kiew-Thong", a handsome Thai dog runner and a gang of friends. With the goal of creating deeds of goodness to help friends Thai dogs to have a better life.

September

- The Company has launched the new seasonal flavor of Cold Beverage Dispenser "Matcha Latte" at 7-Eleven.



- The Non Coffee Menu in fresh corner coffee under "All Café Such as Matcha Green Tea, Thai Tea, Lemont Tea and Taiwan Milk were upsizing is 22 Oz. all store of fresh corner coffee under "All Café" at 7-Eleven.

October

- The Company has launched new seasonal flavor of Instant Powder Drink "Hojicha" the new way for Japanese Green Tea lover with 3 tea ingredients are Yabukita Tea, Oolong tea and Assam Tea with 3 menu such as Hot Hojicha Latte, Iced Hojicha Latte and Hojicha green jelly frappe in fresh corner coffee under "All Café" at 7-Eleven.



- The Company was excellent score (100 Point) in AGM checklist program from Thai Investor Association and Securities and Exchange Commission, Thailand.

November



- The Company received Corporate Governance Report of Thai Listed Companies 2020 was a Excellent score (5 star) and Top Quartile: 1,000-2,999 MB. of Market Cap. from institute of Director and support by Stock Exchange of Thailand.



- The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2020, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was Outstanding Investor Relations Awards" (The four consecutive year). This award presentation ceremony to listed companies that have outstanding performance of Investor Relations activities. Which important to emphasize that the participation of the whole organization in carrying out the activities.

Board of Directors



ADM Apichart Pengsritong
Chairman and Independent Director



Assoc.Prof.Kitti Siripullop
Chairman of the Audit Committee
and Independent Director



Mrs. Paktra Suriyapee
Audit Committee, Independent Director
and Chairman of the Nomination
and Compensation Committee



Mr. Komsak Wattanasriroj
Audit Committee, Independent Director,
Nomination and Compensation
Committee and Chairman of the
Risk Management Committee



Mr. Chanit Suwanparin
Director, Nomination and Compensation
Committee and Risk Management
Committee



Mr. Chatchawe Vatanasuk
Director and Risk Management
Committee



**Mrs. Chirapan Khotcharit
Choosang**
Director and Risk Management
Committee

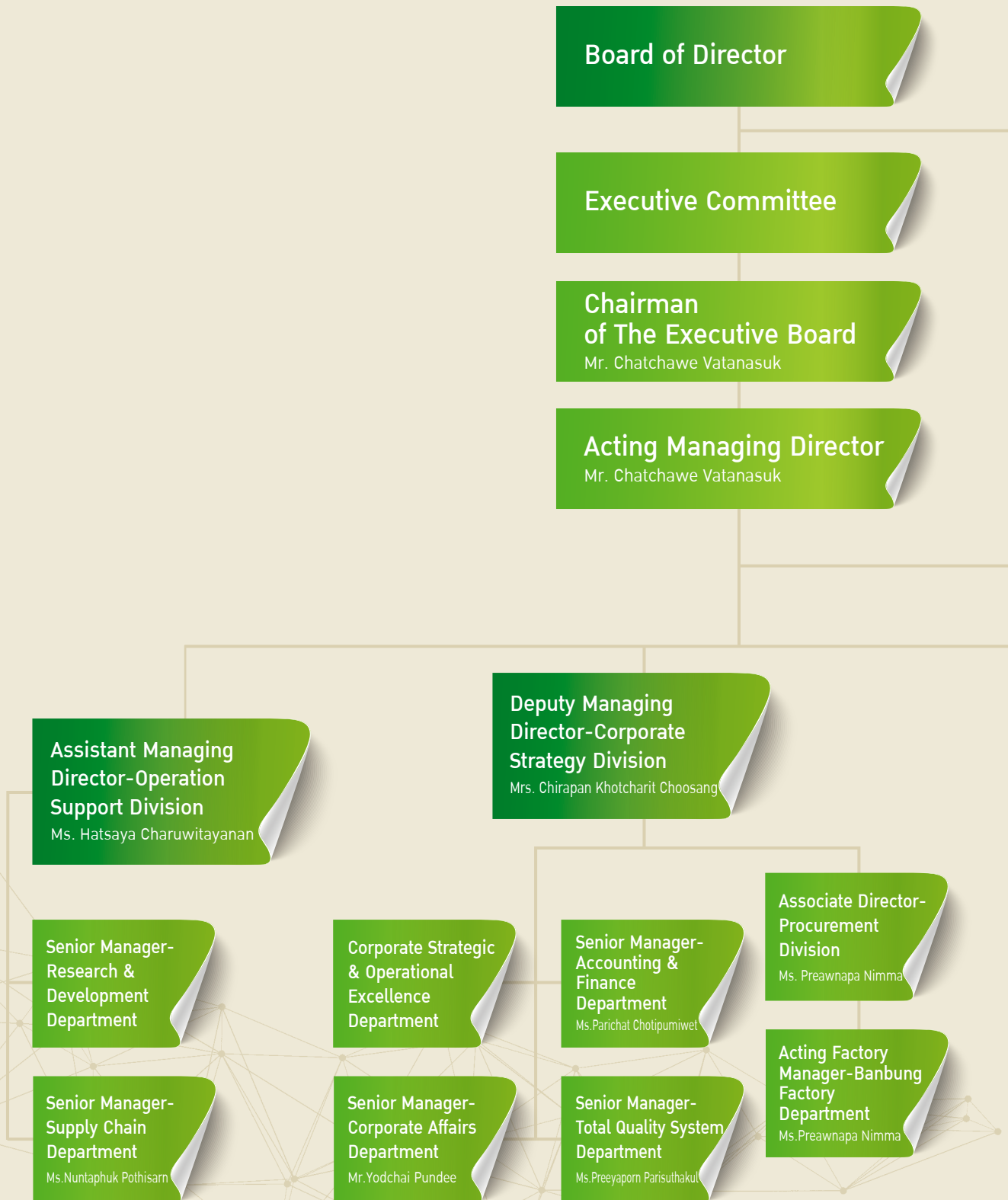
Executive Committee

- | | |
|--|---|
| <p>1. Mr. Chatchawe Vatanasuk
Chairman of the Executive Committee</p> | <p>5. Ms. Hatsaya Charuwitayanan
Executive Committee</p> |
| <p>2. Mrs. Chirapan Khotcharit Choosang
Executive Committee</p> | <p>6. Ms. Preawnapa Nimma*
Executive Committee</p> |
| <p>3. Mr. Suphot Leenanurak*
Executive Committee</p> | <p>7. Ms. Parichat Chotipumiwet
Executive Committee</p> |
| <p>4. Mrs. Suveeraya Ansavananda
Executive Committee</p> | |



Note : * Mr. Suphot Leenanurak and Ms. Preawnapa Nimma appointed as the Executive Committee on 20th February 2020 onwards.

Organization Chart



Audit Committee

**Risk Management
Committee**

**Nomination and
Remuneration Committee**

Secretary Office

Ms. Panjaporn Roeksomboon

**Deputy Managing
Director-Sales &
Marketing Division**

Mr. Suphot Leenanurak

**Associate
Director-7-Eleven
Department**

Ms.Narisa Tiyasuksawad

**Manager
International
Business
Department**

Mr.Thanawan Lerdlamnaochai

**Associate Director-
Domestic &
Equipment**

Mr.Chawalit Prawatborisut

**Assistant Manager
Investment Venture**

Mrs.Rattika Pattanakul

**Assistant Managing Director-
Strategic Partner
& Intergrated Marketing
Communication Division**

Mrs. Suveeraya Ansavananda

**Senior Manager-
Charactor Business
Department**

Ms.Phonphun Phunpanich

**Key Strategic
Partner &
Stakeholder
Department**

**Key Strategic
Supplier & OEM.
Department**

Policy and Overview of Business



T.A.C. Consumer Public Company Limited (“The Company”), formerly known as T.A.C. Beverage Company Limited, was registered as a company on 28 March 2002 with its authorized capital of two million baht to operate and sell Cold Beverage Dispenser products in 7-Eleven convenient store, which were jointly developed by the company and CP ALL Public Company Limited. The products were sold included iced tea, milk tea, coffee, and fruit juices such as punch and cantaloupe juice. Later in 2005 the Company expanded its business to ready-to-drink market by launching a ready-to-drink bottled green tea product branded “Zenya” and also expanded the distribution channel to overseas market such as Cambodia, Singapore, Dubai, Russia, and United State of America. Then, in 2009 the Company entered meat processing business by establishing its processing plant at Hi-Tech Industrial Estate, Bang Pa-In District, Ayuthaya Province, in order to manufacture and distribute meatball and grilled pork using the product brands “Happy Chef” and “Number One” and changed its registered name from T.A.C. Beverage Company Limited to T.A.C. Consumer Limited on 28 July 2009. After that in 2011 the Company expanded into functional drink market by launching VSlm, a ready-to-drink healthy and weight control coffee, in order to meet the need of consumers who place their importance on health and beauty. VSlm was considered the first healthy ready-to-drink canned coffee brand with weight control benefit in the market.

In terms of supply chain management, the Company primarily outsources its production to Original Equipment Manufacturer (OEM) to manufacture both jointly developed products with key strategic partners and Company’s own products which were distributed using Company’s brand. In addition, in order to expand its business value chain, in 2013 the Company invested in a plant for power drink mix with manufacturing capacity of 2,021.76 tons per year, with the total area of 1 rai, 1 ngan and 53 square wa located in Paragon

Factory Land, Ban Bueng District, Chonburi Province. The Company has diversified risk to the BanBuang Factory with and add production line and standard of the high production to giving the company more potential. Although the Company established its own manufacturing plant, it still primarily employed outsourcing manufacturers in order to utilize the outstanding and unique advantages of each producer.

The Management's vision to be a leading company in tea and coffee beverages which have been the Company's main business, the Company sold its meat processing business on August 2013. Then in 2014, the Company developed and launched new instant drink powder products under the brand "Sawasdee" and positioned this product primarily for overseas market. The products included in this brand are durian milk with natural chunks, and Thai milk tea, all of which are the flavors that illustrate innovation and contemporary Thai culture, as well as unique Thai taste.

The Company operates in partnership with CP ALL Public Company Limited (CPALL") in a business to business (B2B) due to core business of CPALL is the retail sector convenience stores under the trademark 7-Eleven, which sells a variety of products by consumers and consumer good major products include 1) Stationary 2) Non-Food 3) Cosmetic 4) Beverage and 5) Processed Food. The company wants to grow together with partners sustainable with strategy and opportunities for partners to participate in such groups.

In each year, the Company developed new products with customer for approach consumer to cover continuous increasing and expanded business to other products group. At present, the Beverage business is growing such as Instant powder All Café at 7-Eleven, Hot Beverage Dispenser etc.

This year, there will be an added menu in the All Café corner at 7-Eleven stores, which is Taiwan milk tea, which will be the signature menu that will be sold all year round at all branches with All Cafés nationwide and there is an increase in the size of the drink from 16 oz. To 22 oz., Which will be another part that will increase the income even more. Also, the Company has Stationary Business, and Non-Food Business which those business enter add strength to company and cover core products group of CPALL and diversify of risk.

For the Business to Consumer Group (B2C), the Character Business is stronger. The Company has a licensing agent of San-X Japan (licensor). Which the Company has co-create with leader brand partners such as merchandise, premium and campaign. The character in the famous online cartoon of Thailand under the brand "MaaJa" and "Art story" this character of Autistic Children Group. The Company helped to generate revenue for this project. Which is deem Corporate Social Responsibility project of the company.

The Company expanded Beverage Business to Café Business such as Muanchon Café, Arabitia Café, Jungle Café, CP Fresh Mart, Black Canyon and Punthai Coffee. There are expand business and develop new beverages or products for the Café Business customer group. Which has stores distributed nationwide and more channels of selling products.



This year, it can be considered that the company has received various certifications and awards. More internationally, including The Superior Taste Award is considered a prestigious global standard award and an encouragement to all executives and employees, who are committed and determined. Although, in the past the Company has been affected by the COVID-19 situation, but continue to develop and invent good quality products as well as places importance on product research and development. The Company considered RD department as the heart of the organization, therefore invested on the team of personnel with diverse knowledge and ability to develop beverage products. In addition, the RD Lab is equipped with a wide range of tools and equipment of international standards, in order to support innovative development for beverage in the future. The awarded beverage is available in 7-Eleven convenient stores, which are cold beverages in the drinks dispenser, consisted of coffee, latte and Thai tea; including lemon tea in the All Café corner.

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Over the past years, The Company has focused on managing marketing and sales strategies together with research and development of unique and distinct beverages which vary in terms of style and flavor. The Company's products, as a result, could continuously meet consumer needs and lifestyles, and have been increasingly trusted by customers and partners all along. Aiming to operate its business with long-lasting partners under sustainable growth and business partnership principles.

The Reviewed Vision, Mission and Business Goal Annually

The Company has reviewed the vision, mission and business goal annually with review of the management and presented for approval to the meeting of Board of Directors No. 6/2020 held on 22 October 2020, The Executive Committee presented a new vision. To make it more clear and to ensure consistency in the current economic situation and conditions, as part of the mission remains the same

Furthermore, the Board of Director follow up to implementation of the company's strategy and operating results per quarter. Especially, the goal of financial and business plan in order to comply with the Company's strategy set.

Nature of Business

Revenue Structure

Type of Revenue	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales						
• Business to Business : B2B	1,143.22	88.24	1,358.67	88.81	1,248.84	94.84
• Business to Customer : B2C	146.38	11.30	161.60	10.56	65.90	5.00
Total	1,289.60	99.54	1,520.27	99.37	1,314.74	99.85
Other income ¹⁾	5.99	0.46	9.61	0.63	2.00	0.15
Total revenue	1,295.58	100.00	1,529.88	100.00	1,316.74	100.00

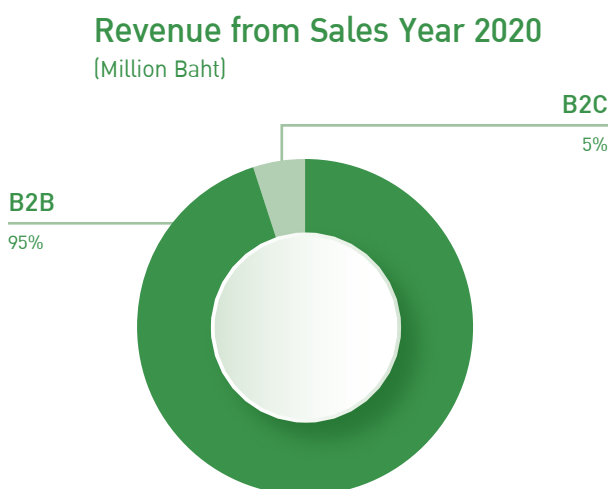
Note: ¹⁾ Other revenue include revenue from interest income and sales of raw material.

The Company engages in the business of sourcing, manufacturing, and distribution of beverages in tea and coffee categories, lifestyle products and Character Business. The Company focuses on managing and executing marketing and sales strategies along with beverage product development. The developed products possess distinctive unique selling points and varieties in both formats and flavors. The Company's products meet the needs of consumers of all age and gender, both teenagers, students, college students and working people. The nature of products can be separated into 2 main categories,

which consisted of the group of products that the Company jointly developed with its business partner and the group of product which are distributed under the Company's brand as follows:

Product group which the Company jointly developed with its business partner (Business to Business : B2B)

The Company researches and develops products closely with its key strategic partner in order to manufacture and distribute products to customer's stores mostly in convenience stores and food chain restaurants which will be the collaboration between the marketing, sales and research and development division of the Company and the Customer's marketing and purchase division. The products in this group can be summarized as follows;



1. Cold Beverage Dispenser (Core Flavor)

This type of beverages generates the Company's main revenue in which a jointly research and development of this cold beverage dispenser since 18 years been conducted cooperatively with 7-Eleven convenience store under administration of the CPALL Public Company Limited. The product will be distribute to the 7-Eleven shop in the form of instant powder package of several size, i.e. 467 grams, 702 grams, etc., which the product will be merged in the dispenser and sold as cold drink to the customers.

In administering the cold beverage dispenser at the 7-Eleven convenience store, there will be both the core flavor, which is the main beverage that must be available in every 7-Eleven convenience store. The core flavor drinks that the Company jointly developed with 7-Eleven are ice-coffee with 7-Eleven trademark and milky ice-tea with the "Zenya" trademark of the Company.

The jointly developed of the Company with 7-Eleven team. The Company has work plan together for growth of cold beverage dispenser group. The Company developed

the formula to reduce sweetness of Cold Beverage Dispenser for the solve sugar tax. By using raw material that provide more sweetness instead of natural sugar and adjusting the formula to reduce the sweetness of espresso coffee, latte coffee and iced tea.

Moreover, the Company has been the trust of customer for selling Hershey's chocolate beverage at 7-Eleven stores, which are available throughout the year only the stores that are available for sale (Optional Core) currently have about 2,500 stores, from the original are just flavors that have only one season.

2. Instant Powder Drink

The Company develops instant powder drink containing 35 grams for distributed to fresh corner coffee All Café stores located at 7-Eleven. The product has been launched since June 2014. There are 8,300 stores including 5 flavors; Milk tea, Matcha green tea, Lemon tea, Yogurt fruit smoothies and Milk tea brown sugar. There are developed additional new group for make colorful for All Café such as Fruit Tea, Honey Black Tea, Orange Passion Fruit Tea and Hojicha Green Tea.



Cold Beverage Dispenser (Core Flavor)

Instant Powder Drink and Seasonal Drink in All Café Corner



Upsizing All Café



Cold Beverage Dispenser (Seasonal Drink)



Hot Beverage Dispenser



Aloe Vera Topping

In this year, The Company has upsizing of Non Coffee Menu beverage in All Café, 7-Eleven stores from 16 oz to 22 oz which overall stores has All Café corner nationwide. Which effect to more purchase rate.

3. Product that the Company jointly developed to distribute on Seasonal Drink

This product is a choice that each store can be selected as appropriate to the area around the stores. The Company has jointly developed this product group with CPALL which will be switching by a specific period of time.

Seasonal Drink as a choice of each 7-Eleven store which change cold beverage as a period. The product that the Company jointly developed to distribute of seasonal drink such as Milky Berry, Passion Fruit Tea and Matcha Latte.

4. Hot Beverage Dispenser

The Company jointly developed Hot Beverage Dispenser group with CPALL for increase the convenience of

consuming beverages with customers at 7-Eleven stores, which installed in late 2015. At present installed 540 units mostly installed at 7-Eleven in PTT gas station.

The Hot drink is priced at 17 baht per glass. Currently, there are three main flavors: coffee, chocolate and matcha green tea with the drink is pressed out of the automatic press. This machine has a new innovation. The mixer head rotates at speeds of up to 13,000 cycles, making it quick to mix drinks. The water pressure is consistent to get a hot drink with good taste and a seductive odor with soft milk foam.

5. Aloe Vera Topping

The Company has launched a new product, Aloe Vera Topping which can be paired with every beverage and will go especially with tea menus such as fruit tea, honey black tea, lemon tea, Taiwan milk tea, milk tea and green tea, just add 15 baht.

Product group distribute under the Company's brand (Business to Customer : B2C)

The Company also develops products under its own brands which this group of products can be summarized in 5 category as follows;

1. Ready-to-drink green tea under the brand "Zenya"

The kind of Zenya trademark product is the green tea made of the genuine green tea mixed with intense fruit juice, mineral and vitamins, making it completely unique and freshly taste of tea leaves and fruit juice and this particular feeling has been identified as "Zenya Super Power form Super Fruit". In this year, the Company has come back to selling Zenya in Cambodia again and developed formula add cooling agent. It is produced in 3 different flavors; (1) Ready-to-Drink Green tea mixed with pomegranate juice with the benefit of double amount of anti-oxidant derived from green tea and pomegranate fruit. (2) Ready-to-Drink Green tea mixed with red grapes that helps lower the lever of body cholesterol, and

(3) Ready-to-Drink Green tea mixed with honey lemon ice great for boosting your immune system. These ready-to-drink product are placed in the colorful plastic bottles of 500 milliliters, and are good for every consumer of all age and sexes, particularly the group of teenagers. This kind of product is sold in the general market as well as imported to the oversea, mainly in some ASEAN countries, particularly Cambodia. The retail price in the country's general market is 20 baht per unit. As for the oversea market, it will be developed in terms of the product formula so as to be appropriate to the needs of customer as well as the requirement of each particular country. For example, the ready-to-drink green tea with less sugar is granted by the health promotion brand of the Singapore with guaranteed sign on the bottle containers as the "Heathier Choice" and this is to confirm that the healthy drink product which can be put into sale in every school all over the Singaporean country.

2. Instant powder drink under the brand "Na-Arun"

A three-in-one drink mix containing 500 gram crates with 10 sachets per crated costing 1,000 baht. This kind



Ready-to-Drink Green Tea under the brand "Zenya"



Instant Powder Drink under the brand "Na-Arun"



Chocolate Hershey's Beverage



Character Business

of product is produced under the aim that the customers or consumer may be impressed on this particular kind of Thai taste the drink refreshment in which screenings of good quality ingredients are made for the benefit of the customers themselves. This kind of ready-to-drink instant powder is 7 mixed; 1) Coffee Espresso, Thai style instant coffee 2) Coffee Latte, a smooth aroma 3) Thai milk tea instant with soft mellow flavor of Thai Style, 4) green tea sweet and concentrate ingredient of milk and green tea with jasmine smell flavor, 5) Chocolate, 6) Matcha green tea latte, and 7) Thai lemon tea and. The product is mainly sold in overseas market and also a great alternative for Thai restaurants, Asian grocery and Café Business.

3. Chocolate Hershey's Beverage

The Company is a Representative Agent of Hershey's Beverage in Hotel, Restaurant and Café (HORECA) and Quick Service Restaurants (QSR) channel in Cold Beverage Dispenser in cooperation with Sunny Sky Products, LLC, the holders of the rights to produce and distribute the chocolate beverage. Hershey's Freeze will be distributed at 7-Eleven.

4. Character Business

The Company signed a licensing agreement with Ingram Japan, in order to become a licensing agent of San-X Japan (licensor). TACC deals with licensees cover 7 countries such as Thailand, Singapore, Malaysia, Cambodia, Myanmar, Laos, and Vietnam. The period of contract 5 years. San-X's characters include Rilakkuma, Sumikkogurashi, Sentimental Circus, Kamonohashikamo, Mamegoma etc.

Licensing is an act of one party granting license to another party for production by using its trademark license and other market-related rights. Licensees have to pay an agreed licensing fee as a royalty fee.

คาแรคเตอร์กลุ่ม “San-X” จากประเทศญี่ปุ่น



Rilakkuma

“Rilakkuma” means “Bear in relaxed mood”. At all time and everywhere Rilakkuma goes Rilakkuma is continuously lazy and relaxed. Rilakkuma is totally stress-free and also doing things on his own pace. Rilakkuma is someone impossible to be hated by others. You will be dragged into Rilakkuma’s world and become lazy and relaxed while watching what everything Rilakkuma does.

Rilakkuma This bear costume, known as Rilakkuma came out of nowhere and visited Kaoru’s house one day. Even now without plans, this costume hangs out at her place and disturbs her by not doing anything every day, but gives her some life advice occasionally. Rilakkuma’s favorite is special sweets from local rice dumpling store and weakness is summer season.



Korilakkuma

Korilakkuma is a white bear cub, but nobody knows where it came from. Apparently, Korilakkuma was not acquaintances with Rilakkuma, but since there is a red button on its chest, it does not seem like a real bear. Korilakkuma was named by Kiiroitori. Korilakkuma loves to play tricks and is a mischievous cub with lots of energy



Kiiroitori

The yellow bird that Kaoru was keeping as a pet before Rilakkuma and the others came. Kiiroitori used to stay in a birdcage, but can now leave it freely. Every day Kiiroitori scolds Rilakkuma for laying around and fights with playful Korilakkuma for being too mischievous.



Chairoikoguma

Chairoikoguma lives in the Honey Forest and is friends with Korilakkuma. The chest hair is bushy, and when the mouth opens, there are fangs. There are bear prints on the soles of each foot. The body smells like sweet honey. There is honey on the butt.



Sumikkogurashi

“Sumikkogurashi” are the characters, living a quiet and solitary life in the corners. They might be able to settle down when they’re in the corners. But they don’t like being in the centers. When they’re taken to the center, they always rush back to the corners.



Shirokuma

is a shy bear who migrated south to avoid the cold. Shirokuma feels most calm while drinking hot tea in a corner.



Penguin?

Am I even a penguin? Penguin has no confidence. In the past, there might have been a plate on Penguin's head...



Tonkatsu

The end of a tonkatsu. Made of 1% meat, 99% fat. Left behind for being too oily...



Neko

Shy and timid, Neko usually hides in corners. Neko worries about its body shape.



Tokage

is actually the last of the dinosaurs. Pretends to be a lizard to avoid being caught. Slowly warming up to Nisetsumuri.



Tapioca

They are the leftovers in the cup as only milk tea was drunk up earlier. I'm fed up with this"(Tapioca's muttering)



Mogura

Used to live in a corner underground. Became curious about the commotion above ground and surfaced for the first time. Likes red boots.



Yama

A small mountain that looks up to Mt. Fuji. Appears at hot springs and poses as Mt. Fuji.



Furoshiki Shirokuma's

Shirokuma's luggage. Used to claim corners and when Shirokuma is cold.



Hokori

A careless bunch that often piles up near corners.



Ebifurai no Shippo

Too hard to eat and left unfinished. Ebifurai no Shippo and Tonkatsu are friends who understand each other very well.



Nisetsumuri

is actually just a slug with a shell. I'm sorry for tricking you...



Zassou

A positive weed. Admires florists and dreams of being made into a bouquet one day.



Suzume

Just a regular sparrow. Likes Tonkatsu very much and comes to peck at Tonkatsu.



Obake

Lives in one of the attic's corners. Stays quiet to prevent others from being scared. Enjoys cleaning.



Mamegoma

Mamegoma is a small seal who was only discovered recently. Mamegoma is a palm-sized, miniature seal. Mamegoma is very friendly and, after getting used to you, will respond when called to or ride on your palm. There are many varieties.



Sentimental Circus

Stuffed animals abandoned in room recesses and on street corners that sneak away at night to form a secret circus. Tonight, their strange friends will gather together before show time.



Kutusita Nyanko

Kutusita Nyanko is a cat that is actually wearing socks. Kutusita Nyanko will put various lost or precious items in the socks and carry them for you. Kutusita Nyanko might even find something precious for you.



Tarepanda

The origin of relaxing character styles, "Tarepanda." Following its name, Tarepanda's characteristic pose and movements express a personality that cannot be forgotten. Tarepanda is soft to the touch and surprisingly sturdy. Moves mainly by rolling around at 2.75 mph. Loves sweet mochi cakes.



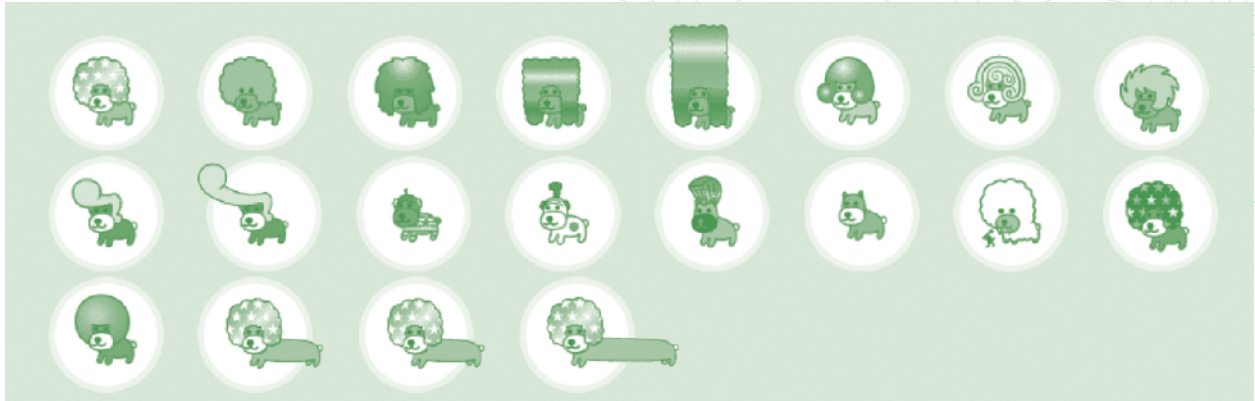
Monokuro Boo

"Boo" "Love?" "Enjoy?" "Happy!" It seems like Monokuro Boo will send us messages! Each day comes with various challenges, but sometimes it may be good to rest a bit and try to think simply.



Afro Ken

Afro Ken is drawn towards afro-shaped things and can transform into many different things. Always in a good mood. Has many friends with strange hair styles and transformations.



Jinbesan

Jinbesan has a body and heart as big as the ocean. Jinbesan always gathers together with many friends. Jinbesan is everyone's place to relax and rest.



Character "Dog Please" (Maaja)

In this year, the Company has representative agent of "Dog Please" with local popular character in Thailand. KhunNathawee Limpanilchart, former pocket book writer has brought the story between people and dogs, conveyed in a cute view through their own unique line and created as a "Maaja" page with a 2 years contract period covering 7 countries including Thailand, Singapore, Malaysia, Cambodia, Myanmar, Laos and Vietnam.



Viking Puppy & Friend (The Soi Dog)



Pudding (The Happy Dog)



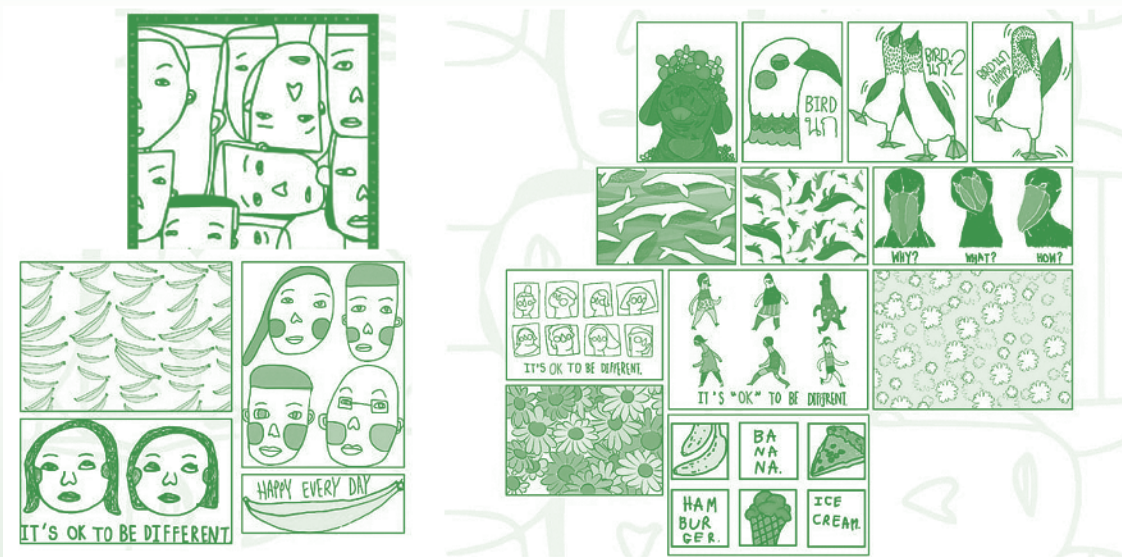
GiGi (The Mean Dog)



Cat please (The Dog that disguise to be Cat)

Character “ART STORY”

ART STORY is a social enterprise business for autistic individuals and other exceptional persons. Together, we create many products using "Art" as our inspiration. The products themselves are unique and extraordinary. Art Story supports by Thai Autism Vocational Center under the Autistic Foundation which enhance people with special needs to gain their self development with dignity. The Company participated in this project without charge. The revenue from the use of this copyright will lead the entire Art Story project, which is considered another CSR project of the company.



5. Café Business

The Company expanded the product of B2C to Café Business such as Café MuanChon, Jungle Café, Arabitia Café, CP Fresh Mart, and Black Canyon. Which the stores distributed throughout the country and abroad. Currently, the Café Business in which the company delivers beverages has a total of approximately 850 stores, which helps to increase the distribution channels of the company.

Moreover, The Cafe Business has developed further products in many product groups such as the Black Canyon store has added an ice cream menu and a dessert menu for other B2C products that the company sells raw materials such as pudding, Taiwanese Milk Tea, Topping over drinks. Brown Sugar Cream Cupcakes and being a contractor for Thai tea production (OEM).





Competitive Strategy

1. Establishing Business Partnership

The heart of Company's business is to build business partnership with all the business partner, including customers, original equipment manufacture (OEM), material, packaging suppliers. The Company has its policy to establish long-term relationship with partners under business alliance concept. Apart from common business transaction, the

Company has been working closely with its partners in exchanging the idea, determining business plan, as well as developing product and package that could satisfy customer's needs and that could swiftly and effectively react to marketing situation. Moreover, the Company and its trade partners regularly exchange their views on new products and update the trend of beverage markets both in domestic and overseas market. Such business relationship is beneficial to not only the

Company but also its partner and lead to sustainable long-term business relationship. The Company has been one of 7-Eleven key strategic partners which enable the Company to constantly develop and introduce new products to customer. This result in a steady growth of Company's revenue.

The Company was granted the Partnership Award 2013 “Best of Business Growth” form CPALL. The award has been bestowed to the trade partners, mostly large corporations in recognition of continuous collaboration and excellent business growth. As a result, demonstrates that the Company has been accepted by its customers and has been on par with leading companies of the country.



The Company was award “SME Sustainable 2016” Organized by CP ALL Public Company Limited cooperate The Office of SMEs Promotion (OSMEP) and Department of Industrial Promotion set “The 7- Eleven Thai SMEs Sustainable 2016. They were award to SMEs partners who sell products through the channels of 7-Eleven and 24 shopping. There are 8 categories, 13 award such as SME Sustainable, Rising star SME, Agriculture SME, community goods. Etc.

The Company has received the Exclusive Contract for the duration of 3 years and this year the Company has renew the contract. Therefore, the Management is confident that the Company will be able to maintain a stable and lasting relationship with that customer.

2. Developing unique and different products

Another factor contributing to the steady business growth is that the Company has placed its importance on product research and development, to create unique and distinct products both in appearance and taste; for example a green tea product without green color under the concept “The Colorful Green Tea” of which the idea has been further developed to “Super Power from Super Fruit” and a beverage with natural fruit chunk branded “Sawasdee”. This allows the Company to react itself appropriately and promptly to business opportunities, gaps, and change that evolve all the time, while being able to focus itself more of specific target market in order to thoroughly meet diverse consumer's need and lifestyle. Such outcome stems from a cooperation among marketing team and research and development team. Initially, the marketing team will study and closely monitor beverage market trend both in domestic and oversea markets, as well as change in consumer's behaviors. The business development team will conduct project feasibility study and then the product research and development team will create, develop, and design product that could satisfy the need. Since the product research and development team having long been experience in beverage industry, they could constantly create and develop new unique and differentiated products to the market by differentiating its products, the Company could mitigate the risk from substitute products of the same category.

3. Maintaining Product Quality Standards

Apart from inventing and developing new unique products, the products the Company also gives its priority to the production of quality products to satisfy consumers need. The company has set in place its product quality control policies in every stage of the production, starting from selection and procurement of necessary ingredients for each product type from high quality producers. Although most of the Company's product are manufactured by OEMs who procure ingredients on their own, the Company ensures its product flavor and quality standards by determining the list of major ingredient producer/supplier. The OEMs company will have to inspect the ingredient quality, so as to be compliance with the determined specification set by the Company, as well as asking suppliers to deliver samples of ingredient to quality assurance department for inspection every purchase order. Moreover, the Company also examines and controls its product quality in every state of production, from the beginning to the end, before delivering to its customer. All the processes aforementioned are made to ensure that the quality of products/ materials supplied meet our standards.

As the manufacturing of most products is outsourced to external OEMs, the Company put its great emphasis on the selection of such manufactures, starting from the quality standard inspection of their plants. Every contracted manufacture must be certified with various standard such as GMP and HACCP. Moreover, the Company inspects its OEMs of their production procedures and processes, in manufacturing of sample products and of the first batch production. The OEMs also have their own quality assurance teams to regularly inspect their own product quality and they have been requested to submit the sample of every batch of production of production for Company's inspection to ensure that the product quality meet the requirements before delivering to customers. In addition to that, the random quality inspection of in store products is also employed.

In this year, The Company received the certification of quality standards at the international level are as follows:

- TACC received the Superior Taste Award from the International Taste Institute, Belgium. The international level leader in evaluating and certified the taste of food and beverage. Part of the panel of judges was among those honored at the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau. The Superior Taste Award is well recognized by major retailers worldwide and makes a significant difference to both domestic and international markets. The awarded beverage is available in 7-Eleven convenient stores, which are cold beverages dispenser, consisted of Latte Coffee and Thai Tea; including lemon tea in the All Café corner.



4. Continuous Public Relation and Sale Promotion

The Company places its great importance on sale promotion and public relation of products through its continuous arrangement of marketing activities in order to promote the products through its primary channels. But because this year, due to the epidemic situation of COVID-19 As a result, the company has considered and reviewed even more in the public relations and sales promotion. By focusing on online channels, however, if the situation returns to normal The company will continue to plan for public relations and promotion as before. for examples, regularly participating in domestic and overseas food and beverage exhibitions which create opportunities for

the Company to exchange its view with groups of targeted customers, both direct customers and groups of distributors, importers, and wholesalers from all over the world. This helps promoting the products and assisting in market expansion, as well as acting as a channel to receive customers' suggestion towards products which is crucial for product improvement and development to effectively satisfy customer's needs in each segment more precisely. Moreover, participating in such events also enables the Company to obtain information on food and beverage industry trend as well as innovate idea which allows the Company to timely evaluate and develop its product to satisfy customer's needs and lifestyles that evolve constantly.

Nature of Customer and Target Group

The Company's target customers' covers all group of consumer, all gender and all age. The difference is the type of product which are as follow:

Products	Target Customers
1. Cold Beverage Dispenser (Jetspray)	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
2. Instant powder drink	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
3. Hot Beverage Dispenser	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
4. Aloe Vera Topping	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
5. Ready to drink Green Tea Brand "Zenya"	Target customers ranges from teenagers to middle aged persons age 15-30 years that are mainly in the low to moderate income bracket.
6. Instant powder drink Brand "Na Arun"	The working population aged 20-49 years that are mainly in the low to moderate income bracket.
7. Hershey's chocolate beverage	Target customers ranges from teenagers to middle aged persons age 15-30 years that are mainly in the low to moderate income bracket.
8. Character Business	Target customers ranges from teenagers to middle aged persons age 15-49 years that are mainly in the moderate income bracket to high income.
8. Café Business	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .

Proportion of Revenue from Sales separated into categories of customer in the year 2018-2020

	2018			2019			2020		
Sale	Million Baht	mix (%)	Growth (%)	Million Baht	mix (%)	Growth (%)	Million Baht	mix (%)	Growth (%)
Domestic Sales	1,277.84	99.09	8.03	1,515.92	99.71	18.63	1,313.18	99.88	(13.37)
International Sales	11.85	0.91	(88.11)	4.35	0.29	(62.99)	1.56	0.12	(64.14)
Total Sale	1,289.69	100.00	0.62	1,520.27	100.00	17.89	1,314.74	100.00	(13.52)

Note : International Sales sum to amount is Indirect Export

Price Setting Policy

The Company has the policy to determine its product price using the Cost Plus Margin approach in which the price of each product differs depending on its market price and distribution channel. The Company will consider the competition within each market as well as the acceptance of each customer segment. Moreover, the Company, in collaboration with its business alliances, might arrange promotion based on the market condition and marketing strategy of the Company. This might include giving discount, product giveaway or other promotional campaigns.

Policy and Practice toward Customers, Trading Partners, and Competitors

The Company has its policy and practice toward customers, trading partners, and competitors as follows:

1. To treat customers, trading partners, and competitors with good understanding and collaboration
2. To offer good quality service to customers with warm friendship and supportive manner
3. To reasonably and carefully advise or decide on behalf of customer in consideration of customer's appropriateness
4. To protect stakeholder's benefits
5. To support social activities as appropriate, as well as participating in public contribution, education, and activity that contributes toward national development.

Policy and Practice with Trading Partners

The company gives importance to business partners, in which every business must rely on each other and choosing good business partners. So, Able to create a long-term business advantage for the company by wanting to create mutual understanding have the same idea by taking care of as one of the growing trade practices. As well as supporting and providing opportunities for business partners equally by holding mutual benefits which will make the organization grow sustainably in the future.

Criteria for selecting Trading Partners

The company pays attention to selecting the right partner. By ensuring that the selection process and treatment of partners is equally and fairly. The Company will consider selecting partners with good reputation. with professionalism. There is no guarantee of quality or important standards, no violation of environmental and labor laws. The criteria for selecting Trading partners are as follows.

1. To consider the correct registration documents such as registration certificate VAT registration, etc.
2. The history of trading with important customer.
3. The Quality system certificate or industrial product standard certificates (if any)
4. Visiting the establishment to evaluate various capabilities
5. For the selection of OEMs in each case, there will be an evaluation of the selection of new production contractors.



Customer Satisfaction

- 7-Eleven Department of the company has conducted a 7-Eleven main customer satisfaction survey which is an annual survey. Which customers responded to the satisfaction survey in order to be able to use the information to improve and enhance the operational efficiency in 5 aspects which are summarized as follows:

1) Product development, The customers are very satisfied and satisfied. By presenting concept of interesting products able to rest the product as needed and present products at reasonable costs. 2) Product quality, The customers are very satisfied and satisfied. Which the quality of the products is controlled in accordance with the agreed standards and continuously improve the quality of products and services. 3) Accountability all processes of Supply Chain, The customer is very satisfied with the level of satisfaction with the stock of products being prepared as needed. 4) Delivery, The customers are very satisfied and satisfied. By delivering products on time, in accordance with the amount of product quality in transit, in good condition. 5) After-sales management The customers are very satisfied and satisfied with care, honest, understanding customer needs And has the ability to solve various problems well.

- International Business Department and Domestic Business Department has conducted a customer satisfaction survey which is an annual survey in order to be able to use the information to improve and enhance the operational efficiency in 5 aspects which are summarized as follows:

The satisfaction survey of International Business customers has the overall average score with good level of satisfaction. Which has satisfaction surveys in all 5 aspects: product quality, sales, delivery Information and document services and customer service. The topic that received the most points was product quality is that the product quality meets the requirements. The package is in perfect condition. Product consistency and correction and prevention when complaints arise. Efficient and fast

The satisfaction survey of Domestic Business customers has an overall average score with good level of satisfaction. Which has satisfaction surveys in all 5 aspects: product quality, sales, delivery Information and document services and customer service The topic that received the most points was customer service is quick to respond. Courtesy of customer service personnel advance notification about product problems and ease of contact.

Sale and Distribution Channel

The Company distributes its products using both domestic and overseas channels. The dedicated sale team is tasked to contact and coordinate with different distribution channels to thoroughly and efficiently distribute products. In domestic market, products are distributed through large wholesalers and retailers, while in overseas market products are sold by importers and / or distributors.

The Company has two main distribution channels which can be summarized as follows:

1. Domestic Distribution Channels

Domestic sales are executed both in cash and with credit terms granted to customers. Most of which have a credit term between 30-60 days. Domestic channels can be divided into two types as follows:

A) Traditional Trade

- **Van Sales :** At present, the Company has four van sales accompanied by its sales staff. The sales staffs visit retail outlets to survey the market as well as promote and sell the Company's products in order to build new customer base. Product distribution coverage areas include Northeastern, Eastern, Western and Bangkok region. This sales channel focuses on product distribution through specific channels such as hospitals, factories, schools and golf courses.
- **Sale through large wholesalers :** The Company appoints one wholesaler per one territory to distribute its products to retail stores. Currently, there are three territories which are Upper Northeastern, Lower Northeastern and Central regions

B) Modern Trade

The Company distributes its products directly to modern trade outlets by focusing on distribution to Convenience stores such as 7-Eleven most of the products distributed to modern trade are dispenser drink available at 7-Eleven.

2. Overseas Distribution Channels

The Company distributes products via importers and/or distributors. At present, the Company has five distributors for overseas market. Overseas sales are conducted under an advance payment policy, whereby customers have to transfer in full payment before any product shipment.

For expanding distribution channels to overseas markets, the Company will consider market condition, competition, opportunities and threats in each market including the Company's capacity and strength. Currently, Cambodia is considered to be a strategic market of the Company since its size and population matches the Company's market expansion plan. Moreover, the competition in the beverage industry in Cambodia is relatively low and advertising expense is significantly lower than in Thailand.

Products	Distribution Channel	
	Domestic	Oversea
1. Cold Beverage Dispenser	✓	-
2. Instant powder drink	✓	-
3. Hot Beverage Dispenser	✓	-
4. Aloe Vera Topping	✓	-
5. Ready to drink Green tea "Zenya"	✓	✓
6. Instant powder drink "Na Arun"	✓	✓
7. Hershey's chocolate beverage	✓	-
8. Character Business and Character product	✓	✓
9. Café Business	✓	✓

Thai Economic Outlook in 2020

Office of the National Economics and Social Development Council report the Thai economy declined by 6.1 percent, compared with the expansion of 2.3 percent in 2019. In terms of expenditure on value of merchandise exports, private consumption and total investment decreased by 6.6%, 1.0% and 4.8%, respectively. Government spending and public investment grew by 0.8 % and 5.7 %, respectively. On the production side, agricultural, forestry and fisheries sector, industry sector, accommodation and food services sector, transportation and storage sector decreased by 3.4%, 5.7%, 36.6% and 21.0%, respectively. In 2020, GDP value current prices was at 15.7 trillion baht while GDP per capita was 225,913.8 baht per person per year. For the economic stability, the headline inflation was at -0.8% and the current account registered a surplus of 3.3% of GDP.

Moreover, KResearch Center report the global economic recovery helped Thai exports for 4Q20 to see a smaller-than-expected contraction of -2.0 percent. However, the gaining momentum of economic recovery in 4Q20 is interrupted by the new wave of COVID-19 outbreak which started in mid-December 2020 and has persisted until now. Looking forward into the remainder of the year, if Thailand is not severely hit by a third wave of COVID-19 in the near future, plans to gradually lift border restrictions to allow international tourists to enter the country could finally proceed in the last quarter of the year. KResearch Center is of the opinion that the Thai economy in 2021 will expand at 2.6% (in an estimated range of 0.0-4.5 %).

Vaccines is the key factor in determining how and when to reopen the country to foreign tourists during the second half of 2021, since uncertainties over vaccine supply, broad-based vaccine distribution to encompass the majority of the population, and its effectiveness remain issues that should be monitored. Taking into account the current situation, the vaccine supply bound for Thailand may be insufficient to justify projected numbers of international tourists at 2.0-4.5 million people in 2021. All in all, Thailand's GDP will likely be inclined to the lower end of the range of 0.0 - 4.5 percent. Under such circumstances, the Thai government may have to shoulder a heavier burden in providing assistance to those affected by the economy.

Impacts of the COVID-1 Outbreak Situation

Krungthai Asset Management Public Company Limited Report of the COVID-19 Crisis, which occurred in the past year and has affected globally. We are faced with an unprecedented disruption of activities, mostly with negative growth. But at least there is the light at the end of the tunnel, a success on vaccine development. With the New normal, a lifestyle that is different but more similar to the original than the present. However, such may cause long-term impact on the economy even if the pandemic of coronavirus disease disappears soon.

The most often discussed next-phase impact is increased debt, a problem that occurs in all sectors of the economy; whether in public debt (Government debt), Debt of private companies or household debt. IMF estimates the public debt of developed countries rose from 104% of GDP, at the end of 2019 prior to the COVID-19 crisis, to 124% by the end of the year; excluding the stimulus measures released late last year and the beginning of this year. Household debt in Thailand increased from 79.5% of GDP, before the COVID crisis, to 86.7% at the end of the third quarter of last year. The increased in debt would weaken its financial position; and when the situation improves, it is necessary to strengthen that financial position resulting in restricting the ability to spend or invest in the future. Moreover, high debt levels may also affect interest trends and future economic performance. Weak economic growth caused the interest to be raised not as high and if the burden of interest payments is too high will further erode the ability to pay debts.

Thai Economic Trend for 2021

Office of the National Economic and Social Development Council report the Thai economic outlook for the year 2021 is projected to expand by 2.5% - 3.5%, supported mainly by (i) the recovery of the world economy and global trade volume; (ii) the government stimulus measures; (iii) the rebound of domestic private demand; and (iv) the unusually low base effect in 2020. Accordingly, it is expected that export value in US dollars term will expand by 5.8% while private consumption and total investment are expected to expand by 2.0% and 5.7%, respectively. Headline inflation tends to be in the range of 1.0% - 2.0% and the current account is estimated to register a surplus of 2.3% of GDP. Key growth components are as follows:

1. Total consumption: (1) Private consumption expenditure is expected to grow by 2.0%, improving from a decrease of 1.0% in 2020, but a downward revision from a 2.4% growth in the previous estimation. This was mainly due to the resurgence of the outbreak since December 2020 which affected consumer confidence and has led to a partial containment and lockdown measures in some areas. Nevertheless, under the baseline scenario, the new wave of the outbreak will be contain within the first quarter of 2021. Meanwhile, private consumption for the remainder of the year will be bolstered by the improved income base from export and farmers' income, together with supports from government measures to alleviate the vulnerable group and stimulate domestic demand. (2) Government consumption expenditure is estimated to expand by 5.1%, accelerating from a 0.8% growth in 2020, and an upward revision from a 4.7% growth in the previous projection. This follows the expectation that the budget under the 1-trillion-baht loan decree will have been cumulatively disbursed by 80 percent by the end of FY2021, an upward revision from 70 percent disbursement in the previous projection. The upward revision was also in line with the current budget disbursement assumptions for FY2021 at the rate of 98.0 percent, compared with 97.4 percent disbursement rate in FY2020.

2. Total investment is expected to grow by 5.7%, compared with a decline of 4.8% in 2020. Public investment is projected to increase by 10.7 %, accelerating from 5.7% in 2020. While private investment is likely to expand by 3.8%, improving from an 8.4% contraction in 2020. This downward revision is mainly due to the impact from the resurgence of domestic pandemics. However, the private investment is likely to improve from the previous year which was in line with the pickup of industrial production and exports during the recovery of world economy and global merchandize trade.

3. Export value of goods in US dollar terms is anticipated to grow by 5.8%, improving from a 6.6% contraction in 2020, and an upward revision from a 4.2%% expansion in the previous projection. Export volume is forecasted to grow by 3.8%, revised upwardly from 3.2 % in the previous projection. This was in line with the revision of the assumption of economic and global trade expansion from 4.9% and 5.0%. However, the downward adjustment of revenue from foreign tourist assumption to be in line with the delayed recovery in the number of inbound foreign tourists, resulted in slower-than-expected

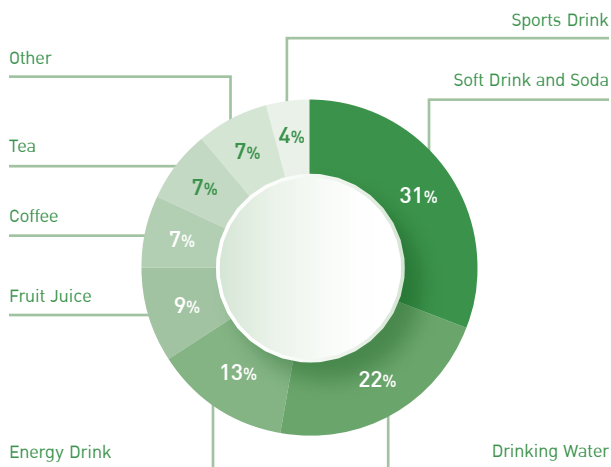
growth of export of services. Resulting in the export quantity of goods and services to decline by 0.2 %, compared to 0.1% increase in the previous estimation and compared with a 19.4% decline in 2020.

Beverage Industry

KResearch Center report COVID-19 situation, both domestic and international, continues to be fraught with uncertainty as purchasing power comes under pressure and consumers tend to spend more cautiously. Moreover, the COVID-19 prevention and control measures in Thailand include restrictions regarding on premise dining at restaurants in certain areas. As a result, growth for the non-alcoholic beverage market in 2021 is unlikely to be on par with its growth during 2018-2019 (before COVID-19 outbreak), since there are still a lot of unknowns surrounding COVID-19, and consumers' purchasing power continues to be fragile due to risk of unemployment and concerns over personal income. However, both factors may ease in line with gradual economic recovery, provided that the spread of the new COVID-19 outbreak is brought under control within the next 1-2 months.

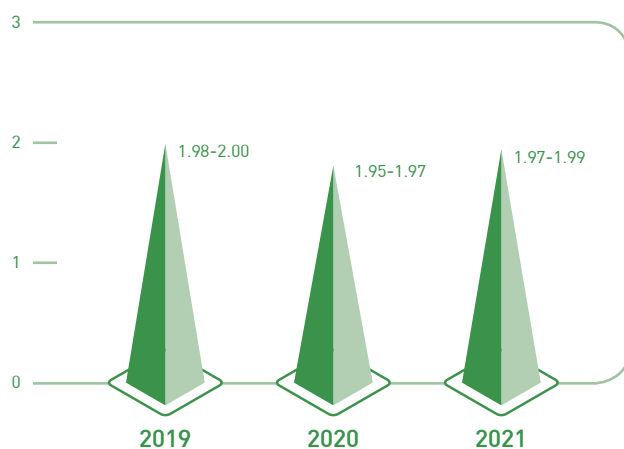
KResearch projects that the total value of the non-alcoholic ready-to-drink beverage market in 2021 will be in the range of THB 1.97 - 1.99 hundred billion, rising by 0.5 % - 1.5% from the low base of 2020, during which the growth rate for most beverages shrank. In addition, manufacturers and retailers have begun to adjust their sales strategies to match lifestyles of the 'new normal' era. Meanwhile, market competition will become increasingly intense over the forthcoming period as manufacturers compete for a bigger market share, and spur consumers' spending. Primarily, the trends for the traditional beverage market which focuses on mass segment is expected to change in line with economic conditions and purchasing power, likely to retain a majority of their market share. On the other hand, new beverages catering mainly to niche markets are projected to outperform the market average as newer products are developed to more closely meet customers' particular expectations. Nonetheless, the market share for new beverages will remain relatively smaller than that of traditional beverages in the short term. However, there's a chance to garner a larger market share over the long term, driven mainly by consumer demand.

Market Share of Non-Alcoholic Beverage Year 2021



Value of the Non-Alcoholic Beverage Year 2021

(Hundred billion baht)



Note : In 2021, expected type of beverage with growth opportunities are Specialty drink and functional drink.

Apart from fiercer market competition and weak purchasing power in 2021, other factors that could affect businesses' adaptability include the third phase of excise tax on sugar-sweetened beverages and the growing trend for usage of eco-friendly packaging that bite into business costs. Therefore, non-alcoholic beverage market is compelled to adjust to related regulations, and changes in consumer demand.

Coffee Beverage Industry

Information from www.thaismecenter.com report coffee business trend in Thailand for the year 2020, that coffee market especially fresh coffee is likely to grow continuously. The key factor is low consumption rate of fresh coffee of Thai people if compared to many other countries. Approximate average consumption rate is at 1.2 kg per person per year which is lower than in Europe where the consumption figure is approximately 4-5 kg per person per year; while people in Japan consume approximately 3 kg of coffee per person per year. With this figure coffee market has great potential to grow and may reach 10% a year, of course, the competition continue to be fierce as well. Due to many competitors, the prospect of

growth in the coffee market in 2020 is very high, driven by the consumption rate of Thai people, estimated at 300 cups per person per year. Such rate is below the average for developed countries like Japan, consuming approximately 400 glasses per person per year; or the European side, consuming about 600 glasses per person per year. With such is an opportunity for the overall picture of Thai coffee industry to continue to grow. More importantly, the public and private sectors cooperate in the development of Thai coffee industry, both in terms of quality and quantity from upstream to downstream while promoting coffee to become a new economic crop after the growth of Thai coffee market reaches 30,000 million baht.

In the meantime, report from Nestlé (Thai) Co., Ltd. on the situation of Thai coffee market in 2020 reveals that the market is still stable despite facing with COVID-19 outbreak crisis. In term of consumption trend, with the new normal era, Thai people change to drinking coffee at-home more. The overall picture of Coffee market in 2020 is at 60,000 million baht, where the overall of Thailand's coffee market in 2020 is estimated to be worth 60,000 million baht, with 33,000 million baht being attributed to at-home coffee market and 27,000 million baht to out-of-home coffee market.

At-home coffee market in 2020 grew by 10.7%. Due to the adjustment from COVID-19 crisis of coffee manufacturer and consumers, result the at-home coffee market in 2020 to grow by 10.7%. The key factors are the emergence of COVID-19 and the deterioration of the economic sector. Along with the adaptation to new trends of coffee manufacturers resulting in reduction of consumers purchasing out-of-home coffee and tends to brew their own coffee. The out-of-home coffee market growth decreased by 30%-40% and plunged down to 50% during the lock-down period; resulting in the direction of coffee consumption of Thai people to be very interesting to observe after this.

Food and beverage industry trends in 2021

Government Savings Bank Research Center Report Food and Beverage Industry Trends for the year 2021, is expected to begin gradual recovery from the new round of COVID-19 virus outbreak; which can be controlled by the first quarter of 2021. This was driven by the prospects for the recovery of domestic economy and the economies of the main trading partner countries; as well as the government's domestic economic stimulus measures. As a result, consumption and exports of food and beverages trend gradually improved. However, food and beverage industry may be at risk of slower-than-anticipated recovery if the new round of COVID-19 virus outbreak and the drought situation in the year 2021 reach a high level of severity.

Contributing factors that are driving the industry to recover.

- The recovery of the domestic economy and the economies of the main trading partners. partners (China, the United States and Japan), whereby the IMF forecast growth of the Thai, Chinese, Japanese and US economies in 2021 at 4.0%, 8.2%, 2.3% and 3.1% respectively (in the year 2020 the growth were at -7.1%, 1.9%, -5.3% and -4.3%, respectively). As a result, economic activities, manufacturing and household consumption began to recover causing the demand for food and beverage products to improve.
- Domestic economic stimulus measures by the government, such as a project to increase purchasing power for people with state welfare cards, "Khon La Khrueng" project Phase 2, we travel together measures and the improvement of Special Entry Visa measures. This will stimulate domestic spending / consumption and to continuously deliver a driving force for food and beverage consumption in 2021 to improve. However, may result in the slow recovery of the industry.
- Severity of the new wave of COVID-19 epidemic crisis, in which, if a curfew / Lockdown measures / Government orders to shutdown various locations; will cause people to consume less food and drinks outside from home. In addition, this will cause negative impact for certain types of food and beverage products, such as ham, bacon, drinking water, soft drinks, ready-to-drink tea, ready-to-drink coffee, soda, and etc.
- Risk from drought and inclement weather; by which in 2021, if still experience with severely high level drought and the weather conditions with high heat temperature; which will cause insufficient rainfall and water level in the dam to be used for agriculture. This will affect the agricultural crop yield which is an important raw material in manufacturing.
- Effective on December 30, 2020, The United States has announced to suspend Generalized System of Preferences (GSP) for 231 additional Thai products (Originally 573 items of Thai products are suspended). Such suspended result in the risk that may affect the export of food products.

TIP 1 : Food and Beverage trends to watch and are likely to grow in the future.



Healthy Food

- Organic/Clean Food
- Additive Free Food
- Reducing Fat and Sugar in Food



Super Food (Foods that focus on the concentration of ingredients that are high in nutrition.)

- Super Grain such as quinoa, chia seeds, grains and kale
- Super Fruit such as goji berry, sea buckthorn, apricot, pomegranate



Alternative Meats

- Plant-based Food (plant-based protein foods or alternative meats) such as cauliflower burgers, Mushroom Sausage, and BBQ Jackfruit Beef
- Plant-based Milk (milk extracted from plants) such as oat milk and almond milk.



Food for Seniors

- Easy to digest, fortified with calcium and protein, less sweet, fatty and salty food.
- Eye supplement or antioxidant
- Growth hormone supplement



Food and supplementary beverages that meet FDA and GMP standards*

- Dietary supplements such as Brain dietary supplement and Detox food detoxification
- Medical foods such as snack bars for people with hyperglycemia
- Functional drinks Such as vitamin drinks, Whey Protein Drink, Collagen drinks



Organic Drink

- Organic coffee / cocoa
- Organic herbal tea
- Organic fruit and vegetable juice



Healthy Drink

- Herbal drink ready to brew / ready to drink
- Drinks that contain various grain.
- WaterPlus, herbal drink mixed with vitamins and minerals
- Drinks with less sugar or sugar-free

Note : * Supplementary food and beverage shall maintain a strong standard inspection system; due to high number of counterfeiters and deceivers.

Management Discussion and Analysis for the year ended December 31, 2020

T.A.C. Consumer Public Company Limited (“the company”) would like to clarify the operating results for the year ended December 31, 2020 as follows:

Revenues

In 2020, the sales revenue of the company was 1,314.74 million baht, decreased by 13.52% from 2019 when the sales was 1,520.28 million baht. Resulted from COVID-19, that has effected the economy slow down until the end of the year. In the situation from applied “The New normal” in their businesses such as education sector, tourism sector etc. These have affected sales decline. However the company have growth revenue from (A) increase in number of outlets of All Café (a fresh coffee corner within the 7-Eleven store) where the non-coffee products, series of new seasonal flavors were sold and increment size of products and, (B) increase in Co-develop new products B2B.

Other Income

In 2020, the other income were 2 million baht, decreased by 71.75% from the previous year (being reported at 7.09 million baht). This was due to interest income and return on investment, that be effected from interest rate decreased.

Cost of Sales

In 2020, the company had the cost of sales valued 869.49 million baht or 66.13% of sale deriving 33.87% gross margin (decreased by 17.46%), while in 2019, the company had the cost of sales valued 1,053.37 million baht or 69.29% of sale or 30.71% gross margin. The cost of sales decreased in the same way of sales. Moreover, to manage the cost expenses more efficiency by controlling and developing cost of products. The gross margin increase was due to increasing in portion sale of products mix from the company have developed cost of products.

Selling and Distribution Expenses

In 2020, the selling expenses were 140.91 million baht, decreased by 27.07% from the previous year being reported at 193.21 million baht. The majority of selling expenses came from sale promotion and advertising. The Selling Expenses decrease was due to the company control the expenditure of sale promotion and advertising both domestic and oversea to spend more efficiency.

Administrative Expenses

In 2020, the company had administrative expenses of 72.31 million baht decreased by 0.44% from the previous year when there were 72.62 million baht. This Administrative Expenses have been controlled by budget, that occurred as the operation business plan.

However, the other administrative expenses decrease from 1) Unrealized Loss on exchange rate decrease 4.04 million baht due to Currency Baht appreciate of investment in foreign fund, that unrealized loss from exchange rate and 2) loss on disposal of investment in joint venture 5.22 million baht due to the company has disposal own share due to JV underperformed of operation plan in previous year.

Finance Income

In 2020, the other income were 1.99 million baht, decreased by 21.02 % from the previous year (being reported at 2.52 million baht). This was due to interest income, that be effected from interest rate decreased.

Finance Costs

In 2020, the company had finance cost valued 1.18 million baht compared to 0.35 million baht of the last year (increase by 236.44%). This finance costs were from the deferred interest of a financial lease.

Net Profit

In 2020, the company's net profit was 188.38 million baht (14.31% of sale) increased by 29.19 million baht (18.34%) from the previous year (159.18 million baht or 10.42 % of sale). The increase in net profit was driven by the increase of gross margin in portion sale of products mix, and developed costing and operation efficiency.

Business Plan 2021

In 2021, TACC aims to grow between 10-15% by creating value of existing portfolio and continue creating new product in high growth & potential markets and new trend customers.



Risk Factor

1. Risk from Key Customer Dependency

The Company's total revenue in the year 2019 and 2020, 95% and 95% come from transactions with CPALL Public Company Limited. Therefore, if the Company loses the said customer or the customer reduces its orders, it will significantly have an impact on the Company's revenue and financial performance. At present, the Company considers decreased risk from high to medium level.

Due to the fact that CPALL Public Company Limited ("CPALL") operates a retail business under the brand "7-Eleven" convenience stores in Thailand which has many distribution channels all over the country and continues to expand its branch every year and to the fact that as year 2020 there were 12,432 stores (refer: www.cpall.co.th). The Company has witnessed the high and steady growth of its product demand as well. CPALL is also a company with stable and strong financial position. As one of CPALL's suppliers under a Key Strategic Partner, the Company is given the opportunity to continuously develop its new products.

Furthermore, as the Company's products have been with 7-Eleven customers for a long time 18 years, the customers have become fond of the taste of the drinks thus they are not likely to shift to other products. This creates a competitive advantage for the Company. Both parties can gain mutual benefits, in which the Company also works closely with its customer, apart from ordinary business transaction, in exchanging ideas, determining business plans, developing products as well as packaging in order to quickly and effectively satisfy the needs of customers and the changes in market situation. It can be seen that the Company's revenue from CPALL does not only come from existing products, as the Company works together with its customers to develop new products to cover a wide range of customer group. The Company expanded to other business. From then till now, the Company manages the Beverage business only at present, Beverage business has grown more such as Instant Powder for All Café at 7-Eleven, Hot Beverage Dispenser etc. Moreover, the Company manages Bakery business, Stationary, Non-Food and Character business. Which these businesses as above will be cover the main product categories of CPALL and considered to be a risk diversification as well

The Key Milestone of Product Group at 7-Eleven since 2015-2020

	2015	2016-2017	2018	2019	2020
Cold Beverage Dispenser					
	• Milk Tea	• Milk Tea	• Milk Tea	• Milk Tea	• Milk Tea
	• Espresso	• Espresso	• Espresso	• Espresso	• Espresso
	• #4 Bowl	• #4 Bowl	• #4 Bowl	• #4 Bowl	• #4 Bowl
		+ Latte	• Latte	• Latte	• Latte
			+ Hershey's	• Hershey's	• Hershey's
All Café					
		• Green Tea	• Green Tea	• Green Tea	• Green Tea
		• Milk Tea	• Milk Tea	• Milk Tea	• Milk Tea
		• Lemon Tea	• Lemon Tea	• Lemon Tea	• Lemon Tea
			+ Yogurt Menu, Supply use	• Yogurt Menu, Supply use	• Supply use
				+ Taiwan Milk Tea	• Taiwan Milk Tea
					+ Topping and Upsizing 22 Oz
Hot Beverage Dispenser					
		• Hot Beverage Dispenser	• Hot Beverage Dispenser	• Hot Beverage Dispenser	• Hot Beverage Dispenser
Bakery					
		• A Smile	• A Smile	• A Smile	
Stationary					
		• TACC Stationary	• TACC Stationary	• TACC Stationary	• TACC Stationary

The extensive relationship with CPALL for over 18 years has been an evidence of confidence and trust given by the customer and in the year 2013 the Company was given a Partnership Award under the category "Best of Business Growth" from CPALL, which is an award granted to the partner who is well-cooperated and has an outstanding growth performance. The majority of the award winning corporations are large enterprises which show that the Company is viewed by the customer as equal to the country's leading corporations. The Company was received Exclusive Contact three years and renew a contract. Hence, the management is certain that the relationship with the customer can be maintained firmly and sustainably.

The Company has goal in 2020 by increase of Sale revenue for B2B group and B2C group is 70:30. The B2B group, the Company has always been given the opportunity to grow together with Key Strategic Partner. The B2C group, Business is growing but the proportion may growth not to catch up B2B group due to the very large market size. The detail are as follow:

- The B2B Group, There is additional menu as a signature menu is Milk Tea Brown Sugar which is launch all year.

- The B2C Group, For Character Business has significantly growth from domestic and international and additional new Character Cartoon under “Dog Please”. Which is more strength of business and beverage of B2C group has expansion to Café Business such as Muanchon, Arabitia, Jungle, CP Fresh mart, Black Canyon and Punthai Coffee.

The Company realizes the said risk and thus set its policy to reduce the risk of dependency towards the aforementioned customer by having developed dispenser beverages for Food Chain businesses with the customer. In addition, the Company also emphasizes on selling products under the Company's own brand in which the Company advertises the products in both domestic and overseas exhibitions every year. This creates product recognition as well as expanding its market to cover a wide range of customers.

2. Risk from Dependency Original Equipment Manufacturer

The Company outsources most of its production to OEM. At present the Company utilizes OEMs compare with 6-10 major OEMs from the prior year, which accounts for 79% and 83% of the Company's total finish product purchase volume of the year 2019 and 2020 respectively. The Company has launch new product by purchase finish product from OEMs. As result, the proportion of purchased finish products from OEMs increased in 2020. In case the OEM is unable to deliver products of the specified quality and standard or unable to supply produce within the ordered quantity and in a timely manner, as well as in the case that the OEM can no longer produce for the Company which could adversely have an impact on the Company business.

The Company has placed its importance on the selection of OEMs and assigns practice for the selection and evaluation of OEM clearly by preliminary taking into account OEM's expertise in manufacturing, production capacity, reputation and financial situation. If the OEM passes all of the stated preliminary quality the related department will inspect the OEM's standard quality, manufacturing procedure and process as well as conducting a trial production followed by First Batch Production. Every OEM's manufacturing plant must be certified by manufacturing standard such as GMP and HACCP from a Certified Body. Up to now, the OEMs are able

produce according to the Company's qualities and standards as well as being able to deliver finished products on time. Furthermore, as the Company has maintained a good relationship with most of the OEMs for over 3-10 years, the management is certain that the Company can continue to maintain a long term relationship with OEMs.

Moreover, the Company has set key OEMs by the letter of cooperation for emphasize Key Strategic Partner and shown commitment between two companies for business cooperation in the future. In addition to the main OEMs stated, the Company also hires other OEMs from time to time in order to maintain relationship with them and reduce the risk of relying on a few major OEMS. The Company's products especially instant powder beverages do not require complicated process or advance technology; therefore, it is not difficult to find a manufacturer with the required standards. In addition to that, In 2013 the Company has invested in a manufacturing plant for the production of instant powder beverages which allows the Company to gain a better understanding of the production process and procedure, cost control as well Yield Loss. This also allows the Company to have more bargaining power when negotiating with the OEMs. In this year, the Company establish factory at Chonburi for support the production capacity of B2B business. The Company has diversifies risk to the BanBuang Factory with and add production line and standard of the high production to giving the company more potential.

On the contrary, the management's policy to hire those major OEMs, in which their plants are located in Ratchaburi, Ayutthaya, Rayong Samut Prakarn, and Nakhon Pathom, to produce most of the products, as opposed to having own processing plants is a way to reduce risk. In the event of natural disaster such as flooding and earthquakes, the Company can shift the production to other unaffected OEMs in order to continue delivering products to customers and it also allows the Company to utilize different OEM's potentials and strengths for the utmost benefits of the Company.

3. Risk from Fluctuating Raw Materials Prices and Shortage of Raw Materials

The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of raw materials to be used in the production and the Company's performance. Additionally, if

there is a shortage of main raw materials in could affect the taste of beverages and also increase the cost of production.

The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of sugar to be used in the production by the Company and OEMs, by taking into account the forecasted sale and production plan and enters into a contractual agreement with the supplier and key supplier make risk management plans together. Research and Development Department jointly with Procurement Department to planning select and test second source of raw materials used in large quantities.

Nevertheless, the Procurement Department monitors supply quantities and prices of main raw materials closely in order to ensure that the Company can source sufficient raw materials with a competitive price. It is the procurement duty to search for new raw materials for the Research and Development department to analyze and evaluate the substituted raw materials that have similar qualities to the raw materials being used currently. The raw materials are sought from different are sought from different regions in order to get new sources that provide the same quality raw materials which can be used as substitutes. This provides the Company with more options when procuring raw materials as well as enabling the Company to develop alternative recipe in case of a shortage of main raw materials. Thus, it can reduces the impact from materials shortage and ensure the taste and quality of product.

4. Risk from New Product Development and Risk of Research and Development Personnel Dependency

The Company places its importance on research and development of new products which is the key strategy used to differentiate products by means of diversified forms and tastes in order to meet the continuously changing consumers' life styles and increase Company's competitiveness. There are many processes involved in research and development of a new product. It is time consuming and requires high investment. The Company has more involves gathering of information for product development, conducting a research on consumers' needs, finding ingredients and packaging, production and consult with agencies or experienced people to help design,

develop products and production. The Company plan to development of new products by rotating projects in a variety of groups for each individual. To increase the capabilities of the individual personnel and the formula was tested by using a lab with equipment and machines that are close to the actual production process. To obtain a product that is representative in quality close to the actual product process. Moreover, all the way to putting together a marketing campaign through advertising and promotion to create consumers' brand awareness. For these reasons, the Company faces a risk of launching an unsuccessful product to the market which could have an impact on the Company's business operation and performance.

Nevertheless, the Company has a research and development team with knowledge, expertise and many years of experience in beverage industry as well as a good understanding of consumer's behaviors. They are able to constantly develop products that serve the needs of consumers. It takes cooperation among marketing department, sales department, business development department and research and development department in the development of a new product beginning with a market research and identifying business opportunities, conducting a Project Feasibility study, product research and development, market testing, as well as conducting a consumer needs research. This is to ensure that the Company's new product will receive a positive response from the consumers. In 2016, the Company joined the government project "Food Annapolis" is will bring science technology and innovation for develop economy and society of Thailand. Therefore, the Company has more knowledge.

In addition, the Company has a policy to retain human resources in research and development field as they are the key workforce by, for instance, providing scholarships to increase employees' skill and knowledge. The majority of the personnel in research and development have been with the Company since its establishment. The Company has evaluate performance system and promote employee as a potential and contributions. Therefore, the management is confident that with the mentioned policy the company can retain the key workforces for many years to come, and that the Company would be able to develop successful products that serve the needs of consumers.

5. Risk from Leakage of Secret Recipe

It is very crucial that the Company keeps its formula a secret. Leakage of recipes could have an impact to the Company's business; therefore, The Company has policies and practice for preparation of raw materials, packing and finish goods and only restricted personnel have access to the recipes. As the Company relies on OEMs, the Company has set up codes for key ingredients and flavors used in the production for the purpose of keeping its recipes undisclosed. For some products, the Company delivers pre-mixed ingredient to OEMs. In addition, a confidentiality clause is clearly stated in all OEM contracts. For personnel in research and development department and other department who are involved in the formulation and development of products, the Company has arranged for a memorandum of understanding for keeping confidential information to be signed by all employees involved. This is to prevent the disclosure of information related to formulas, ingredients, product information and other relating information to external parties.

6. Risk from Industry Competition

Due to the growth trend in the beverage industry, many entrepreneurs find it attractive to enter into the industry. This causes high competition among current and new players. Large enterprises may have more advantage on access to source of investment funds or opportunity of a joint venture with foreign companies. Besides, they have more advantage on cost of production as they benefit from the Economy of Scale and from the use of more advanced machinery, in addition to the ability to conduct research and development applying high technologies. Furthermore, large enterprises adopt various strategies to boost sales and to acquire more market share. This leads to intense competition in the industry. In this year, the Company has consideration of Indirect Competitors as a having a product that is similar to us or that consumers can substitute for our products.

As the Company's management has more than 20 years of experience in beverage industry, they have thorough understandings of beverage industry especially non-alcoholic beverages. They also possess comprehensive understanding of consumers' behaviors allowing them to set effective marketing strategies and appropriate management policies of various aspects. The Company's key strategies are to focus on developing unique and different products as well as giving

high importance to working closely and sincerely with Business Partnership in order to build strong relationship and to grow together. Moreover, as an SME the Company faces limitations in terms of investment funds, thus the management must analyze the competitive situation thoroughly in order to find new opportunities and market thus the management must analyze the competitive situation thoroughly in order to find new opportunities and market that the Company is able to compete. For the said reasons, the Company is able to continuously expand its business and the management is certain that there will be no significant impact derived from the aforementioned competitiveness.

7. Risk from Piracy of Character Business

Licensing is an act of one party granting license to another party for production by using its trademark license and other market-related rights. Licensees have to pay an agreed licensing fee as a royalty fee.

The Company has a licensing agent of San-X, Representative agent of "Dog Please" as a local popular character in Thailand and "Art Story" is a social enterprise business for autistic individuals and other exceptional persons. The Risk Management of Character Business that the Company has legal team who are knowledge and expertise in copyright of Character Business, Take care of copyright infringement, covering all character businesses and there are still clear procedures for handling piracy.

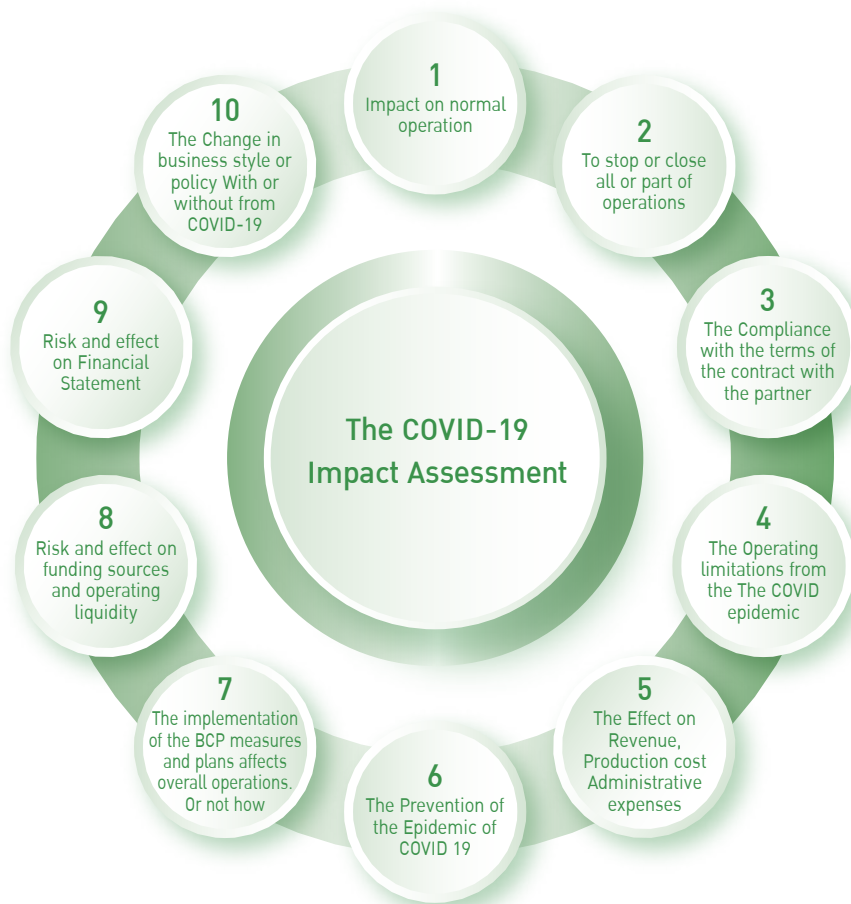
8. Risk from Covid-19 Epidemic

In the wake of the crisis, the COVID-19 epidemic has been devastating across the world since the beginning of 2020. Not only about the illness and death of people. The use of lockdown measures in many countries to stop the epidemic has prevented people from living normally, creating an unprecedented lifestyle change. Prevention using social distancing measures has resulted in a major disruption in socio-economic activities. Many experts and analysts believe that the world after the COVID-19 crisis will definitely change from before because during the recent COVID-19 crisis, many things changed people's lives. Many businesses are quite affected, for example the restaurant business faces new challenges. Therefore, there must be an adjustment to meet the needs of the customer. The slowdown in the tourism sector

was driven by a sharp decline in the number of foreign and Thai tourists. As well as the economic slowdown factor as a result of the various business sectors temporarily shut down which continually affects the purchasing power of consumers. Causing businesses and consumers to be careful in their spending

The Company has emphasize to Risk Management of Covid-19 epidemic with starting within the organization. The Company has Incident Management and Crisis Resolution Committee (IMCR). They are continuously monitor the situation of movement such as Notification of Measures to prevent and control Covid-19, The Practice for office space and employees

and Guideline for Work From Home. The Company has emphasize to preparation and accommodate in the event of an epidemic of dangerous communicable diseases and affect the continuity of work. Therefore, an emergency plan (Business Continuity Plan) has been prepared. The Risk Management Committee has considered the management of such risks. All parties in the organization were encouraged to jointly create a Covid-19 impact assessment. That it affects the self in any side are taken into account together to include the overall organization And to make them aware of the future business direction assessment examples of the Covid-19 impact assessment form are as follows:



However, In business operation in 2020, the Company continues to focus on cost control, Cost management strategies for maximum benefit and increase efficiency in business operations as much as possible In order to maintain profitability. When the situation returns to normal by focusing on strategies to generate sales in the 7-Eleven stores

Continuously. Because it is a large market easy access to customers and has a number of branches covering all areas. At present, 7-Eleven stores provide delivery services that can meet the needs of consumers to keep up with the current situation as well.

Shareholder and Management Structure

Stock and Shareholders Information

1. Registered Capital and Paid-up Capital

As at 31st December 2020, the Company has registered capital of Baht 152,000,000 and issued and paid-up share capital at Baht 152,000,000 separated into ordinary share at 608,000,000 shares at par value of 0.25 Baht.

2. Shareholders Structure

The list and percentage of shareholding of the first 10 major shareholders that are listed on the latest shareholder's registration as at 28th December 2020.

Name of Shareholders	No. of Share	%
1. Mr. Chatchawe Vatanasuk	150,631,064	24.775
2. Thai NVDR Company Limited	67,297,027	11.069
3. Mr. Thanutum Kiatphailool	61,831,843	10.170
4. Mr. Chanaphan Piriyaphan	14,098,700	2.319
5. Mr. Nuthajak Liengchayetz	12,000,000	1.974
6. Ms. Pawenee Suwanmethanont	10,700,000	1.760
7. Mr. Nantana Suwanparin	8,933,572	1.469
8. Mr. Vasin Detchkijvikom	7,150,000	1.176
9. Mr. Chai Manopas	6,988,000	1.149
10. Mrs. Pinporn Tubtimcharoon	6,282,800	1.033
Total	345,913,006	56.894

Note : Mr.Thanutum Kiatphailool is the Company's co-founder shareholder and did not participate in the management.

3. Issuance of Other Securities

-None-

4. Dividend Payment Policy

The Company has the policy to pay dividend at the rate of not less than 30 percent of net profit of the Company separate financial statement after corporate income tax and

allotment of reserved fund as required by the law in each year. However, dividend may be paid at different rates from the specified policies by subjected to the Company's operating results, financial liquidity and the requirements for working capital for Company's management and future business expansion plan as well as the economy conditions.

Management

1. Board of Directors

As at 31st December 2020, The Board of Directors has a total of 7 Directors consisted, which are as follow:

Name and Last name	Position
1. ADM Apichart Pengsritong	Chairman of the Board of Directors and Independent Director
2. Assoc.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director
4. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director
5. Mr. Chanit Suwanparin	Director
6. Mr. Chatchawe Vatanasuk	Director
7. Mrs. Chirapan Khotcharit Choosang	Director

Ms. Panjaporn Roeksomboon, act as the Company Secretary, who was appointed by the Board of Directors Meeting No. 2/2015 on 17th February 2015.

Authorized Director Signatory Representing the Company

Mr. Chatchawe Vatanasuk signed together with Mrs. Chirapan Khotcharit Choosang, a total of 2 persons and affix the corporate seal.

The Board of Directors Meeting

In the year 2019 and 2020, the Company has set the meeting of Board of Directors Meetings 7 time and 5 time. The details of the attendance of each Director are as follow.

Number of meeting and number of times each Director attended the meeting in the past year.

Name-Last name	Position	No. of times attended the Meeting/Total No. of Meeting	
		2020	2019
1. ADM Apichart Pengsritong	Chairman of the Board of Directors and Independent Director	7/7	5/5
2. Assco.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director	7/7	5/5
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director	7/7	5/5
4. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director	7/7	5/5
5. Mr. Chanit Suwanparin	Director	7/7	5/5
6. Mr. Chatchawe Vatanasuk	Director	6/7	3/5
7. Mrs. Chirapan Khotcharit Choosang	Director	7/7	4/5

Note : In the case that some of the directors are unable to attend the meeting due to important mission.

Chairman of Board of Directors Scope of Duties and responsibilities

The Company's regulation no.27:

"In the meeting of the Board of Directors, Chairman or the authorized person shall send the notice of the meeting to the director not less than 7 days prior to the meeting date. Unless urgent need to maintain the rights or benefits of the company. The meeting will be informed by other means and the meeting date will be earlier than that.

In the event that two or more directors request to convene the meeting. The Chairman has set the date and assign the meeting shall be held within 14 days from the date of such request."

And to segregate the authority on the policy and management of the company for separate clearly. The Company requires the Chairman of the Board of Directors and Chairman of Executive Committee as a different person. The Scope Duties Chairman of the Board has the following:

1. Notification of the Board of Directors Meeting, as a Chairman of the Board of Directors and the shareholders' meeting and they are role in setting the agenda with the Chairman of the Executive Committee.
2. Have a role in controlling the meeting effectively. As a comply with the Company's regulations, support and allow the directors to express their opinions independently.
3. Support and promote the Board of Directors act as fully as possible, the scope of authority, responsibility and good corporate governance.
4. Supervise the management of the Board of Directors and other committees to achieve the objectives.
5. To be the casting vote of the meeting of the Board of Directors and both votes are equal.

Board of Director Scope of Duties and responsibilities

1. The Board of Directors has the authority, duty, and responsibility in managing and operating Company business to be in accordance with the law, objectives, Articles of Association, and resolution of the shareholders' meeting with integrity and prudence, in order to maintain the interest of the Company.
2. Manage the preparation of balance sheet and profit and loss statement as at the end date of the Company's Accounting period, which the auditor shall audit and propose to the shareholders meeting for consideration and approval.

3. The Board of Directors will determine the goals, guidelines, policies, business operation plans, and budgets of the Company, and monitor and supervise the management and administration of the management division to ensure compliance with the specified policies, plans, and budgets with efficiency and effectiveness.
4. The Board of Directors will review, audit, and approve the Company vision, policy, direction, strategy, and business operation plan that is proposed by the management division.
5. The Board of Directors will continuously monitor the Company's operation to be in line with the operation plans and the budget.
6. The Board of Directors shall ensure that the Company implement appropriate and efficient accounting system as well as ensure the reliability of financial report and account auditing. Moreover, to ensure that the Company maintain adequate and appropriate internal control system and internal audit system.
7. The Board of Directors will determine a comprehensive Risk Management policy and monitor to ensure that the Company implements a system or procedure for managing risks with appropriate measures for dealing with and minimizing impact on the business of the Company.
8. The Board of Directors will determine the Management structure and have the authority to appoint the Executive Committee, Managing Director, and other Subcommittees as seen appropriate and to determine the scope of authority of the Executive Committee, Managing Director, and Subcommittees appointed. Authorization given under the scope of authority and duty specified shall not constitute authorization or sub-authorization that causes the Executive Committee, the Managing Director, or the committees to have the authority to consider and approve a transaction which may have conflict, interest or conflict of interest with the Company (if any), except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.
9. Prepare annual report of the Board of Directors and will be responsible for preparing and disclosing financial statements to reflect the financial status and operating results of the previous year, and present to the shareholders meeting for consideration and approval

10. Supervise and manage the Company's operation to be in accordance with the policies that defined the law on securities and stock exchange, Notification of the Capital Market Supervisory Board and the terms of the Stock Exchange of Thailand such as conducting related transaction and acquisition or disposition of significant assets, as long as it does not goes against or contradict with other laws.
11. The Board of Directors may authorize one or more Directors or any other person to take any action on behalf of the Board of Directors under the supervision of the Board of Directors, or may authorize such person to have the authority deemed appropriate by the Board of Directors for the period deemed appropriate by the Board of Directors. The Board of Directors may cancel, revoke, change, or amend such authorization as deemed appropriate.

Such authorization shall not constitute authorization or sub-authorization in a manner which causes the person to have the authority to consider and approve a transaction in which they have a conflict, interest, or a conflict of interest in any other manner to be made with the Company or a subsidiary (if any) as defined in the notifications of the Capital Market Supervisory Board or the SET, and/or any other notifications of relevant agencies, except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.

Authority of the Board of Directors

1. To approve preparation and announcement of organization chart.
2. To approve the changes in duties and responsibilities of the level of Assistant Managing Director upwards.
3. To approve the annual action plan and budget and operation plan (Including budget and expense budget).
4. To approve of investment budgets and fixed asset purchases in the amount exceeding the authority of the Executive Committee.
5. To approve the investment budget outside the budget plan in the amount exceeding the authority of the Executive Committee.
6. To approve the appointment of the Audit Committee and Executive Committee.
7. To approve the workforce that is not in the annual budget from the level of Assistant Managing Director upwards.
8. To approve the determination of the employment rate that is / is not in the annual budget of the level of Assistant Managing Director upward.
9. Approve the employment and recruitment of employees who are not in the annual budget from the level of Assistant Managing Director or higher.
10. To approve the performance evaluation and consideration of salary / bonus adjustment and annual promotion, level Chief Executive Officer.
11. To approve the appointment of the transfer of employees at the level of Assistant Managing Director upward.
12. To approve for termination of the position of Chief Executive Officer.
13. To approve of termination in case of compensation according to law Chief Executive Officer and no termination of employment compensation for the Managing Director and Chief Executive Officer.
14. To approve of purchase of machinery according to the investment budget and purchase other assets in an amount exceeding the authority of the Executive Committee.
15. To approve of advance payment to employees to be a company expense in the amount exceeding the authority of the Executive Committee.
16. To approve other expenses in the business of the company in an amount exceeding the authority of the Executive Committee.
17. To approving expenses outside the budget plan in the amount exceeding the authority of the Executive Committee.
18. To approving the formulation or change of financial policy.
19. To approve the appointment / change of authorized signatory of disbursements with banks / financial institutions and opening / closing deposit account with banks / financial institutions.
20. To. approval for setting / changing policies / accounting rules.
21. To approve write-off / disposal from bad assets of fixed assets and obsolete / depreciated assets in The amount exceeding the authority of the Executive Committee.

2. Audit Committee

As at 31st December 2020, The Audit Committee consisted of 3 members, which are as follow:

Name and Last name	Position
1. Assco.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director
2. Mrs. Paktra Suriyapee Audit	Committee and Independent Director
3. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director

Assoc.Prof. Kitti Siripullop and Mr. Komsak Wattanasriroj are the Audit Committee, who posse adequate knowledge and experience to perform duties in auditing the reliabilities of financial Statement.

Assoc.Prof. Kitti Siripullop, graduated with Master degree in Business Administration (Finance and Banking) from Chulalongkorn University, graduate with bachelor degree in Accounting (Second Class Honors) from Chulalongkorn University. He has appointed in accordance with the Board of Directors Meeting resolution No. 3/2017 on 14th June 2017.

Mr. Komsak Wattanasriroj graduated with master degree in business administration from Srinakharin Wirot University and Bachelor of Accounting from Ramkhamhaeng

University. He has experienced in working as a chief Financial officer, Mono Technology Public Company Limited. Mr. Komsak Wattanasriroj were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.

Ms. Panjaporn Roeksomboon is the Audit Committee Secretary, who was appointed by the Audit Committees Meeting No. 2/2015 on 14th May 2015.

The Meeting of Audit Committee

In the year 2019 and 2020, the Company has set the meeting of Audit Committee 4 time equal prior year. The details of the attendance of each Directors are as follow.

Number of meeting and number of times each Audit Committee attended the meeting in the past year.

Name-Last name	Position	No. of times attended the Meeting/Total No. of Meeting	
		2020	2019
1. Assoc.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director	4/4	4/4
2. Mrs. Paktra Suriyapee	Audit Committee and Independent Director	4/4	4/4
3. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director	4/4	4/4

Scope of Duties and Responsibilities

1. To review the accuracy and sufficiency of the financial reports of the Company.
2. To review the Company to ensure that the internal control and internal audit systems are suitable, and effective, and to review the independence of internal audit section, including approving the appointment, transference, or

termination of internal audit section supervisor (heads) or those of other workgroups responsible for internal audit.

3. To review the Company to ensure that its operation is in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.

4. To consider, propose, appoint and lay-off independent persons who shall be assigned as the Company's auditor, to propose auditor's remuneration, and to participate in a meeting with the auditors at least once a year without management team.
5. To review connected transactions or any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those items are reasonable and of utmost benefits to the Company.
6. To prepare the Report of the Audit Committee and disclose the report in the Company's Annual Registration Statements. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information.
 - (a) Opinions on accuracy, completeness and credibility of the Company's financial reports;
 - (b) Opinions on sufficiency of the company's internal control system;
 - (c) Opinions on the Company's compliance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
 - (d) Opinions on suitability of auditors of the Company;
 - (e) Opinions on transactions of possible conflicts of interest
 - (f) The number of audit committee's meetings, and attendance of each audit committee member;
 - (g) Opinions or observation by the audit committee during their auditing practice according to charter; and
 - (h) Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the Company's board of directors.
7. To take care of any other action assigned by the board of directors with the consent of audit committee.

Independent Directors Qualification

Independent Director is an individual who possess a complete qualification imposed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:

1. An Independent Director holds not more than 1% of all shares with voting rights of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority. This is inclusive of shares held by anyone who is affiliated with them.
2. An Independent Director is a Director, who is not involved in the management of work, Employees, staff, consultants with monthly salary or Entities with Controlling Authority over the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, either at the present time or within two years prior to his/her appointment as an Independent Director. Unless the foregoing status ended at least 2 years.
3. Has no blood relation or legal registration under the status of father, mother, spouse, sibling, son/daughter or spouse of son/daughter of other Director. Further, an Independent Director has no connection with an Executive, a Major Shareholder, an Entity with Controlling Authority or an individual who will be nominated as Director, Executive or Entity with Controlling Authority over the Company or the Subsidiary.
4. Have no or never had business relationship with the Company, its parent company, subsidiaries, a Joint/Associated Company, major shareholders, or entity with controlling with controlling authority in such a manner that may obstruct their exercise of independent discretion. Further, an Independent Director is not being or never been the significant shareholder or an Entity with Controlling Authority over a party of any person having business relationship with the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, unless the foregoing status ended at least 2 years.

5. Is not or has never been the auditor of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, and is not a Significant Shareholder, an Entity with Controlling Authority or a partner to the auditing firm which is the auditor of the Company, Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority are associated unless the foregoing status ended at least 2 years.
6. Is not or has never been a person rendering any professional service or a legal or financial consultant with received service fee of more than 2 million Baht per year from the Company, the Parent Company, a Subsidiary, a Joint Company, a Major Shareholder or an Entity with Controlling Authority, and is not the Significant Shareholder or an Entity with Controlling Authority over the Company or a partner to such professional service provider unless the foregoing status ended at least 2 years
7. Is not the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholder related to the major shareholders.
8. Does not engage in a business of the same nature and is significantly competitive to that of the Company or its subsidiaries, or is not a significant partner to a partnership or a Director

with involvement in the management of work, Employees, staff, consultants with monthly salary, or, who holds more than 1% of the total shares with voting rights of any other company which is engaged in a business of the same nature and which is significantly competitive to that of the Company or a Subsidiary.

9. Does not have any other characteristic which prevents him or her from giving independent opinion regarding the business operation of the Company such as business partner, creditors and trading partner which may cause conflict of interest.
10. Knowledge and understanding in Nature of Business and also has ability to business benefit of the Company.
11. Independent Directors has report to the Board of Director Directly, If any events that may be lacking qualification of independence as an Independent Director.
12. Independent Director has year of directorship not more than 9 years.
13. Independent Director has not as a Director in listed Company more than 5 Companies.

After the appoint as a Independent Director is according to the above characteristics. The Independent Director may be assign from Board of Director to decide for operation of the Company, Subsidiary, Associated Company, Affiliate, Major shareholder or controlling Authority and the decision can be made in a faculty.

3. Nomination and Compensation Committee

As at 31st December 2020, The Nomination and Compensation Committee consisted of 3 members, which are as follow:

Name and Last name	Position
1. Mrs. Paktra Suriyapee	Chairman Nomination and Compensation Committee
2. Mr. Komsak Wattanasriroj	Nomination and Compensation Committee
3. Mr. Chanit Suwanparin	Nomination and Compensation Committee

Ms. Panjaporn Roeksomboon is the Secretary of Nomination and Compensation Committee.

Number of meeting and number of times each Nomination and Compensation Committee attended the meeting in the past year.

Name-Last name	Position	No. of times attended the Meeting/Total No. of Meeting	
		2020	2019
1. Mrs. Paktra Suriyapee	Chairman Nomination and Compensation Committee	1/1	2/2
2. Mr. Komsak Wattanasriroj	Nomination and Compensation Committee	1/1	2/2
3. Mr. Chanit Suwanparin	Nomination and Compensation Committee	1/1	2/2

Duties and Responsibilities of the Nomination and Compensation Committee

1. Review the structure, composition and the qualifications of the Board of Director.
2. Select and recruit individuals with knowledge and capabilities, suitable with Company's business; then propose to the Board of Director or Annual General Shareholders Meeting to consider and appoint. In case where the position is vacant such individuals should also be suitable to be nominated as the Directors.
3. Review development plan for the Board of Director succession plan.
4. Review and propose the structure of remuneration for the Board such as remuneration, pension, bonus, welfare, meeting allowance and other benefits both financial and others as agreed.
5. Assess the performance of the Board of Director and submitted the report to the board of director annually.
6. Consider and propose the chairman of the Executive board remuneration structures such as salary, bonus, provident fund, and social security.
7. Responsible for any other tasks related to the nomination and remuneration as assigned by the Board of Directors.

the individuals to be selected and nominated as a director in various field, such as

- Integrity and responsibility
- Making decision with information and reason
- Being a prudent and mature person and a good listener who is able to advance constructive debates and independent opinions
- Adhere to practice professionally with principle and standard
- Other significant characteristics

- 2) Knowledge and expertise required to have on the Board

The Nomination and Compensation Committee should consider and formulate specific elements of competencies that the Board of Directors need, for the board to excel in formulating the business strategies and policies and implementing the devised strategies effectively.

- 3) Board Diversities

In addition to the formulating of Directors' characteristics and Board's competencies, the Nomination Committee may consider and formulate guidelines related to the diversity of other characteristics of the Board of Directors. For example, the Board of Directors may consist of representatives from a variety of stakeholders, education backgrounds, age, gender and etc.

Guidelines for Nomination of Director

Guidelines have been set for determining and screening of candidates who will be nominated as Director of Nomination and Remuneration Committee. The following compositions are to be considered:

- 1) Required characteristic in each director
The Nomination and Remuneration Committee has considered and specified characteristic of

Board diversity policy

The Board of Directors is aware of the benefits of the diversity of the Board of Directors and sees it as an important factor in increasing the efficiency of decision making and the work of the Board of Directors



The diversity is not just limited to gender but also Age, Education, Professional experience, Skills and knowledge. Therefore, the recruitment and consideration of the company's Directors will be based on knowledge and capability and use of criteria for selection. Which takes into account the benefits of diversity.

Criteria for Selecting New Director

In recruiting Director, the Company will consider the diversity of the Board of Directors' characteristics. This is to support the operation to be in accordance with the business strategy and sustainable development of the Company. The Selection of the Board of Directors will base on the capability of the applicants. The criteria for determining are as follow:

- The applicants will be considered on the diversity of the Board characteristic which includes gender, age, qualification, experience, knowledge and expertise.
- Consider the leadership role, vision, ethics and integrity by upholding the highest principles of Good Corporate Governance.
- The applicant must not be blacklisted by any organization (Including The Securities and Exchange Commission) or have been convicted of a criminal offense.
- Applicant applying for independent directors must meet the criterion of independent directors.
- Consider from other qualifications that may be related, as appropriate.

Process of appointing new Director

When appointing new Director (vacant in the director position or to increase the number of director in the Board of Director) the Board of Director will follow the procedure in selecting and appointing new director. The procedures are as follow:

- The Nomination and Compensation Committee will evaluate the skills, experience, expertise and the diversity of each member of the Board of Directors; as well as specified other qualification as they see appropriate. This is to be in comply with the organization's business operation strategy and to fulfill other necessary qualifications that is still lacking. This is done by considering the appropriate number of independent directors in the board of director as well as considering the Corporate Governance principle specified by Stock Exchange of Thailand

- Nomination and Compensation Committee may select appropriate individuals to sit in the position of Director through the Board of Director members' and the Chief executive officers' personal channel. The Company may hire outsources in recruiting or uses committee database from IDO.
- When Nomination and Compensation Committee has screen the applicant, each eligible candidate will be selected.
- Nomination and Compensation Committee propose the name of new directors to the Board of Director to propose to the shareholders' meeting to approve and appoint. In the case where the position is vacant due to other reasons apart from retirement by rotation, propose to the Board of Director for consideration, approval and temporary appointment.

Moreover, If the Company has strategy of operate new business without from the original business. The nomination director is necessary nomination who has attribute and direct experience with new business will proceed. To consider to Board of Director and/or shareholder meeting to approval as the case.

The Orientation of New Director

The Board of Director assign the orientation of new director to create knowledge and understanding of the nature of business and to prepare for the duties of the Board of Directors. Meanwhile, to be enhance knowledge and new perspectives for all directors. Whether the good corporate governance, business, industry conditions, new technology or innovation for support the effective performance of the directors. The Company secretary is the coordinator for various matters are as follows.

- 1) Nature of Business, Business Structure, Director Structure include scope, authority and various laws that should be known.
- 2) Operation guidelines, Historical performance overview.
- 3) The prepare meeting with Chairman, Chairman of Executive Committee and Managing Director to inquire in-depth information about the business operations of the company.

In 2020, the Company has no recruit new Director. So, the present new information to Directors such as Regulation of law, New regulations and good corporate governance (CG Code)

4. Risk Management Committee

As at 31st December 2020, The Risk Management Committee consisted of 5 members which are follow:

Name and Last name	Position
1. Mr. Komsak Wattanasriroj	Chairman of the Risk Management Committee
2. Mr. Chanit Suwanparin	Risk Management Committee
3. Mr. Chatchawe Vatanasuk	Risk Management Committee
4. Mrs. Chirapan Khotcharit Choosang	Risk Management Committee
5. Ms. Parichat Chotipumiwet	Risk Management Committee

Ms. Panjaporn Roeksomboon is the Secretary of Risk Management Committee

Number of meeting and number of times each Risk Management Committee attended the meeting in the past year.

Name-Last name	Position	No. of times attended the Meeting/Total No. of Meeting	
		2020	2019
1. Mr. Komsak Wattanasriroj	Chairman of the Risk Management Committee	3/3	1/1
2. Mr. Chanit Suwanparin	Risk Management Committee	2/3	0/1
3. Mr. Chatchawe Vatanasuk	Risk Management Committee	1/3	1/1
4. Mrs. Chirapan Khotcharit Choosang	Risk Management Committee	3/3	1/1
5. Ms. Parichat Chotipumiwet	Risk Management Committee	3/3	1/1

Scope of Authority, Duties and Responsibilities of Risk Management Committee

- Support the company to maintain Good Corporate Governance procedure, to perform transparently and to have sufficient, appropriate and effective internal control system.
- Formulate policies for risk appetite level and risk tolerance level as well as propose risk management policies to the Board of Directors to be approved. Which cover all aspect of significant risk such as strategic risk, credit risk, market risk, liquidity risk, operational risk, concentration risk, compliance risk, emerging risk and corporate reputation risk.
- Plan risk management strategy to be in conform to risk management policy. The committee should be able to assess, monitor and control risk at the appropriate level, especially significant risk.
- Control, monitor, measure and evaluate risk management as well as ensure that the company operates in accordance with the specified risk management policies; along with performing in accordance with the formulated regulatory.
- Review risk management report and perform to ensure that the organization has appropriately manage the risk as well as review the adequacy of risk policy and risk management system; including the system's effectiveness and the implementation of the formulated policies.

6. Consider adjust and revise as well as give opinion on the policies, work plan and risk management process on different aspect; including to propose to the Board of Director to consider and approve.
7. Regularly report the Company's risk status and the guidelines that need to be rectified to the Board of Directors and notify the audit committee of the things that need to be rectified in order to be in confirm with the formulated policy and strategy.
8. Provide Risk Management Sub-Committee as necessary for assessment all risks in accordance with the organization's goals and scope of responsibility.

4. Executive Committee

As at 31st December 2020, The Executive Committee consisted of 7 members which are follow:

Name and Last name	Position
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Committee
2. Mrs. Chirapan Khotcharit Choosang	Executive Committee
3. Mr. Suphot Leenanurak ¹⁾	Executive Committee
4. Mrs. Suveeraya Ansavananda	Executive Committee
5. Ms. Hatsaya Charuwitayanan	Executive Committee
6. Ms. Preawnapa Nimma ¹⁾	Executive Committee
7. Ms. Parichat Chotipumiwet	Executive Committee

Note : ¹⁾ The Director No.3 and 6 has appointment to Executive Committee effective on February 20, 2020 onward.

Former Executive Committee resigned during the year 20120 as follow:

Name and Last name	Position
Mr. Woraphot Tangmanuswong	Executive Committee

Note : Mr.Woraphot Tangmanuswong was resigned from the position with effective on March 31, 2020 onward.

Number of meeting and number of times each Executive Committee attended the meeting in the past year.

Name-Last name	Position	No. of times attended the Meeting/Total No. of Meeting	
		2020	2019
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Committee	6/13	8/12
2. Mrs. Chirapan Khotcharit Choosang	Executive Committee	13/13	12/12
3. Mr. Suphot Leenanurak ¹⁾	Executive Committee	11/12	-
4. Mrs. Suveeraya Ansavananda	Executive Committee	13/13	10/12
5. Ms. Hatsaya Charuwitayanan ¹⁾	Executive Committee	13/13	10/12
6. Ms. Preawnapa Nimma ¹⁾	Executive Committee	11/12	-
7. Ms. Parichat Chotipumiwet	Executive Committee	13/13	12/12

Note : ¹⁾ The Director No.3 and 6 has appointment to Executive Committee effective on February 20, 2020 onward.

Scope of Authority, Duties and Responsibilities of Executive Committee

1. Consider and determine the proposal of Management team and propose goals, policies and business plan, including the Company's annual budget to the Board of Directors for consideration and approval.
2. To supervise and monitor the Company's operating results to be in accordance with the policies, goals, business plan and specified budgets as well as supervise the operation to maintain quality and efficiency.
3. To consider approving tasks related to normal business transactions such as investing according to the investment budget or the budget as approved by the Board of Directors and etc. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors.
4. Propose organization structure appropriate for the Company operation to the Board of Directors to consider and approve, including to consider the raise of salaries and bonuses of employees ranging from the Assistant managing Director down.
5. To consider profit and loss of the Company, proposal for payment of interim dividend or annual dividend for submission to the Board of Directors for approval.
6. Has the authority to appoint or hire consultants that are related to the internal management of the Organization to achieve maximum efficiency.
7. To have the authority to authorize any one or more persons to take any action under the supervision of the executive committee or to assign authority to such person as deemed appropriate by the executive committee, and for the period deemed appropriate by the executive committee. The executive committee may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.
8. To perform other actions or operations as assigned by Board of Directors from time to time. Authorization of duty and responsibility of the executive committee shall not constitute authorization or sub-authorization that enable the person authorized by the executive committee to approve a transaction in which they or other persons likely with a conflict (as defined by the notifications of the Capital Market Supervisory Board and/or the SET and/or relevant organizations) have an interest or any other conflict of interest with the Company, subsidiary, and/or related company. The executive committee does not have the authority to approve such matter but shall propose to the board of directors meeting and/or shareholders meeting (as the case may be) for approval, except for approval of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or relevant organizations.

6. Risk Management Sub Committee

As at 31st December 2020, The Company has Risk Management Sub Committee Consisted of 10 members, which are as follow:

Name and Last name	Position
1. Mrs. Chirapan Khotcharit Choosang	Chairman of Risk Management Sub Committee
2. Mr. Suphot Leenanurak	Vice Chairman of the Risk Management Sub Committee
3. Mrs. Suveeraya Ansavananda	Risk Management Sub Committee
4. Ms. Hasaya Jaruwittayanant	Risk Management Sub Committee
5. Mrs. Preawnapa Nimma	Risk Management Sub Committee
6. Mr. Yodchai pundee	Risk Management Sub Committee
7. Ms. Parichat Chotipumiwet	Risk Management Sub Committee
8. Ms. Preeyaporn Parisuthakul	Risk Management Sub Committee
9. Ms. Nunthaphuk Phothisarn	Risk Management Sub Committee
10. Mr. Chawalit Prawatborisut	Risk Management Sub Committee

Former Risk Management Sub Committee resigned during the year 2020 as follow:

Name and Last name	Position
Mr. Woraphot Tangmanuswong	Risk Management Sub Committee

Note : Mr.Woraphot Tangmanuswong was resigned of the position with effective on March 31, 2020 onward.

Ms. Panjaporn Roeksomboon is the Secretary of Risk Management Sub Committee

Duties and Responsibilities of the Risk Management

1. Support the company to maintain Good Corporate Governance procedure, to perform transparently and to have sufficient, appropriate and effective internal control system.
2. Formulate policies for risk appetite level and risk tolerance level as well as propose risk management policies to the Board of Directors to be approved. Which cover all aspect of significant risk such as strategic risk, credit risk, market risk, liquidity risk, operational risk, concentration risk, compliance risk, emerging risk and corporate reputation risk.
3. Review risk management strategy to be in conform to risk management policy. The committee should be able to assess, monitor and control risk at the appropriate level, especially significant risk.
4. Monitor, measure and evaluate risk management as well as ensure that the company operates in accordance with the specified risk management policies; along with performing in accordance with the formulated regulatory.
5. Consider adjust and revise as well as give opinion on the policies, work plan and risk management process on different aspect; including to propose to the Board of Director to consider and approve.
6. Regularly report the Company's risk status and the guidelines that need to be rectified to the Risk Management Committee and notify the audit committee of the things that need to be rectified in order to be in confirm with the formulated policy and strategy.

7. Management

As at 31st December 2020, The Company has 12 Managements, which are as follow:

Name and Last name	Position
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Committee and Acting Managing Director
2. Mrs. Chirapan Khotcharit Choosang	Deputy Managing Director, Corporate Strategy Division
3. Mr. Suphot Leenanurak	Deputy Managing Director, Sales & Marketing Division
4. Mrs. Suveeraya Ansavananda	Assistant Managing Director, Strategic Partner and Integrated Marketing Communication Division
5. Ms. Hatsaya Charuwitayanan	Assistant Managing Director, Operation Support Division
6. Mr. Chawalit Prawatborisut	Associate Director, Domestic and Equipment Department
7. Ms. Narisa Tiyasuksawad	Associate Director, 7-Eleven Department

Name and Last name	Position
8. Mrs. Preawnapa Nimma	Associate Director, Procurement Division and Acting Factory Manager Bangbung Factory Department
9. Ms. Parichat Chotipumiwet	Senior Manager, Accounting and Finance Division
10. Mr. Yodchai Pundee	Senior Manager, Corporate Affairs Department
11. Ms. Nunthaphuk Pothisarn	Senior Manager, Supply Chain Department
12. Ms. Phonphun Phunpanich	Senior Manager, Character Business Department

Note : "Executives" by the definition in the Declaration regarding the issuance and offering of the company's securities starting from the Managing Director, Vice President, Executive vice President by which the 4 Executives will be the Senior Manager level which is the same level as Senior Manager - Supply Chain. Moreover, this also include Accounting Manager and Financial Manager.

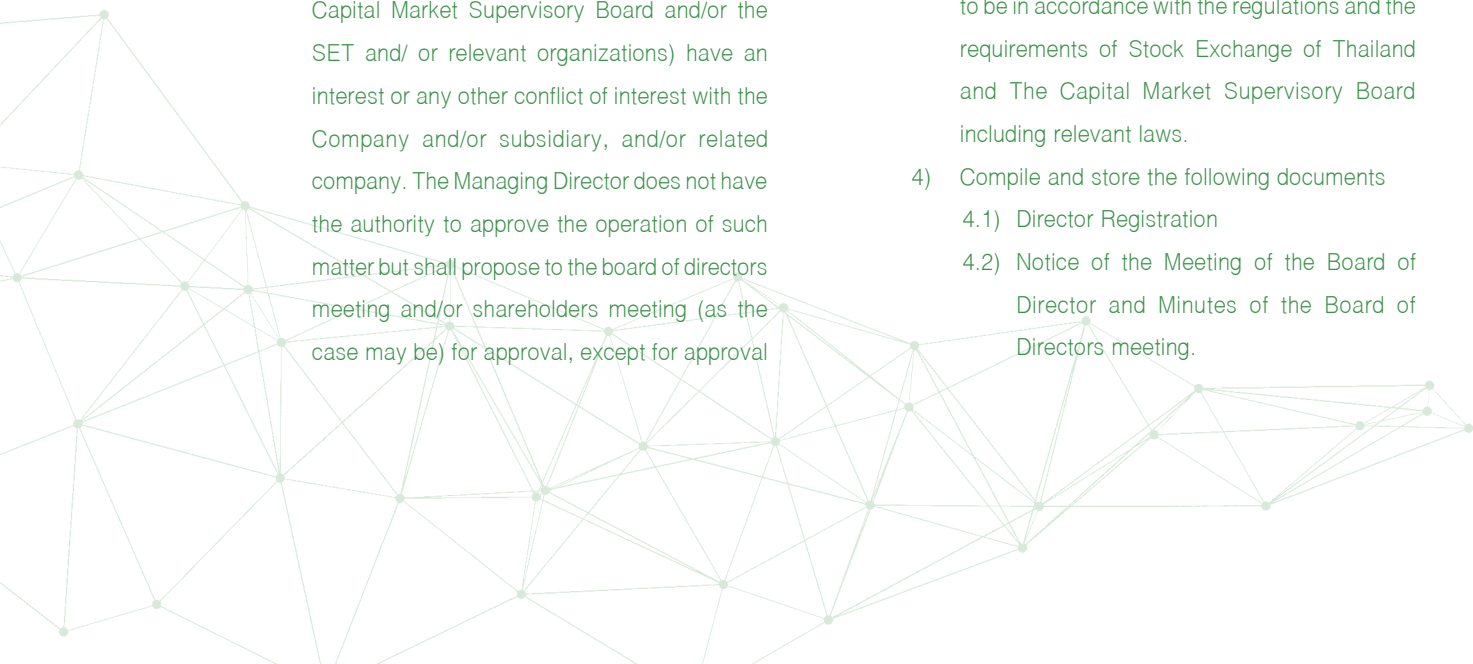
Former Executive resigned during the year 2020 as follow:

Name and Last name	Position
Mr. Woraphot Tangmanuswong	Assistant Managing Director, Sales & Marketing Division

Note : Mr.Woraphot Tangmanuswong was retirement of the position with effective on March 31, 2020 onward.

Scope of Authorities, Duties and Responsibilities of Managing Director

- Supervise daily business operation and/or management of the Company.
- Compile policies, business plan, business strategies and Company annual budget to propose to the Executive Committee and the Board of Director for consideration and approval.
- Supervise and monitor the Company operation and performance to be in accordance with the policies, work plans, and budget as approved by the Board of Directors including audit, monitor and evaluate the Company performance to be in line with the specified policies. The Managing Director shall report the operational performance management and operation progress to the Executive Committee, Audit Committee and the Board of Directors.
- To consider approving tasks related to normal business transactions according to the investment budget or the budget as approved by the Board of Directors. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors but shall not exceed the annual budget that was approved by the Board of Directors as well as entering into contracts related to such matter.
- Has the authority to authorize expenditure incurring from normal business operation in accordance with the budget approved by the Board of Directors and in line with the approval authority that was approved by the Board of Directors.

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6. Has the authority to approve manpower, employment and employee placement, determine rate of salary, appoint and transfer employee, determine duties and responsibilities of each department and employee with position lower than the Management division as approved by the Board of director.
 7. Has the authority to order and determine regulations, notices and records in relation to business operation of the Company to be in accordance with Company's policies and for the Company's interest, including to maintain good order within the organization.
 8. To have the authority to authorize any one or more persons to take any action under the supervision of the Managing Director or to assign authority to such person as deemed appropriate by the Managing Director, and for the period deemed appropriate. The Managing Director may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.
 9. To perform other actions or operations as assigned by Board of Directors or the Executive Committee. In performing any task that the Managing Director or person authorized by the Managing Director or person likely with conflict of interest (as defined by the notifications of the Capital Market Supervisory Board and/or the SET and/ or relevant organizations) have an interest or any other conflict of interest with the Company and/or subsidiary, and/or related company. The Managing Director does not have the authority to approve the operation of such matter but shall propose to the board of directors meeting and/or shareholders meeting (as the case may be) for approval, except for approval

of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or specified relevant organizations.

8. Company Secretary

At the Board of Directors Meeting No. 2/1015 on 17th February 2015, The Board of Director has resolution to appoint Miss Panjaporn Roeksomboon as the Company Secretary in be in accordance with section 89/15 of the Securities and Exchange ACT B.E. 2535, revised by the Securities and Exchange Act (No. 4) BE 2551. In addition, the Board of Directors Meeting No. 5/2015 on 5th August 2015, has specified the Company Secretary duties and responsibilities, which are as follow:

- 1) Provide preliminary advice and recommendations to the Directors and Executives on being compliance with Company laws, requirements, rules and regulations as well as monitor to ensure the accurate and regular implementations.
- 2) Responsible for organizing the Board of Directors Meeting and Shareholders Meeting as well as supervise and coordinate to ensure the implementation of the resolution of the aforementioned meetings.
- 3) Supervised the disclosure of information and information technology report in the responsible to be in accordance with the regulations and the requirements of Stock Exchange of Thailand and The Capital Market Supervisory Board including relevant laws.
- 4) Compile and store the following documents
 - 4.1) Director Registration
 - 4.2) Notice of the Meeting of the Board of Director and Minutes of the Board of Directors meeting.

4.3) Notice of meeting of Shareholders and the Minutes of the Shareholders Meeting.

4.4) The Company Annual Report

4.5) Report on conflict of interest of Executive Director

5) Performing other actions in line with the laws or the specified of the Notification of the Capital Market Supervisory Board.

Director and Executives Remuneration

Financial Remuneration

A. Directors Remuneration

The Company has set adjusting the Directors' Remuneration Policy annual 4 year. The Annual General Meeting of shareholders year 2020 on 18th September 2020 have the resolution to determine the Directors remuneration for the year 2020, which are as follow:

1) Meeting Fee

Unit : Baht

Position	Meeting fee/person/times
Chairman of the Board of Director	38,000
Directors	31,000
Chairman of the Audit Committee	31,000
Audit Committee	25,000
Chairman of the Nomination and Compensation Committee	19,000
Nomination and Compensation Committee	12,000
Chairman of Risk Management Committee	10,000
Risk Management Committee	10,000

Note : 1. The remunerations will be paid only.

2. Directors who receive monthly salary as the employee of the Company and/or Subsidiaries will not be receive remuneration as the Board of Director.



In addition to the Directors' Remuneration of the above, Independent Directors and Non-Executive Directors also received remuneration in other benefits such as expenses for training courses of IOD and other. This is in accordance with the Company's regulations.

2) The Annual Incentive

The Company will pay The Annual Incentive to the Board of Directors at the amount not exceed 2,000,000 million Baht. The Board of Director will consider and allocate as appropriate.

Auditor's remuneration

The company has appoint. "EY Office Company Limited" is the Company's auditor. Which has been approved by the 2020 Annual General Meeting of Shareholders, is an independent auditor. Reliable and no relationship and / or Having interests with the Company, directors, executives, major shareholders Or those involved

In 2020, the audit fee paid to the auditor or the audit company in the amount of 1,560,000 baht, without any other service fees paid to the auditor or the audit company.

For the year 2020, the Company paid meeting fee to the Board of Directors according to the detail as follow

Year 2020

Unit: Baht

No.	Name of Directors	Position	Meeting Fee			Incentive Bonus	Total Remuneration
			Director	Audit Committee	Nomination and Compensation Committee	Risk Management Committee	
1	Admiral Apichart Pengsritong	Chairman of the Board of Directors and Independent Director	190,000	-	-	-	670,000
2	Assoc.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director	155,000	124,000	-	-	689,000
3	Mrs. Paktra Suriyapee	Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee	155,000	100,000	19,000	-	654,000
4	Mr. Komsak Watanasriroj	Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of the Risk Management Committee	155,000	100,000	12,000	30,000	677,000
5	Mr. Chanit Suwanparin	Director, Nomination and Compensation Committee and Risk Management Committee	155,000	-	12,000	20,000	537,000
6	Mr. Chatchawe Vatanasuk ¹⁾	Director and Risk Management Committee	-	-	-	-	-
7	Mrs. Chirapan Khotcharit Choosang ¹⁾	Director and Risk Management Committee	-	-	-	-	-
Total of Remuneration			810,000	324,000	43,000	50,000	3,227,000

Note : ¹⁾ Director No. 6-7 are Directors that received monthly salary as the Company employee, thus did not receive remuneration as a directors

B. Management Remuneration

In 2019 and 2020, the Company paid remuneration to the Management at the amount of Baht 41.89 million and Baht 55.01 million, respectively. Such remuneration includes salary, bonus and contribution to provident fund

Year	No. of Executives (Person)	Remuneration (Baht)
2019	12	41,867,255.38
2020	14	55,015,795.80

Note : • Number of Managements in the table included Mr.Chatchawe Vatanasuk, Chairmand of the Executive Committee.

- In 2019, Former Management retirement during the year, Mr.Chanit Suwanparin
- In 2020, Former Management resigned during the year, Mr.Suphot Leenanurak

Other Remuneration

-None-

Personnel

Number of Personnel

As at 31st December 2020, the Company has the total of 105 employee (exclude 14 Managements) by separated into the main field of work, which are as follow:

No. of Employee (Person)

Department	Full-Time Employee	Day Labor	Total
1. Procurement Division	6	0	6
2. Operation Support Division			
• Research and Development Department	19	6	19
• Supply Chain	6	0	6
3. Corporate Strategy Division			
• Total Quality System Department	5	0	5
• Corporate Affairs Department	8	0	8
• Accounting and Finance Department	6	0	6
• Corporate Strategy Business Department	0	0	0
4. Investment Venture Department	1	-	1
5. Strategic Partner and Integrated Marketing Communication			
• Character Business Department	3	0	3
• Key Strategic Supplier and OEM Department	0	0	0
6. Sales and Marketing Division			
• 7-Eleven Department	11	-	11
• International Business Department	2	0	2
• Domestic and Equipment Department	7	0	7
7. Secretary Office	3	0	3
8. Factory Division	28	42	70
Total	1054	42	147

Significant Labor dispute for the part 3 years.

-None-

Employee Remuneration

Financial Remuneration

In 2019 and 2020, the Company paid remuneration to the employee (exclude Executives) at Baht 36.74 million and Baht 49.08 million respectively. The remuneration are the form of salary, commission, bonus, allowance, contribution to social security fund, contributions to provident fund and other welfare.

Personnel Development Policies

The Company recognized the importance of personnel within the organization therefore has established training and personnel development policy with the purpose to

enhance knowledge, skills and expertise including the efficiency in performing task of all level of employee. Guest speakers from a well-known institute were invited to lecture and share more knowledge to employee. The Company regularly revised and improve training course to be up to date and appropriate. Training and personnel development are directly considered as the supervisor responsibilities to plan and closely monitor the results of the employee development. The Company will thoroughly and fairly nurtures the employee career path by considering from the employee's level of knowledge, skills and competence. Moreover, the Company will consider sending employee and Executives in different field to participate in the trainings and seminars on subject related to job performance.

Number of average hour for Training of employee in the year 2020

Internal Training	Number of employee attend to tanning (person)	Training period (Hours)
1. BUILDING FUTURE LEADER - HBDI. WHOLE BRAIN	18	32
2. EXCEL FOR R&D SPECIFICATION TEMPLATE	16	16
3. PREPARE THE PERSONAL DATA PROTECTION ACT	12	8
4. DOCUMENTS SYSTEM AND WORK FLOW MANAGEMENT	8	8
5. 7 HABBITS FOR IMPROVEMENT	4	8
6. PREPARE THE CERTIFICATED : FSSC 22000	8	8
7. BUSINESS CONTINUITY PLAN FOR COVID-2019	10	8
8. HOW TO FILL OPERATION EXPENSES IN BUSINESS-PLUS	12	8
9. EMPLOYEE EXPERIECE ASSESMENT "HAPPILY"	4	4
10. HOW TO USE "ZOOM" VIDEO CONFERENCING	12	4
11. 4SKILL ENGLISH ONLINE STUDY	14	20
Total		124

Note : the Company has 11 internal training course, total 124 hours and 11external training course, overall 212 hours

Develop the Board of Directors and Executives

The Board of Directors continuously support and develop directors' knowledge, skills and enhance the view point which will help the directors to lead the organization in reaching the set goal; including new director orientation that provide knowledge and understanding of the role of responsibilities,

nature of business and policies. The purpose of the orientation is for every employee to continuously develop and improve their performance as well as to appropriately adjust and utilize their knowledge to perform their task efficiently.



For the Board of Director and Management, the Company focuses in supporting and developing knowledge and skills of the Executives in different aspects, whether it's training or seminar. The Executives then can use such knowledge and skills to adjust and applied in their managing and developing the Company to grow sustainably. In 2020, there are Managements and Managers that training are as follow:

- Director Accreditation Program (DAP) This course is to know guidelines for performing director duties in accordance with the rules and regulations of the Stock Exchange. To provide executives with knowledge and understanding Individual strengths of the team, and apply them to match their strengths. Come work to achieve the goal.
- Strength Base Organization, For managements to have knowledge, understanding and strengths of each team by used to match their own strengths come to work to achieve goals
- Engagement Mobile Application Assessment, To be able to measure the relationship between employees and the company, In order for the company to be able to understand and directly solve the problems of employees by reporting important information to the Executive Committee on a monthly basis. The project aims to make everyone work happily and make the job more effective as well.

Employees Treatment, compensation with appropriate welfare

The Company emphasize that employees are valuable resources for the success of the organization. Caused by the company having employees with knowledge and ability. So, to being ready for the body is healthy and healthy with morale and motivation to use knowledge, ability to perform tasks for maximum efficiency and effectiveness. The Company believes in it and emphasize to the development and maintenance of the organization's resources seriously and continuously.

Providing fair returns

The Company regularly reviews the compensation and welfare allocation for employees. To ensure that the compensation of the company at a level that is competitive in the same industry and in accordance with the Company's goals. The Company has a policy regarding progressing and

developing employees according to the career path and having talent personnel planning and development for replacement and / or supporting the expansion of the company.

Providing appropriate welfare for employees

Employees of the company also receive other benefits in order to reduce the cost of living, reduce worries and promote the welfare of the well-being of employees that cover the family of employees. Which will be beneficial to the operation and the life of the employees Classified into 4 types as follows.

- Benefit from grants such as grants for employees or parents and children of employee's religious donation Grants and other grants.
- Health and life insurance such as annual health check for employees as appropriate for each age and gender group health insurance and group accident insurance.
- Loan benefits such as loans for continuing education of employees necessary loans or emergencies, both personal and family of employees.
- Funds such as provident funds and social security compensation fund.
- Welfare for protection against epidemic disease COVID-19
- Benefits for Work From Home (WFH)

In the year 2020, the company has provided four major influenza vaccines according to the World Health Organization (WHO) standards for all employees and provided air purifier interior office area.

Succession plan of senior Executives

The Company has assigned executives at similar levels or secondary levels to be the acting supervisors in such positions. Until recruiting, selecting and appointing according to the procedures set by the Nomination and Compensation Committee to ensure.

The company has executives with knowledge, ability and experience sufficient to perform the following duties.

- 1) Nomination and Compensation Committee consider the knowledge, ability and experience of each position. In order to select executives with qualifications as specified can inherit the work of each position.

- 2) The Managing Director has evaluated the performance and knowledge of the qualified executives. An analysis of individual strength strengths of the executives is organized in order to know the strengths or what is their true potential. In order to develop that ability
- 3) Assign the Corporate Affairs Manager take care of follow-up training and develop knowledge. The ability of the successor to the Managing Director.
- 4) Building Future Leader, To prepare for successor in middle term and long term. The Top Management 5 selected 15 people who participated in the project, divided into a group of 12 department managers and 3 other outstanding talents by teaching the whole brain thinking process.

Best Practice Guideline for Workplace Health & Safety During work

The Company realizes the importance of the safety and hygiene in the workplace. Safety is the key factor in stepping towards the Company's success, therefore safety activities along with productivity activities are promoted. The Company organizes and trained on the safety in workplace rules, fire prevention and suppression plan to be in comply with the related standard and laws. The Company as well monitor and evaluate the environment in workplace. Every employee cooperate in accordance to the safety and hygiene in workplace guidelines. Safety helps decrease loss, reduce production costs and reinforce the employee welfare; in order to develop into quality resources and effectively response to manufacturing policies. The Company has compile safety in work place manual to share knowledge and give advises on working safely guideline and raise awareness in safety that occurs to the employees.

In 2020, there was no accident from the work of the employees in the factory and the company headquarters.

Policies or Guidelines that will not involve in violation of human rights

The Company respect and places great importance on human rights as well as treat employees equally and fairly; whether it is the differences in race, religion, gender or physical condition. The Company adheres to the Organizational Culture for employees to abide by as a guideline in performing task.

The Organizational Culture will allow the employees to accept one another and work well together under happy working environment. The Company promotes its employee to participate in the activities that are useful and will benefit the society, both directly and indirectly.

Whistleblowing Policies

In order for the company to maintain Good Corporate Governance and to give the rights to all employees and all stakeholders to be able to report on fraud or corruption, report or launch complain on any malpractice concerning unlawful or unethical conduct or opinion on business operation. The Company provides channel to report on any illegal, deceptive conduct or corruption, through E-mail: whistleblower@tacconsumer.com Report of the unlawful or deceptive conduct, corruption and any suggestions will be taken into consideration and will proceed appropriately. Each case will be considered on a case-by-case basis and protection measures for complainant and whistleblowers are provided. The Company will effectively safeguard your information and will consider the safety of the whistleblowers as well as the cooperators in examining the truth. The company ensures that all related parties will not be effect by the whistleblowing act. (The more detail on topic Corporate Governance Section: The Role of Stakeholders)

Securities Trading and Usage of Inside Information Policies

The Company is committed to maintain good corporate governance and treating all stakeholders with transparency and fairness. Being the directors or executives may allow one to have access to the Company inside information which may affect the decision making in securities trading before outsider or other investors who may have no knowledge of such information. Therefore, directors or executives of the Company should avoid trading company's securities that one holds the position of directors or executives. However, if one is to trade company's securities, one should perform with due care, by not using inside information that has not been disclosed in the Stock Exchange. Usage of inside information is considered as taking advantage of general investors and may be against the law as well. When the trading of securities have been made there should be a report of such trade and ensure that such act is in comply with the regulations

of the Stock Exchange of Thailand and the Securities and Exchange Commission. In order to prevent the misuse of the Company's inside information and seek benefits for personal or others in a wrongful way, the Company has established principles and guidelines for directors, executives, employees and related parties to adhere to; which are as follow:

- 1) No person shall use the Company's inside information for his own or other person's benefit in trading the Company's securities.
- 2) Directors and Executives are responsible for the compilation and disclosure reports on securities holding submitted to the Stock Exchange of Thailand and the Securities and Exchange Commission as well as to deliver such reports to the company.
- 3) Directors and Executives must report any changes in the holding of securities to The Securities and Exchange Commission, Thailand under Section 59 of the Securities and Exchange Act BE 2535.
- 4) Directors and Executives have the duty to report the holding of securities and report of any changes in securities holding to the Board of Directors Meeting and to acknowledge the Board of every changes.
- 5) Directors and executives have the duty to compile and disseminate reports on conflict of interest to the Company. Code of Conduct and Business Ethics of Directors, Executives and Employees

The Company has established and announced the Code of Conduct and Business Ethics for Directors, Executives and Employees and to be use as the principles and guidelines. Which are as follow:

Basic Principles of Code of Conduct and Ethics.

Perform duties with integrity, morality and responsibility.

- 1) Maintain confidential information and not to use inside information or confidential information to seek benefits for oneself or others in a wrongful way.
- 2) Prevent or avoid actions that may lead to conflict of interest.

- 3) Conduct oneself as professionals with knowledge, expertise and prudence.

Code of Conduct and Ethics

The Company's personnel namely directors, executives, staff, employees, consultants and agents or authorized persons acting on behalf of the company or on behalf of the persons mentioned above should adhere to the code of conduct and business ethics as follow:

Self-Conduct

- 1) Carry out duties in compliance to the law relating to business operation, objectives and Articles of Association of the Company as well as principles of Good Corporate Governance and the shareholders' meeting resolutions.
- 2) Gain knowledge and experience to enhance oneself to be knowledgeable and skillful individuals in order to carry out duties efficiently and effectively.
- 3) Adhere to morality and not seek for position, favor or any other benefits from commanders or other persons by dishonest means.
- 4) Refrain from all kind of addictions and prevent behaving in any improper manner that may harm the reputation and dignity of oneself and the Company - such as, not become a person with unmanageable debts, avoid becoming obsessed in every type of gambling, or not associate with the use of all kind of drugs and etc.
- 5) Not take on any other occupation or profession or any act which may adversely impact the performance of duties or reputation of oneself and the Company.
- 6) Avoid having financial obligation with those persons, who are involved in doing business with the Company or between colleagues. This means and includes loaning money, demanding for soliciting contributions, playing share and etc. except for charity and public events.
- 7) Not seek for benefits that are improper or unlawful either directly or indirectly.
- 8) Not to undertake any activities that are considered as managing or taking charge of any other business which might undermining the Company's benefits or facilitate any persons or juristic persons either for the benefit of oneself or others.

- 9) Maintain and co-create to ensure unity within the group.

Conduct Towards Colleague

- 1) Strengthen teamwork by cooperating and helping each other for the benefits of the Company as a whole.
- 2) Treat colleagues with politeness, generosity, good human relations. Adapt oneself to be able to get along well with others and refrain from concealing necessary information in carrying out duties of the colleagues.
- 3) Respect others by not stealthily claiming other's performance as one's own performance.
- 4) Supervisors should behave so as to gain respect and become a positive role model for the subordinates, as well as be polite towards the subordinates and all level of the coworkers.
- 5) The subordinates should behave towards the supervisors with respect.
- 6) Subordinates shall listen to the supervisor's suggestions and to not perform duties which amounts to bypassing one's superior, except where one's superior with higher level ordered of such act.
- 7) Avoid disclosing information and stories of other employees both in terms of work and personal issues or criticize in such a way that may damage the employees or destroy the Company's image as a whole.
- 8) Not to act in any way that is immoral or take any action that constitute sexual harassment against other employees as such action might lead to trouble, nuisance or undermine morale in the work environment, hostile or aggressiveness; as well as unreasonably interrupting the work of other employees. Such behavior includes molestation, indecent acts or sexual harassment whether verbally or physically.

Conduct Towards the Company

- 1) Perform one's duties with responsibilities, integrity, commitment and dedicating oneself both physically and mentally in working; including to perform in comply with the Company's regulations, policies, values and culture, for the best interest of the Company significantly.

- 2) Perform one's duties in accordance with safety, occupational health and the working environment policies.
- 3) Strictly maintain the confidentiality of customers and business partners as well as those of the Company by ensuring not to let the Company's confidential documents or news leak out or fall into the hand of any unrelated persons which may cause damage the Company.
- 4) Not to falsely accuse others or to undertake any actions that will create disunity or cause damage within the Company or for those persons who are involved with the Company.
- 5) Maintain one's own dignity, so that you are well-accepted within the Company.
- 6) Create positive relationships through collaborating with society, community, Government agencies and other related organizations by providing information to employees at all levels to perform their duties with due care for the benefits of the Company and the public.
- 7) Pay attention and help maintain the environment and atmosphere in the workplace as well as develop the organization to excellence.
- 8) Refrain from giving and/or receiving presents, give or receive any receptions from trade partners or any persons related to the Company's business except for honest events that will benefit the Company's business, festivals or according to cultures at an appropriate value/price. In the event that the gift received is in the form of cash or has a total value exceeding three thousand Baht one should refuse to accept and return such gift immediately,
- 9) Not to be involved or participated in any acts or to conceal the acts which may have conflict of interest with the Company or participated in the concealing of any illegal acts.

Conduct Towards Customers, Business Partners or Competitors

- 1) Treat customers, partners and competitors with understanding and good cooperation between each other.
- 2) Offer quality services to customers with warm friendship and support.
- 3) Use precautions reasonably in giving advises or making any decision on behalf of the customer by taking into account the appropriateness in the case of the customer.
- 4) Oversee and safeguard the interests of shareholders.

- 5) Promote the social mission on an opportune occasion, along with participating in activities for public service, education and create progress for the nation.

The Company determines that it is the duties and responsibilities of directors, executives and all employees to learn, understand and strictly follow the Code of Conduct and Business Ethics Handbook. Ask for advice from the supervisor, if the staff has any question on the guidelines. The staff who violate the code of conduct and business ethics or allow the subordinates to violate the code of conduct, such individuals will be disciplined which may include termination, compensation for damages and be charge with civil or criminal penalties.

The Comparison to changed shareholding of Directors and Managements for the year 2019 and 2020

As of 31 December 2019				As of 31 December 2020			
Name	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Change increased (decreased)
1. ADM Apichart Pengsritong Chairman of the Board of Director and Independent Director	200,000	-	200,000	200,000	-	200,000	-
2. Assoc.Prof. Kitti Siripullop Chairman of the Audit Committee and Independent Director	-	-	-	-	-	-	-
3. Mrs. Paktra Suriyapee Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee	-	-	-	-	-	-	-
4. Mr. Komsak Watanasriroj Audit Committee, Independent Director, Nomination and Compensation Committee and Risk Management Committee	-	-	-	-	-	-	-
5. Mr. Chanit Suwanparin Director, Nomination and Compensation Committee and Risk Management Committee Spouse's Mrs. Nantana Suwanparin	-	8,923,572	8,923,572	-	8,923,572	8,923,572	-

		As of 31 December 2019			As of 31 December 2020			Change increased (decreased)
	Name	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	
6.	Mr. Chatchawe Vatanasuk Director, Chairman of Executive Committee, Risk Management Committee and acting Managing Director * Spouse's Ms. Pawenee Suwanmethanont	180,459,643	5,669,900	186,128,643	150,655,825	10,700,000	161,355,825	(24,772,818)
7.	Mrs. Chirapan Khotcharit Choosang Director, Risk Management Committee, Executive Committee and Deputy Managing Director, Corporate Strategy Division	4,225,000	-	4,225,000	4,245,836	-	4,245,836	20,863
8.	Mr. Suphot Leenanurak Executive Committee and Deputy Managing Director, Sales & Marketing Division.	-	-	-	371,233	-	371,233	-
9.	Mrs. Suveeraya Ansavananda Executive Committee and Assistant Managing Director, Strategic Partner and Integrated Marketing Communication.	199,000	-	199,000	231,046	-	231,046	32,046
10.	Ms. Hatsaya Charuwitayanan Executive Committee, Assistant Managing Director, Operation Support Division	36,300	-	36,300	60,916	-	60,916	24,616
11.	Ms. Parichat Chotipumiwet Executive Committee, Senior Manager, Accounting and Finance Division	88,000	-	88,000	113,234	-	113,234	25,234
12.	Mr. Chawalit Prawatborisut Associate Director, Domestic and Equipment Department	-	-	-	-	-	-	-
13.	Ms. Preawnapa Nimma Associate Director, Procurement Division	-	-	-	14,848	-	14,848	-
14.	Ms. Narisa Tiyasuksawad Associate Director, 7-Eleven Department	3,500	-	3,500	14,427	-	14,427	-
15.	Mr. Yodchai Pundee Senior Manager, Corporate Affairs Department	-	-	-	15,459	-	15,456	-
16.	Ms. Phorphan Phunpanich Senior Manager, Character Business Department	-	-	-	8,626	-	8,626	-
17.	Ms. Nunthaphuk Pothisarn Senior Manager, Supply Chain Department	-	-	-	10,195	-	10,195	-

Note : * Number of shareholding by related person are Number of shareholding by related person with reporter under section 89/1 of the Securities and Exchange ACT B.E.2535 such as Spouse, Child or adopted child Underage.

Corporate Governance

Corporate Governance Policy

The Company has importance in good corporate governance as it is considered to be the significant mechanism that leads to effective management system, transparency and accountability. These factors will enhance the confidence among shareholders, investors, stakeholders and all related parties. Good corporate governance is a tool that helps increase value, create competitive advantages and boost the Company's sustainable growth, which would build long term benefits. Moreover, the Company significant to the Internal Control system and Risk Management closely.

The monitoring of compliance with the Good Corporate Governance policy

The Company has promoted and communicated information to all level of employees via the intranet, Orientation for new employees and Staff manual. There are focusing on enhancing knowledge and understanding to lead to the implementation of the Corporate Governance Policy and business ethics. The Board of Directors, Executives and employees of the company have complied with the Good Corporate Governance Policy and monitor the result. There is a review and adjustment to be in accordance with the ASEAN CG Scorecard to be implemented and implemented as appropriate. As well as explaining the reasons for not being able to comply with the above principles are as follows:

The Item has not been execution	Reason
The company should define and disclose the fraud risk assessment process.	The Company realizes the importance of good corporate governance by adhering to business transparency and has the Anti-corruption policy. This aims to let all the management and employee be aware of the impact of corruption, to cultivate rightful values attitudes of employees to work with honesty while avoiding seeking benefits from one's position or providing such benefits to others for both directly and indirectly. This also prohibits employees from seeking personal or family interests using Company's position while aiming to increase the confidentiality of all stakeholders. Moreover, the meeting has agreed to disclose such Anti-corruption policy towards employees to comply. However, the Company sent employee to seminar Anti-corruption basic course for to know rule and procedure of Anti-corruption in organization. The company The fraud risk assessment process will be considered in the next year.
Does the Board of Director educate and train employees on the environment	The Company has a policy to operate business under environmental standards and to use resources efficiently. To ensure the performance of environmental and safety operations and according to the Law, Rules and regulations by organizing environmental conservation activities for employees.

For these reasons, the Company has established good corporate governance principle, which is in accordance with the guideline set by the Stock Exchange of Thailand. The principles are in 5 categories, which are as follow:

Section 1 : The Rights of Shareholders

The Company recognizes and values all the fundamental rights of shareholders, namely the rights to sell, buy or transfer shares, the rights to receive shares of the company's profits, the rights to adequately access the Company's information, the rights to attend shareholders meetings wherein they can exercise the rights to vote for the resolution of the appointment or removal of Directors, appointment of auditors, and significant matters affecting the Company such as allocation of dividends, specification or amendment of Articles of Association and Memorandum of Association, and reduction or increase of capital. In addition to the above-mentioned fundamental rights, the Company supports and facilitates, in various matters, shareholders in exercising their rights.

Action year 2020

- Invitation letters will be distributed to the shareholders at least 7 days prior to the meeting date. The letter shall contain clear details of the date, time, venue and agenda of the meeting as well as the Board of Directors' opinions. Related documents such as annual report, financial statements, support document for each agenda and proxy statement, will be attached with the invitation letter. The notice of the meeting shall be sent to all shareholders listed in the shareholders' registration book. The notice should be sent on the day the Company announced the closing date of share transfer registration, as well as publish the notice of the meeting along with the mentioned meeting agenda on the Company's website not less than 30 days prior to the meeting. This also includes continuously advertise the invitation notice on the Newspaper not less than 3 days before the meeting date to inform shareholders to prepare in advance before participating in the meeting, which is in accordance with the Public Limited Companies Act, B.E. 2535(1992).
- The Company offers shareholders the rights to propose agenda items for the Annual General Shareholders Meeting and Nominations of Directors candidates in advance period 3 November 2020 to 3 February 2014. There are disclosing information via SET Link and notification the criteria of practice via www.tacconsumer.com under shareholder information, shareholder's meeting. The company secretary will collect all the proposed agenda and present to the Board of Directors Meeting as well as collect all the nomination of Director candidates and present to the Executive Committee. The Executive Committee will consider the list and qualification of the candidates and present the results to the Board of Directors to consider. In the case where the proposed agenda is approve by the Board, the Company will include such agenda in the next General Shareholders' Meeting.
- In case that shareholders are unable to attend the meetings in person, the Company shall provide the shareholder an opportunity to appoint an independent Director of the Company or any other person to attend the meeting on their behalf. The Company shall enclose a proxy form together with the meeting invitation letter.
- Notification of voting methods and vote counting before the meeting of shareholders and ballots were used
- Allowing shareholders to vote for election of Directors individually by nominating the Directors to shareholders one by one.
- At every General Meeting of shareholders The company has an independent auditor who has no interest in the company. Which is responsible for checking the vote counting and the result of the vote for the meeting to be transparent Legally and company regulations.
- The Company does no additional agenda or change key information without notifying shareholders in advance the 2020 Annual General Meeting of Shareholders. The Company shall provide opportunities for shareholders to independently and fully make inquiries, suggestions or expression of opinions.
- After the meeting of shareholders, The minutes of the shareholders meeting shall be prepared after the meeting date wherein complete and information shall be presented. The shareholders meeting resolution shall be disclosed to the Stock Exchange of Thailand within 9:00 a.m. of the day after the end of the, which also includes the resolution results of each agenda item; the number of votes that are in favor, against, abstentions and void ballots. The minutes of the shareholders' meeting will be publicized on the Stock Exchange of Thailand website and the Company website within 14 days commencing from the meeting date.



Section 2 : The Equitable Treatment for Shareholders

The Company holds the policy to equitably and fairly treat and protect the rights of all shareholders, whether they are Executive or non-Executive shareholders, Thai or non-Thai, major or minor. The Company also provide additional for shareholders who's unable to attend the meeting themselves to authorize independent Directors or other persons as proxies who may attend the meeting and vote on behalf of the shareholders. Minor shareholders will also be given the opportunity to propose the General Annual Meeting agenda and nominate candidates for Directors in advance at an appropriate time.

Action year 2020

- The shareholders meeting is properly conducted according to the scheduled agenda and is in comply with the Company's Articles of Association. In each agenda, related information is clearly and completely presented for the meeting's consideration. If unnecessary, no un-informed agenda shall be introduced to the meeting without prior notice to the shareholders, especially any important agenda, which requires considerable time for the shareholders to make a prudent study before making any decision. The Company has established invitation letter for the Annual General

Shareholders Meeting and Annual Report both in Thai and English to facilitate foreign shareholders.

- Providing the equal right of voting for shareholders base on the number of share held.
- The Company attached Proxy form B with the Invitation of the Meeting of Shareholders. Which is the form shareholders can specify their own voting as each agenda. For shareholders who are not convenient to attend the meeting by themselves able to authorize an Independent Director or another person to attend the meeting and vote on his behalf by disseminating on the company's website.
- The Board of Directors has set up a measure to prevent the insider trading by related persons, which include Directors, Executives, staff and employees, as well as spouses and minor children of such persons working in the area related to the inside information. Disciplinary measures with regard to disclosure or use of information of the Company for personal interest have also been determined in accordance with the policy on prevention of exploitation of inside information. Directors, Executives, their spouses and minor children are prohibited to trade the Company's securities one month before publicly disclosed the financial statements. Directors and Executives of

the Company have also been informed and acknowledge of their duties and responsibilities to report their holding of the Company's securities by them, their spouses, and their minor children, as well as the change in such holdings, to the Office of the SEC in accordance with Section 59 and the penalties under the Securities and Exchange Act of B.E.2535.

Section 3 : The Role of Stakeholders

The Company has importance on the rights of all Company's stakeholders both internal and external.

Action year 2020

- **Customers :** The Company is attentive and shows responsibilities toward the customers by emphasizing on producing quality products that are up to the standard and are able to fully satisfy consumers demand as keeping customers information confidential. Moreover, the Company also places great importance in setting appropriate conditions and selling price. There are customer satisfaction surveys both at Domestic Business and International Business. To put in place a feedback and complaint procedure for customers.
- **Partners and Account Payable :** The Company has the policy to treat both the trading partner and the creditors fairly, equitably and to maintain honesty in operating business, does not take advantages along with strictly practice in accordance with the trading condition and/or trading agreements. In order to enhance good business relationship that benefits both parties. The Company is intent on developing and maintaining sustainable relationships with the suppliers mutual trust including set key supplier as a strategic partner.
- **Competitors :** The Company conducts its business within the good competition framework and within the specified law. The Company also supports and maintains an ethical code of competition, and refrains from acting in bad faith to the detriment of its competitors.
- **Staff :** The Company recognizes the importance of all the staff, as they help drive the Company to be able to endlessly improve the business

operation further into the future. Therefore, the Company emphasized on continuously developing the staff's potential, knowledge, capability, and skills. Appropriate remuneration is appraised base on each individual knowledge, capability and skills, which can be compare with other company in the same industry. To keep the working environment safe for the lives and properties of its employees. From the situation of the epidemic of COVID-19. The company has looked after and cares for employees very well, such as announcing measures to prevent the spread of COVID-19. To comply both inside and outside the organization and work from home practices (WFH) provide something to prevent such epidemic in a timely manner. The Company treats all staff equitably and fairly.

- **Shareholders and Investor :** The Company focus on the company management for capability, honestly and transparency. Disclosure the data to shareholders correctly, completely, timely and equality under the ethics and good corporate governance. There are providing opportunities for all relevant parties to access and query information. The Company reports on corporate position, operating results, financial and accounting status along with other report are prepared and presented regularly and accurately. By communicate the story or point of sale of the company to stakeholder. The operating results must be consistent with the information disclosed and treats all shareholders equally in the shareholders' meeting.
- **Community and society :** The Company values the importance of sustainable development of its neighboring communities, the society and environment. So, the Company consistently focuses on instilling awareness of responsibility toward community and society in the Company, supports activities beneficial to society as a whole, and avoids any illegal or unlawful action. To adopt a clear corporate social responsibility (CSR) policy, which is implemented across-the-board.



Internal and External communications

The Company has importance on internal and external communications by procedure as cover the both. There are communicate with stakeholder of the company such as Director, Executive, Customer, Consumer, Shareholder, Investor etc.

Internal communication is the disseminate necessary information to Executives and employees. Which may be the focus of the participation of all Executives and employees to achieve the goals of the organization via various media such as Line Group, Line official, Intranet, E-mail and PR board of the company

External communication is the reporting of information, Public relations and News delivery to outside the organization through various communication channels of the company such as company website, Facebook, Instagram, E-mail, sending news via the SET LINK.

Internal and External communication as communicate normal information and urgent information to stakeholder. It is correctly understanding to internal corporate which strengthen Ethics and Code of Conduct to employee, Management. To raise awareness about the significance of Good Corporate Governance, Risk Management and internal control.

Announcement No. 8 Guideline for Social Distancing The measures of stop epidemic of CORONA VIRUS 2019 (COVID-19)

Social Distancing is avoiding crowded public places, Activities involving 50 or more people and keeping a distance of approximately 2 meters from others. It may be difficult not to meet with anyone on a daily basis, but close interactions can be avoided.

SOCIAL DISTANCING FOR TACC



The Company offer to in-out of the office temporary are as follows:
Time In 7.30 - out 16.30 hrs., Time In 8.00 - out 17.00 hrs., and Time In 9.00-18.00 hrs.,
To avoiding rush time. Which is notification with head of department. If traveling by public transport, allow extra travel time. In case so crowded, Please wait next round and don't forget to put on a mark every time.



The Company offer to break lunch time are as follows:
11.30 hrs., 12.30 hrs., and 13.00 hrs.
You can choose for the time and please go to lunch time is small group. Between of break, There are no talk or sit close together.



Time of work
Time In 7.30 - out 16.30 hrs., Time In 8.00 - out 17.00 hrs., and Time In 9.00-18.00 hrs.,
If traveling by public transport, allow extra travel time. In case so crowded, Please wait next round and don't forget to put on a mark every time.

At UM Tower
When you are wait evaluator is so crowded or people is full. Please avoid Until there are few people or wait to next round.

After that, When you are in the office.
Please wash your hand with Alcohol before attend to the office

- Refrain from meeting many people. Gather together to do various activities No social gatherings
- Refrain from traveling to public places where there are many people together.

At the front of office
Please practice to the screening measures of the Company by yourself such as wash your hand with alcohol, fever measurement and record body temperature and get sticker.

Please choose a seat to separate more 1 meter.

For internal meeting, Please strictly practice about number of attendee as previously informed or use conference call

When you go home, keep your body clean, exercise, and get enough rest. Be sure to clean the equipment and personal items with alcohol such as your phone, notebook, purse.

Whistleblowing on any fraud or corrupt

The Company has set procedure of whistleblowing on any fraud or corrupt to pattern appropriately. the Company provides its stakeholders an opportunity to report or give information on irregularities in business operations of the Company via provided channels, whereas:-

Corruption

refers to Any act of unlawful exploitation for itself or others.

Fraudulent

refers to Using fraudulent deception by giving false claims to others.

Corruption

refers to The receipt or acceptance of requests for or receipt of property or property. Any other benefits to government officials. Government Sector Staff of private agencies Private Sector To the person or agency. They use their power to act, not to act, to precipitate or to act in any way contrary to the power and duty of the Company. Unless it is customary law and customary law.

Complainant recipient

refers to The Managing Director or Chairman of the Executive Board

Complaints coordinator

refers to Company secretary

Complaints inspector

refers to Corporate Affairs Manager

Complainant

refers to The Director, Management, Employee or any person who has been charged or accused by a complainant about fraud or corruption

Whistleblowing channels

The whistleblower can inform complainant via channels as follow;

1. Letter Send to : Chairman of the Executive Board and Managing Director

T.A.C. Consumer Public Company Limited

23rd Floor, UM Tower, 9/231-233 Ramkhamhaeng Road, Suanluang, Bangkok 10250.

2. Website : www.tacconsumer.com
3. Facebook : Tacconsumer
<https://th-th.facebook.com/TACConsumer/>
4. E-mail : whistleblower@tacconsumer.com This e-mail direct to Managing Director or Chairman of the Executive Board only.

Whistle blowing procedure regarding fraud, corruption, or complaint.

1. Upon receiving a complaint on fraud or corruption from the above channels, the report receiver shall examine the complaint and submit it to the case coordinator within 3 working days to proceed.
2. The case coordinator gather sufficient clarification of the initial evidence received from the report receiver, including data storage, record progress and summary results. This includes tracking and summarizing the status of the complaint.
3. Coordinate the complaints, submit complaint that has been approved by the Managing Director or Chairman of the Executive Board to the complaint inspector within 5 working days.
4. The complaint inspector conducts a complaint investigation. Complaints regarding to misconduct, fraud, violation, not in comply with the law or company's work regulations such cases should be submitted to the Managing Director or Chairman of the Executive Board for consideration within 1 month.
5. The Managing Director or Chairman of the Executive Board shall approve the complaint regarding to fraud or corruption within 1 month.
 - 5.1 In case of approval, the Managing Director or Chairman of the Executive Board will present to the Board of Directors to consider further.
 - 5.2 In case of disapproval submit the complaint back to the complaint inspector for review.

6. If the case has a significant impact on business operations, the Managing Director or Chairman of the Executive Board shall present such case to the board of Director to consider and determine the punishment as deemed appropriate.
7. Summary of operation and opinions from the resolutions of the Board of Directors meeting and the corporate affair department will report the results of the consideration to the complainant or whistleblower. (In the event that the complainant or the whistleblower discloses himself)
8. Save information and documents about complaints about fraud or corruption in a file folder. The storage period is 5 years.

Protection Measures for Whistleblowers and Related persons

Whistleblowers and related persons of process Whistleblowing on any fraud or corrupt are protection appropriately from the Company such as do not change the position, nature of work, place of work, work break, intimidate, Interfering with the performance and termination of employment or any other unfair treatment of such person. Include information about the complaint. It is kept secret. Not disclosed to non-related persons. Except as required by law.

Any person who is aware of the complaint or information related to complaints under this procedure. There is must protect the complaint information or related to the complaint keep secret and not to anyone else. Taking into account the safety and damage of the complainant, Data Source or persons involved except where necessary in the implementation of this procedure or as required by law. If the information is deliberately violated, the Company will disciplinary and / or legal action against the violator, as the case may be.

Anti-corruption

The Company realizes the importance of good corporate governance by adhering to business transparency. The meeting of Board Director No.5/2015 held on 5 August 2015 has approved the Anti-corruption policy. This aims to let all the management and employee be aware of the impact of corruption, to cultivate rightful values attitudes of employees to work with honesty while avoiding seeking benefits from one's position or providing such benefits to others for both directly

and indirectly. This also prohibits employees from seeking personal or family interests using Company's position while aiming to increase the confidentiality of all stakeholders. Moreover, the meeting has agreed to disclose such Anti-corruption policy towards employees to comply. However, the Company sent employee to seminar Anti-corruption basic course for to know rule and procedure of Anti-corruption in organization.

Business operation policy under environmental standards and efficient use of resources.

The company operates in accordance with the laws, rules and regulations to ensure the efficiency of environmental and safety operations. The company ensures that there is no pollution that affects the environment in the production process and strictly complies to the regulations and requirements of the Department of Industrial Works.

The company has measures in managing waste that occurred from production and non-quality products. In the process of producing 3 in 1 beverages, there is very little waste from the production. Which most of the waste generated from the production process is bags that are used to store raw materials during the production process. Two layers of bags are usually used during this process, the outer layer will be circulated and change into new bags every 2 days with the purpose of reducing the amount of waste that occurs. The inner bags that are exposed to the raw material are disposable in order to reduce Microbial cross-contamination. Moreover, there is a bag disposal path and disposal area for all bags orderly which is in accordance with the food sanitation principles and is the prevention of vectors; and the municipal vehicles collect garbage from the factory. Garbage that can be sold, will be sold to the garbage recycle buyer in that area. The company's quality assurance department will evaluate the quality of non-quality products whether it can be reprocess. If it can be reprocess such non-quality products will deliver to the product research and development department to find a reprocess formula and establish methods for the manufacturer; but if the product is not reprocess able, the manufacturer will store such products in the warehouse and label them as product destruction where these product will go in to the annual destruction process.

In order to get the most efficient use of resources, the company used transportation service to deliver goods to the warehouse. Policy has been set on delivering products on time where efficient product management plan has been established to help reduce energy consumption in transporting and to help reduce environmental impacts. This year, the Company has promoted the use of resources efficiently and worthwhile. Require employees to be attentive and operate with awareness of safety and environmental awareness By having a photo contest activity "TACC Let's do good for the environment with

the 3Rs." to all employees to realize the importance of helping to preserve the environment in the organization such as Water droplets, Save electricity, Use reuse paper, Data collection Paperless, Cancel using plastic tubes etc.

Moreover, the company provides guideline for developing environmental friendly packaging. The new beverage packaging has been developed as Innovation Packaging which can be recycled and reduced the use of plastic packaging.





Policies that are in comply with laws regarding intellectual property and copyright

The company has established policies that are in comply with laws regarding intellectual property and copyright. The guidelines are as follow:

1. Every employee has a duty to protect the confidentiality and security of information related to the company's intellectual property; to prevent the leaking of those information. All employees shall not use Company's intellectual properties for personal or others benefits without permission.
2. All employees shall respect and honor other intellectual property and shall not use other intellectual property, in part or in whole, without permission.
3. The Company monitors the registration trademarks, patents, copyrights and intellectual property to protect the interests and prevent piracy from others
4. Policies has been established for all employees on agreeing to accept the terms of use of the company's information system; with the purpose for users of the company's information systems to be aware of prohibitions and practices in order to reduce the risks caused by personnel and from infringement of information security, both intentionally and unintentionally.

Section 4 : Disclosure and Transparency

The Board of Directors is committed to disclosing accurate, complete, and transparent information, both in terms of financial reports and general information, in accordance with the rules of the SEC and the SET, as well as essential information that impacts the price of the Company's shares, which affects the decision-making process of investors and stakeholders of the Company so that all relevant persons equally acknowledge such information. The Company will disclose information to shareholders and the public through the channels and information sharing media of the SET and the Company's website.

Action year 2020

- The Board of Directors recognizes its responsibility in providing accurate, complete, true, and reasonable financial statements, which are prepared in accordance with generally accepted accounting standards. The Board of Directors applies appropriate accounting policies and regularly put into practice as well as carefully exercises its discretion. Adequate information is provided in the notes to the financial statements.
- The Board of Directors arranges maintenance of effective internal control to reasonably ensure that accounting data is accurately, completely, and adequately recorded to maintain assets, and to determine weaknesses in order to prevent misconduct or significantly irregular practices. The Board of Directors will also appoint an audit committee consisting of Directors not holding managerial positions, whose duty is to examine the financial reports, related party transactions, and internal control system. The audit committee will report directly to the board of Directors.
- Submit financial reports to the Securities and Exchange Commission and the Stock Exchange of Thailand within the time limit. There are no conditional items for which the auditor has expressed opinions and has no history of being ordered to amend financial statements from the Stock Exchange of Thailand and the Securities and Exchange Commission.
- The top management have emphasize with investor relations relation with participating in meeting and providing information, and exchanging ideas with shareholders, investors, analysts, and the media.
- The Company has established an Investor Relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its website www.tacconsumer.com under the tab entitled Investor Relations. Which contain the information sent to the Stock Exchange of Thailand and the Securities and Exchange

Commission, shareholders information, quarterly performance, corporate governance and stock price movement. The information is regularly updated to investor and interested person can access information quickly and equally. The information obtained from the Company is accurate, complete, transparent, and timely, Especially important information that may have an impact on the Company's stock price. Those who receive the information can use the information to make an investment decision more efficiently.

Which will reflect the true value and suitable according to the situation in each period

- The Company reported performance of Investor Relations to Board of Directors by quarterly and set Investor Relations plan. In 2019, IR activities for disclosing corporate information to investors can be summarized as follows:-

Forms of Activities	Time
INVESTOR/ANALYST VISIT, COMPANY VISIT AND CONFERENCE CALL	14
ANALYST METTING	2
LOCAL ROADSHOW	1
SET ACTIVITIES SUCH AS OPPORTUNITY DAY, MAI FORUM	2
COMPANY SNAPSHOT BY QUARTERLY	4
INTERVIEW/MEDIA	2
PRESS RELEASE, BUSINESS UPDATE, OPERATING RESULTS AND ACTIVITIES	REGULARY

- The disclosure and transparency in the year 2020. The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2020, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was award "Outstanding Investor Relations Awards" (The four consecutive year). This award presentation ceremony to listed companies that have outstanding performance of Investor Relations activities. Which important to emphasize that the participation of the whole organization in carrying out the activities. This award is honor and pride for the team of the company to strive to do good things for shareholders, investors, and the company's stakeholder groups in the future.

Contact Investor Relations

Contact : Ms. Panjaporn Roeksomboon

Tel : 0-2717-2898 # 77

Fax : 0-2717-2899

E-mail : ir@tacconsumer.com



- Disclose information regarding the shareholding of Directors and Executives. By comparing the changes in the shareholding of Directors and Executives each year and requiring Directors and Executives to report connected transactions and reports of interest of Directors and Executives to prevent conflicts of interest.
- Disclose fairly complete information in the annual report and website of the company such as investor information, Shareholder information, Financial data, Reports Corporate Governance Policy, Code of Ethics and Business Ethics of the Company Shareholders' meeting, various news rooms etc.
- Forbes Magazine has announced Asia's 200 Best Under A Billion 2020 list, where TACC is one of 19 companies representing Thailand with the best

qualifications in Asia. The criteria for consideration are from medium sized public companies and youngsters in the Asia-Pacific region with revenues above \$ 10 million but less than US \$ 1 billion, of which 18,000 companies, selected the 200 companies with the best qualifying criteria, including: Have good revenue and profit for at least 3 past years, strong average return per share over the past 5 years, low debt burden With strong governance, TACC meets the good eligibility criteria above, making it named 1 of 19 companies representing Thailand.

- TACC was Shortlisted for the 2020 ESG 100 Fund Universe by Thaipat Institute Announces 100 Outstanding Securities for Environment, Society and Governance.



Section 5 : Responsibilities of the Board of Directors

1. Board of Directors structures

The Company's board of Directors comprised of Directors who possess management-level knowledge, ability, and experience from a various organizations. The Directors can then apply the experience, knowledge, and ability to efficiently develop and determine the direction of the Company's business operation for the best interests of the Company and its shareholders. The board of Directors holds an important role in determining the policies and overview of the organization

along with governing, inspecting, and monitoring the performance of the management, and evaluating the Company's operation based on the plan set.

The Board of Directors structure consisted of more than one-third of Independent Directors of the total board member. At present the Company has 7 Directors, consisting of 2 Executive Directors, 1 non-Executive Directors and 4 audit committee Directors (including Chairman of the Board of Directors). Such Board of Directors structure allows check and balance in voting to contemplate in various issues.

Moreover, the roles, duties and responsibilities of the Board of Directors and the management have been clearly separated in order to create check and balance together with examining business administrative. Various set of committees have been appointed to support good corporate governance, which are as follows:

- 1.1 The Audit Committee comprised of 3 members who are assigned to perform specific tasks and propose to the Board of Directors for consideration and acknowledgement. The audit committee's rights and duties are specified in the audit committee charter. At least one audit committee member shall possess sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements.
- 1.2 The Nomination and Compensation of 3 members has consider the structure configuration and quantification of Director with the duty to recruit and select person include the appropriate knowledge that will benefit company. When a Directorial position in company become vacant for submitted to the Board of Directors and Annual General Meeting of shareholders include offer the structure of compensation of Director and Chief Executive officer (CEO) and evaluation performance of Board of Director.
- 1.3 The Risk Management Committee of 5 members has set strategy of risk management consistent with risk management policy which can be assessment, follow up and quantity of risk. Especially, the key risk of the company to be the level set by the organization.
- 1.4 The Executive Committee consisted of 7 members. The Executive Committee determines the business operation policies and strategies to be in accordance with the goal set by the Board of Directors to ensure the flexibility of management.

- 1.5 The Risk Management Sub-Committee consisted of 10 members. The Character is consider problem or risk factor may happen with the operation of the company and reduce risk or risk management to lowest. The Risk Management Sub-Committee report to Executive Committee, Risk Management Committee to consider and acknowledge as usually

The Company established the policy that separated the position of Chairman, the Board of Director and managing Director to be different individual. This is to prevent any individual from holding unlimited power in any circumstances. The Board of Directors is responsible for determining the authority, duties and elects the candidate to fill in these positions.

The Board of Directors has appointed Company's secretary to perform their duties and responsibilities in accordance with the Securities and Stock Exchange Act, which are as follows:

- 1) Supervise and give advice to the committee and the Executive on practicing in accordance with the Company's law, regulation and criteria as well as to supervise and ensure that they correctly and regularly put into practices.
- 2) Responsible for the Board of Directors meeting and Shareholders meeting as well as supervise and coordinate to ensure that such resolutions are put into practices.
- 3) Ensure that the disclosed information and reports, in the responsible area, are in accordance with the related laws, rules and regulation of Stock Exchange of Thailand and Securities and Exchange Commission.
- 4) Prepare and maintain documents such as Director registration, Board of Directors' meeting invitation letter, minutes of the Board of Directors meeting, shareholders' meeting invitation letter, minutes of the shareholders meeting, annual report, conflict of interest of Executives Committee report and other tasks as specified by the law or the notification of the Capital Market Supervisory Board.

2. Roles and Responsibility of the Board of Directors

The Company requires the Board of Directors to comply with the Code of Best Practices in accordance with the guidelines of the Stock Exchange of Thailand. The Directors must understand and recognize their roles, duties, and responsibilities, and perform their duties in accordance with the law, the Company's objectives and the Articles of Association, and shareholders resolutions with integrity and honesty, with priority given to the best interests of the Company and its shareholders. Furthermore, The board of Directors also responsible for determining the policies, business goals, business plans, and the budget of the Company, along with governing the management division to efficiently and effectively perform in accordance with the policies, plans, and budget specified, for the best interests of the Company and its shareholders.

Policy on conflicts of interest

The company has determined measures to prevent conflict of interest that may occur during the process of the Company related transactions and any person who may have conflicts. The measures prohibited stakeholders on any circumstance from participating in authorizing such transaction. The Board of Directors shall supervise the Company to practice in accordance with the related laws, regulations, orders and notification of the Securities and Exchange of Thailand or the related regulations of the Capital Market Supervisory Board and Exchange of Thailand. The Board of Directors is responsible for supervising to ensure that the Company practice in accordance with the regulations concerning the disclosure of related party transactions as well as the sale and acquisition of the Company significant assets, which also includes to strictly practice in accordance with the accounting standards set by the Association of Accountants.

In addition, the company may assign the Audit Committee, auditor or independents experts to audit and comment on the appropriateness of the price and the reasonability of the transactions. Such related transaction shall be audited or reviewed by the auditors of the company and will be disclosed in the financial statement notes in Annual Report Form (Form 56-1) and annual reports (Form 56-2).

Internal Control System

The company is highly attentive to the internal control system, for both Executive and operational levels, and has clearly specified scope of duties and authorities in writing. The Company also conducts the control of assets usage for the highest benefits and set apart the responsibilities in approving the record of transaction and data information, storing and ministering the assets; in order to create appropriate check and balance between one and another. Moreover, the Company also established internal controls that are related to financial system by established financial report that propose to the Executives in the responsible field of work. Even though at present the Company has not established Internal Auditing division of its own yet, never the less the outsourced independent internal auditor has been hired to audit the Company's internal control system, according to the details shown in number 13. Internal Control and Risk Management. The auditor shall report the results directly to the Audit Committee.

The Company sets clear and measurable goal for the business operation where the management and administration team will monthly compare the real operational performance with the set goal. Both internal and external risk factors that occurred during the operation will be evaluated. Factors that caused risks are analyzed measure for monitoring the cause of risk factors and measure for reducing risk is established. The Company assigned any related division to continuously monitor such risk and report the progress to the Board of Directors.

3. The Board of Directors Meeting

Based on the Company's policy, the Board of Directors must hold a meeting at least once every three months. However, some additional or special meetings may be necessary. The Company's secretary has scheduled the Board of Directors meeting for the year 2019 in advance and had informed all the Directors to acknowledge of such meeting schedule. Each meeting contains a very clear meeting agenda, and the invitation letter with details of the meeting shall be sent 7 days in advance for the Board of Directors to have sufficient time to study the information before the meeting. Minutes of meeting are taken and the certified minutes from the Board of Directors are stored for any further review or audit by the boards of Director and any related parties.

In year 2020, the Company has set scheduled the Board of Directors meeting for the year 2020 (For schedule the meeting is may to change) Which does not include meetings on special agenda are as follow:

No	Board of Director meeting	Audit Committee meeting	Nomination and Compensation meeting	Risk Management meeting
1/2020	20 February 2020	20 February 2020	22 October 2020	25 February 2020
2/2020	23 February 2020	14 May 2020		6 August 2020
3/2020	25 February 2020	6 August 2020		22 December 2020
4/2020	14 May 2020	5 November 2020		
5/2020	6 August 2020			
6/2020	22 October 2020			
7/2020	5 November 2020			

Meetings of the Non-Executive Directors

The Company has a policy for Non-Executive Directors (Non-Executive Director: NED) have the opportunity to meet among themselves. To discuss problems or suggestions such as Management strategies, Sustainable growth, Other risk factors without the management team at least 1 time per year. For the year 2020, a meeting was held on 5 November 2020 to support the management of the management.

4. Directors and Executives' Remuneration

The Directors and Executives' Remunerations are set and are paid at an appropriate level and at a sufficient rate that can motivate and maintain qualified Directors and Executive without having to pay excessive remuneration. The remuneration rate can be compare with other companies that are in the same group of industry.

The Company has determined remuneration for the Directors and Executives at an appropriate level, which is sufficient to maintain competent Directors and Executives. While the Company avoids paying excessive remuneration, it remains the rate at the level comparable to companies in the

same group of industry. Factors to be considered include experience, duties, and scope of roles and responsibilities. The Directors' remuneration payment must be approved by the company's shareholders. Furthermore, the Executives' remunerations will be in accordance with the principles and policies as determined by the Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each Executive and Company's operational performance.

5. Development of Directors and Executives

The Board of Directors has a policy to facilitate and support all parties related to corporate governance by providing knowledge and training. This policy also applied to Directors, audit committee, Executive and company secretary in order to maintain continuous improvement of their performance. The training includes courses provided by the Thai Institute of Directors (IOD), Thailand Management Association (TMA) etc.

In 2020, The Board of Directors, Executive Committee, Management and Company and Company Secretary to attend seminar as follow:

List	Position	Course/ Organized by
1. Assof Kitty Siripullop	Director, Chairman of the Audit Committee	• Director Accreditation Program (DAP) By IOD
2. Mr. Suphot Leenanurak	Executive Committee, Deputy Managing Director, Sales and Marketing Division	• Director Accreditation Program (DAP) By IOD

List	Position	Course/ Organized by
3. Ms. Hatsaya Charuwittalyanan	Executive Committee and Assistant Managing Director-Operation support division	• The quest for sustainable food system By Food Innopolis International system posium • Flavor 101 Workshop : Fundamental of Flavor Sciences By Food Innopolis International Symposium • Food Ingredients Adaptation to Thrive in The New Normal Era By food focus Thailand
4. Ms. Parichat Chotipumiwet	Risk Management Committee, Executive Committee and Senior Manager- Accounting & Finance Department	• Course drilling Case Study problem in accounting recording To be correct in accordance with the financial reporting standards organized by the Federation of Accounting Professions. • Review of the process of making and tackling the implementation of the strategic plan organized by the Federation of Accounting Professions. • CFO Refresh organized by the Stock Exchange of Thailand
6. Ms. Panjaporn Roeksomboon	Company Secretary	• "Fundamentals of ESG Factor Analysis for Investment Analysts" course organized by the Stock Exchange of Thailand. • Assessment of the Annual General Meeting of Shareholders "full intensity 100

Good Governance Assessment

The Company has a result of a good level for Corporate Governance Report of Thai Listed Companies (CGR) 2020. The report published by Thai Institute of Directors (IOD) which Thai Listed Companies attended 692 companies; SET Group

77% of companies and Mai Group 23% of companies. The Company was score 90% (Excellent level).The results as following.

Result (%)

Year	Point of TACC	Level	Average point of Thai Listed Companies
2020	90%	Excellent	83%
2019	88%	Very Good	82%
2018	87%	Very Good	81%
2017	79%	Good	80%
2016	70%	Good	78%

Annual General Meeting of Shareholders Assessment

The Company has a result of Annual General Meeting of Shareholders with the assessment point of 100 point (very

good) which the AGM Checklist 2020 project held by Thai Investors Association. The results as following.

Result (Total 100 Point)

Year	Point of TACC	Level	Average point of Thai Listed Companies
2020	100	Very Good	93.10
2019	99	Very Good	93.70
2018	97	Very Good	92.42
2017	98	Very Good	91.97
2016	97.25	Very Good	91.62

Self-Assessment of the Board of Director

As a Good Corporate Governance for Listed Companies which The Board of Directors shall conduct self-assessments of the Board of Directors, Subcommittee and individual Directors and of all established committees at least once a year, in order to use the assessment results for reviewing performances, problems or challenges experienced over the previous year. In 2020, the Company arranged for all the Directors to conduct 3 performance assessments, as follows:-

- 1) Self-assessment of the collective Board of Directors
- 2) Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee)
- 3) Self-assessment of the Board of Directors and Subcommittee (individual)

Assessment Process and Criteria

At each year-end, the Company Secretary sends assessment forms to members of the Board and all committees. Directors, upon completing their annual self-assessments, shall return the forms to the Company Secretary or respective committee secretaries. Assessment results of each committee's annual performance are then summarized and reported to the Board of Directors for acknowledgement. The results are assessed in percentage terms based on the following criteria:-

- 0 = Strongly disagree or never conduct on such matter
- 1 = Disagree or seldom conducted on such matter
- 2 = Agree moderately conducted on such matter
- 3 = Quite agree or good conducted on such matter
- 4 = Strongly agree or excellent conducted on such matter

Assessment results of each committee can be summarized as follows:-

- 1) Self-assessment of the collective Board of Directors, Average score 3.80 was rated Good consisting of 4 sections, namely:-**

Section	Topic	Average score
1	Structure and qualification of Board of Directors	3.87
2	Board of Directors Meeting	3.88
3	Roles, duties and responsibilities of the Board of Directors	3.75
4	Other	3.71

According to the assessment results, the overall performance of the collective Board of Directors on 4 sections was rated Good. The section with the highest average score was Section 2: Board of Director Meeting while the topics with highest The atmosphere in the Board of Directors meeting

encourages constructive expression of opinions. The section with the lowest average score was Section 4, other, The topics with the least votes are process of remuneration for Directors and top management.

2) Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee)

Average score 3.62 was rated Good consisting of 3 sections, namely:-

Section	Topic	Average score
1	Structure and qualification of Subcommittee	3.64
2	Subcommittee Meeting	3.64
3	Roles, duties and responsibilities of Subcommittee:	3.47

According to the assessment results, the overall performance of the Self-assessment of the Subcommittee on 3 sections was rated Good. The section with the highest average score was Section 1: Structure and qualification of Subcommittee, while the topics with highest score was The number of committees is appropriate. The section with the lowest average score was Section 3: Roles, duties and responsibilities of Subcommittee are as follow:-

2.1) Audit Committee, Average score 3.62 was rated Good

The topics with highest score was reviewed the financial statement correctly credible, follow the law and regulations properly, good internal audit, consider related transaction and conflict of interest transaction accord to the rule. To consider, select, propose, appoint, remove and propose the audit fee and to ensure that the management has an appropriate process for handling complaints. The topic with the lowest average score was commenting on the appointment remove the Head of Internal Audit and operate the management to have appropriate procedures for receiving complaints.

2.2) Nomination and Compensation Committee, Average score 3.39 was rated Good

The topics with highest score was set qualify of Director or Top Management to nominate accord to the rule and nature of business, operate to the list for consider to Director. The topic with the lowest average score was succession plan and the development continuous training of Directors.

2.3) Risk Management Committee, Average score 3.40 was rated Good

The topics with highest score was the control, follow up, check and evaluation of risk management as risk management policy. The topic with the lowest average score was establish an acceptable risk level policy and the highest risk level that the organization will accept and covers important types of risks.

2.4) Executive Committee, Average score 3.75 was rated Good

The topics with highest score was The number of sub committees is appropriate. The topic with the lowest average score was the present organization structure that is suitable for the operation of the company.

3) Self-assessment of the Board of Directors and Subcommittee (individual)

Average score 3.73 was rated Good consisting of 3 sections, namely:-

Section	Topic	Average score
1	Structure and qualification of Board of Directors and Subcommittee (individual)	3.75
2	Board of Directors and Subcommittee (individual) Meeting	3.69
3	Roles, duties and responsibilities of Board of Directors and Subcommittee (individual)	3.75

According to the assessment results, the overall performance of the Self-assessment of the Board of Directors and Subcommittee (individual) on 3 sections was rated Good. The section with the highest average score was Section 1: Structure and qualification of Board of Directors and Subcommittee (individual) and Section 3: Roles, duties and responsibilities of Board of Directors and Subcommittee (individual) while the topics with highest score was Directors have qualify, knowledge and experience for business of the company.

4. Financial planning and performance
5. Relationship with the board
6. Relations with external parties
7. Administration and relations with personnel
8. Succession
9. Knowledge of products and services
10. Personal features

The overall performance evaluation of CEO was rated Good. There is an initiative to find new businesses. To complement the main business of the company. To increase income and increase strength, stability and sustainability, including good vision. Has the ability to adjust strategies according to the situation and is committed to giving importance to all groups of stakeholders. In which the Company intends to evaluate the performance of CEO annually. This is in accordance with the principles of good corporate governance. The next assessment of the performance of CEO will be in 2021.

Evaluated the performance of CEO

In year 2020, The Board of Director evaluated the performance of CEO. The evaluation topics are in accordance with the SET guidelines, consisting of 10 areas as follows:

1. Leadership
2. Strategy formulation
3. Strategy implementation

Internal Control and Risk Management

The Company has managements align with Good Corporate Governance, Risk Management and Internal Control to achieve business operation properly and efficiently. The efficiency internal control is an important management tools to the Company goals. The procedures are aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) to apply in operations management. The Audit Committee has evaluate the sufficient of 2020 Company's internal control system by making inquiries from the executive division and summarized the evaluation of the Company's internal control system into 5 different aspects, as follow:

1. Control Environment

- The Company has established clear vision, mission and purpose as a practice for the Management and employees of all levels, as well as setting Key Performance Indicators (KPIs) with Individual KPIs and Corporate KPIs. In this year, The Company used key competency of employee in a part of implementation and monitoring of results against the targets to ensure accomplishment of goal.
- The Board of Directors consists of 57.14 Independent Directors which allow independence from management in assessment and decision making for effective internal control.
- The Company has set corporate governance structure include Board of Directors and Sub Committee such as Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee. The Director has responsibility to shareholders for operation business and corporate governance for management in line with the target for the best benefit of the shareholders. There are scope of good ethic and social responsibility. Moreover, The Company emphasize with the development of Good Corporate Governance continuously. In this year,

There are received Corporate Governance Report of Thai was a excellent score from previous yeas was a very good score.

- The Company has established Company structure, appropriate responsibilities and segregate of duties to achieve effectiveness of internal control for business conditions.
- The Company has define code of conducts and business ethics for the Directors and employees as practice guidelines. Which The document has been made for employees to sign the annual acknowledgment of the code of conduct and business ethics.
- The Board of Directors and Management recognize the importance of the employee that are precious resources of the organization. The Company has promoted the development, The annual internal and external training plan and consider revenue, welfare of their employees appropriately.

2. Risk Assessment

- The Company has appointed Risk Management Committee and Risk Management Sub Committee which including Management and Manager with risk management strategy consistent Risk Policy. Especially, The key risk as the corporate level and report key risk indicator of all department in the Risk Management Sub-Committee meeting per quarterly.
- The Company has identifies risks that may affect the business operation which control, monitor, check and evaluated risk management and submit to approve from the Risk Management Committee and Board of Directors.

- Epidemic of Covid-19 as a external factor impact to the Company. In this year, The Company has arrange the meeting together with all department prepare The Covid-19 Impact Assessment and overall of the Company to risk assessment and prepare for the future situation.

3. Control Activities

- The Board of Director has appointed Sub Committee 4 Committee include Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee. Which all Sub Committee are perform under Scope, Authority and function to the control operate of management. Moreover, the Audit Committee to consider review and approve audit plan of the year and reviewed that the company has an appropriate and efficient internal control system to cover all process of operate has high risk.
- The Company has set up a policy for control a management system from procedure and work instruction of each party and set up and authorization approval for the management to appropriate operations.
- The Company has implemented and maintained Business Continuity Plan including the event of an uncontrollable emergency situation to ensure continuous business operation.
- The Company is committed to continually developing and inventing good quality products and pay more attention to product research and development. The RD department is considered the heart of the organization. There is an investment in a team of knowledgeable personnel. Diversity in beverage product development and RD Lab with a wide range of tools and equipment of international standards. This year, the Company received the Superior Taste Award from the International Taste Institute, Belgium. It is the international leader in the evaluation and certification of food and beverage flavors. Which is considered a prestigious global standard award.

4. Information & Communication

- The Company has implemented efficient information system. Which to be accurate, complete and timely to support the business operations. Including systematic and easy to find information.
- The Company has arrange channels of internal communication (Intranet) through the intranet system such as policy, working regulations, knowledge base, activity and news.
- The Company has set whistle blower procedures to corporate communication to all employee and external communicated through the Company's website by to be inform whistleblower@tacconsumer.com
- The Company has procedure of corporate communication with cover internal communication and external communication. As well as stakeholder group of the company such as Director, Management, Customer, Consumer and Investor etc.
- The prior to a scheduled committee meeting, each committee members will receive an invitation to meeting and supplements containing necessary and sufficient information in a timely manner. In addition meeting minutes will be recorded for reference and auditing.

5. Monitoring Activities

- The Company has nominated EY office Limited, an independent auditor, to be an external auditor for the quarterly and financial year 2020 which reporting informed to the Audit Committee. In this regard, it has opined that there was no n this regard, it has opined that there was no material deficiency in the Company's internal control system.
- P&L Internal Audit Company Limited was hired to audit internal control system since 2014 up to present, in order for the Company's internal control system to be efficient. P&L internal Audit Company Limited has appointed Mr. Thanapat Vongwit, with the position of Assistant Vice President, to act as an internal audit supervisor. The aforementioned internal auditor

continuously and quarterly compiled report on Company's assessment results and audit the internal control system then directly presents the report to the audit committee to acknowledge. The Company has invariably adjusted and improved performance system of different departments in accordance with the internal auditor's suggestions. The Company aims to continuously hire an outsource internal auditors to ensure the efficiency of the Company's internal control system.

- The Company has assessed its internal control system in 2020 using the guidelines from the Securities and Exchange Commission (SEC) and reported the assessment results to the Audit Committee.

The Audit committee is responsible for reviewing to ensure that the Company has appropriate and effective internal control system and internal audit, along with reviewing the Company's performance to be in line with the laws on Securities and Stock Exchange and laws related to the Company's business operation. The Audit committee shall set a meeting at least every quarter to consider and implement accurate financial report. Furthermore, to disclose adequate and complete information, as well as considered related transactions or transactions that might have conflict of interest, in accordance with the laws and regulation of the Capital Market Supervisory Board and the stock Exchange. The auditors will join the meeting to provide audit observations.

Dividend Policy

The Company has a policy to pay dividend at least 30% of its net profit after deduction of corporate income tax and legal reserve. However, the dividend payment may differ from the mentioned rate subject to result of the operation,

financial position, liquidity of the Company and necessary of working capital usage to manage and expand the Company's business including economic condition.

Corporate Social Responsibilities (CSR)

The Company operates its business by adhering to and placing emphasis on duties, corporate social responsibilities and stakeholders such as shareholders, customer, partner, employee, community and societies. It was towards create sustainability and to establish constant growth of the business that is well accepted by societies. This value has been fostered in all levels of employees, namely the Board of Directors, Management, Department Manager, Employee and other stakeholders to adhere to being the same standard. The policies of 8 aspect emphasizing on corporate social responsibilities, which are as follows:

1. Fair Business Operation

The Company aim to grow its business sustainably and securely, by operating with caution, honesty, professionalism, and transparency according to rules and regulations and abides to the Principles of Good Corporate Governance set by the Stock Exchange of Thailand.

The Company treats its business partner and lenders with fairness and equality without exploitation, by strictly abiding to commercial terms and/or business arrangements in order to develop business relationships that are beneficial to both parties. The Company also treats its business competitor fairly without commencing any act that would offence, disgrace, or discredit its competitor.

2. Anti-Corruption

The Company realizes the importance of good corporate governance by adhering to business transparency. The meeting of Board Director No.5/2015 held on 5 August 2015 has approved the Anti-corruption policy. This aims to let all the management and employee be aware of the impact of corruption, to cultivate rightful values attitudes of employees to work with honesty while avoiding seeking benefits from one's position or providing such benefits to others for both directly and indirectly. This also prohibits employees from seeking

personal or family interests using Company's position while aiming to increase the confidentiality of all stakeholders. Moreover, the meeting has agreed to disclose such Anti-corruption policy towards employees to comply. However, the Company sent employee to seminar Anti-corruption basic course for to know rule and procedure of Anti-corruption in organization. At present, the Company in process study about Thailand's Private Sector Collective Action Coalition Against Corruption: CAC.

3. Respect for Human Rights

The Company realizes the importance of the human rights by treating employees with fairness and equality, regardless of their race, religion, gender, or physical condition. The Company adheres to this policy and utilizes it as a guideline to let its employees work together under happy environment with mutual recognition an also encourages employees to participate in social contribution activities both directly and indirectly.

4. Fair Treatment of Employee

The Company realizes the importance care and fair treatment of employee. The Company aim to manage its human resources by recruiting, developing, promoting, and retaining of capable employees, the Company can effectively achieve its target. The Company appropriately compensates its employees according to their knowledge and capabilities and this is comparable to those being paid by companies of the same business. In addition, the Company continuously develops its own employees' skills via training and offers an opportunity to advance their careers, and also improves working efficiency by promoting its employees to speak their opinions in both direct and indirect manners which will encourage employees to find solution together.

5. Responsibilities towards Consumers

The Company immerses itself in developing unique products that improve consumers' quality of life and is also aware of diversify of individual's role in each day and in each stage of life and delivers prosperity to everyone, In order to establish a strengthened society under fair business condition in which the Company also provides its consumers the accurate and sufficient product information without exaggeration.

The Company emphasized with responsibilities towards consumers which has been standards certified are as follow:

- T.A.C. Consumer Public Company Limited, Ban Bueng factory Branch became a global standard manufacturer under the food safety management system certification for the food and beverage manufacturing industry, in order to ensure its

quality, hygiene and safety for consumers on 25 December 2020. The Company is certified by Food Safety System Certification (FSSC 22000) under the recognition of Global Food Safety Initiative (GSFI), which is accepted by major retailers in National level. The requirements are specified for manufacturer to proceed in order to show that the Company has control over various hazards that affect food safety. Such will present that the food produced from this certified manufacturer is absolutely safe. At present FSSC 22000 standard has becomes a commercial conditions or terms for dealing with international and domestic business; as well as being a way to trade internationally as well.





Moreover, Food Safety Management System (FSSC 22000) is a globally recognized standard for food product inspection and certification for the ultimate in food safety; by the combination of ISO 22000: 2018 and PAS220 or ISO 22002-X and additional requirements of the FSSC 22000 system. Thereby, Ban Bueng factory branch received Food Safety Management System Certification or ISO 22000: 2018 (Food Safety Management System) and Hazard Analysis Critical Control Point (HACCP) system, as well as Good Manufacturing Practice (GMP). All of these standards are world-class commercially accepted standards that cover all the requirements for food quality and safety of food products currently available at present. This will not only allow businesses in the food chain to have one single and consistent standard which can be audited, but will also help drive the organization to see the importance of conducting business in accordance to legal requirements, in order to provide the quality and food safety system of the Company to be perfect towards this system.

The Company established policies on food quality and safety in order to show the commitment in implementing management process for product quality, safety and compliance with applicable laws as follows:

"We are committed to producing and distributing beverages and products with quality, safety, compliant with legal requirements and customer requirements. In addition, continues to develop for good quality of life and creating the highest satisfaction for customers"

Along with having various communication channels to express commitment in producing and distributing quality and safety products to our customers; such includes communicating with all stakeholders with the organization. In addition senior management also emphasizes close attention to all operational processes, in

order to reach the problem which will lead to measures for fixing or preventing problems in a fast pace. The aforementioned implementation aims to achieve continuous improvement of the Company's product quality, which will lead to meet the demand and maximum satisfaction of the customers and all stakeholders.

- TACC received the Superior Taste Award from the International Taste Institute, Belgium. The international level leader in evaluating and certified the taste of food and beverage. Part of the panel of judges was among those honored at the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau. The Superior Taste Award is well recognized by major retailers worldwide and makes a significant difference to both domestic and international markets; with more than 72 participating countries around the world during March 2020.

The Superior Taste Award is considered a prestigious global standard award and an encouragement to all executives and employees, who are committed and determined. Although, in the past the Company has been affected by the COVID-19 situation, but continue to develop and invent good quality products as well as places importance on product research and development. The Company considered RD department as the heart of the organization, therefore invested on the team of personnel with diverse knowledge and ability to develop beverage products. In addition, the RD Lab is equipped with a wide range of tools and equipment of international standards, in order to support innovative development for beverage in the future.

The awarded beverage is available in 7-Eleven convenient stores, which are cold beverages in the drinks dispenser, consisted of coffee, latte and Thai tea; including lemon tea in the All Café corner.



รางวัล Superior Taste Award



- Codex Alimentarius Code of Conduct and General Principles on Food Hygiene.
- Critical Hazard Analysis and Critical Control Points and Guidelines for Implementation in Accordance with International Codex Alimentarius.
- GMP (Good Manufacturing Practice) : this quality assurance system is implemented in manufacturing food to ensure food safety and it is a fundamental standard that will lead to other quality assurance systems. The Company's manufacturing plant at Ban Bueng District, Chonburi Province has been certified by this standard.
- HACCP (Hazard Analysis Critical Control Point): this food manufacturing system ensures that the products are safe from chemical and biological hazards and contamination. HACCP certification has been award to Ban Bueng plant at Chonburi province.
- Healthier Choice: this license from Singapore certifies that the Company gives priority to consumer's health by controlling amount of sugar in its products in an appropriate level.

6. response impact. To compare the C rules with the e rules, we have selected resources that may be used in which

Reuse

This year, the Company has promoted the use of efficient resources and has required employees to be attentive and operative with the safety and environmental awareness by having a photo contest activity called, "TACC is doing good for the environment with the 3Rs", this is for all employees to realize the importance of preserving the environment in the organization such as saving water and electricity, reusing papers, paperless data collection, canceling plastic straws, bringing your own mug etc. and adding a recycling symbol on packaging box to be able to reuse.



7. Community and Social Development

The Company is well aware that strengthened community and society with sustainable development are crucial factors supporting business, so the Company aims to continuously participate in community and social development.

The activities that were participated include:

- The volunteered employees donated blood to the National Blood Centre and Thai Red Cross Society to help patients who are in need of blood and to help relieve blood shortage at UM Tower, the Company's head office.
- The Company donated 50 ml. Alcohol gel for 1,200 bottles to Association of the Blind in Thailand Bangkok, for the association's members who live in different regions across the country.
- The Company donated 320,000 Baht and face shields In the COVID-19 Prevention and Assistance Program to Faculty of Medicine Ramathibodi Hospital and Ramathibodi Foundation under the Royal Patronage Her Royal Highness Princess Maha Chakri Sirindhorn Siam Boromrajakumari Bangkok.
- The Company donated old calendars to Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen as teaching media for the blind.
- The Company donated money to Setsatian School for the Deaf under the Royal Patronage of His Royal Highness Crown Prince Maha Vajiralongkorn, Bangkok to support the school education.
- The Company donated company products to many locations such as Half Way Home (for boys and girls), and Phatumthani province.
- The Company's employees made merit to 9 monks during the New Year festival at the company's head office.
- The Company encouraged employees to use cloth bags instead of plastic bags under the campaign called, "TACC Bag Sharing". It provides sharing bags that you don't use anymore for other people to use and put it back to the original place.
- The Company donated water purifiers via a community charity campaign. The management team and the company's employees granted and installed the water purifiers to Ban Nong Pla Lai School and Wat Nong Ka Nam School, which are in the surrounding area of the Company's plant in Ban Bueng District, Chonburi. Nowadays, the company has been changing the water filter too. The main purpose is to encourage and to promote social contribution principles and to pursue activities that are valuable towards surrounding societies.







8. Innovation

The Company encourages study and research of new innovations to increase working capabilities with social responsibilities and stakeholder. The Company will not violate any intellectual properties or copyrights. In 2017, the Company is affiliated with the government has prepared a project of Innovative Food (Food Innopolis), a program that brings science, technology and innovation to take advantage of the economic and social development of Thailand. As a result, the Company has increased the knowledge of the Company's staff. In addition attend training courses on innovations by the following

- The Quest for Sustainable Food System by Food Innopolis International Symposium
- Flavor 101 Workshop : Fundamental of Flavor Sciences by Food Innopolis International Symposium
- Food Ingredients Adaptation to Thrive in The New Normal Era by food focus Thailand
- Tea & Coffee Beverage Innovation Adding Value to the Supply Chain at Mae Fah Luang University Chiang Rai



Related Transactions

There are no related transactions as of December 31, 2020.



Board of Directors

ADM Apichat Pengsritthong Age 71 Years
Chairman and Independent Director

Date of Appointment • 10 February 2015

Education • Master's Degree, National Defence College, The Joint State.
• Bachelor of Science Royal Thai Naval Academy.

Credential of Thai Institute of Directors

- Risk Management Program for Corporate Leaders (RCL) Class 4/2016.
- Directors Accreditation Program (DAP) Class 82/2010.

Experiences

Positions in Listed Companies

- 2015-Present Chairman and Independent Director, T.A.C. Consumer Public Company Limited.
- 2015-Present Chairman and Chairman of the Audit Committee, JKN Global Media Public Company Limited.
- 2012-Present Chairman, Muangthai Capital Public Company Limited.
- 2010-Present Independent Director, S&J International Enterprise Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.03% (200,000 shares)

Relationship between Director & Executive family • None

Assoc.Prof.Kitti Siripullop Age 69 Years
Chairman of Audit Committee and Independent Director

Date of Appointment • 14 July 2017

Education • Master of Business Administration (Finance and Banking), Chulalongkorn University.
• Master of Business Administration (Marketing), National Institute of Development Administration.
• Bachelor of Accounting (Second Class Honors), Chulalongkorn University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 172/2020.

Experiences

Positions in Listed Companies

- June, 2017-Present Chairman of Audit Committee and Independent Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • None

Relationship between Director & Executive family • None

Mrs. Paktra Suriyapee Age 61 Years

Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee

Date of Appointment

- 10 February 2015

Education

- Master of Science Program in Human Resource and Organization Development, National Institute of Development Administration.
- Bachelor of Arts / Humanities, Ramkhamhaeng University.
- Micro Master of Business Administration Program, Chulalongkorn University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 116/2015.

Experiences**Positions in Listed Companies**

- 2015-Present Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2009-Present Managing Director, Management division, Chokpana Co., Ltd.
- 2008-Present Director, PLUS 5 Co., Ltd.

Shareholding in the Company (%) as of December 31, 2020

- None

Relationship between Director & Executive family

- None

Mr. Komsak Wattanasriroj Age 52 Years

Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of Risk Management Committee

Date of Appointment

- 21 December 2016

Education

- Master of Business Administration, Srinakharinwirot University.
- Bachelor of Accounting, Ramkhamhaeng University.

Credential of Thai Institute of Directors

- Board Nomination & Compensation Program (BNCP) Class 8/2019
- Advance Audit Committee Program (AACP) Class 29/2018
- Directors Certification Program (DCP) Class 105/2008.

Experiences**Positions in Listed Companies**

- December 2016-Present Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of Risk Management Committee, T.A.C. Consumer Public Company Limited.
- 2005-April 2020 Director, Executive Director and CFO, Mono Technology Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020

- None

Relationship between Director & Executive family

- None

Mr.Chanit Suwanparin Age 56 Years

Director, Nomination and Compensation Committee and Risk Management Committee

Date of Appointment

- 19 August 2011

Education

- Master of Business Administration, Chulalongkorn University.
- Bachelor of Business Administration (Marketing), Assumption University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 112/2014.

Experiences**Positions in Listed Companies**

- June 2019-Present Managing Director, Electric Vehicle Business Group, Banpu NEXT Co., Ltd.
- 2011-Present Director, Nomination and Compensation Committee and Risk Management Committee, T.A.C. Consumer Public Company Limited.
- 2554-1 March 2019 Managing Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020

- None

Relationship between Director & Executive family

- None

Mr.Chatchawe Vatanasuk Age 47 Years

Director, Risk Management Committee, Chairman of the Executive Committee and Acting Managing Director (Authorized Director)

Date of Appointment

- 3 January 2005

Education

- Master of Business Administration, University of San Diego, USA.
- Bachelor of Business Administration, Assumption University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 112/2014.

Experiences**Positions in Listed Companies**

- 2005-Present Director, Risk Management Committee, Chairman of the Executive Committee, T.A.C. Consumer Public Company Limited.
- 1 March 2019-Present Acting Managing Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2010-Present Director, SP Intermach Co., Ltd.
- 2010-Present Director, C.A. General Co., Ltd.
- 2017-Present Director, Proplayer online Co., Ltd.

Shareholding in the Company (%) as of December 31, 2020

- 24.78% (150,655,825 shares)

Relationship between Director & Executive family

- None

Mrs.Chirapan Khotcharit Choosang Age 51 Years

Director, Risk Management Committee and Deputy Managing Director - Corporate Strategy Division
(Authorized Director)

Date of Appointment

- 1 September 2015

Education

- Master of Business Administration, University of South Alabama, USA.
- Bachelor of Arts (Political Science), Chulalongkorn University.

Credential of Thai Institute of Directors

- How to Develop a Risk Management Plan (HRP) Class 14/2017.
- Directors Accreditation Program (DAP) Class 124/2016.
- Financial Statements for Directors (FSD) Class 31/2016.

Experiences

Positions in Listed Companies

- May 2019-Present Director, Risk Management Committee and Deputy Managing Director - Corporate Strategy Division, T.A.C. Consumer Public Company Limited.
- 2014-Aug 2015 Assistant Managing Director Marketing Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020

- 0.70% (4,245,863 shares)

Relationship between Director & Executive family

- None

Executive Committee

Mr.Suphot Leenanurak Age 51 Years
Deputy Managing Director, Sales & Marketing Division

Education

- Master of Business Administration (MBA), University of St. Thomas, Houston, Texas.
- Bachelor Degree of Business Administration (BBA), University of Thai Chamber of Commerce, Bangkok.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 169/2020.

Experiences

Positions in Listed Companies

- February 2020-Present Deputy Managing Director, Sales & Marketing Division, T.A.C. Consumer Public Company Limited.
- November 2019-2020 Assistant Managing Director - Joint Venture Business Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2005-September 2019 Channel & Trade Management Leader, Thai Samsung Electronics Co., Ltd.

Shareholding in the Company (%) as of December 31, 2020 • 0.06% (371,233 shares)

Relationship between Director & Executive family • None

Mrs.Suveeraya Ansavananda Age 50 Years
Assistant Managing Director - Strategic Partner & Intergraded Marketing Communication

Education

- Master of Marketing Communication & Advertising, Emerson College, USA.
- Bachelor of Advertising, University of Hartford, USA.
- Certificate of Business Administration, Harvard Extension School, USA.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 131/2016.
- Financial Statements for Director (FSD) Class 31/2016.

Experiences

Positions in Listed Companies

- May 2019-Present Assistant Managing Director - Strategic Partner & Intergraded Marketing Communication, T.A.C. Consumer Public Company Limited.
- 2013-April 2019 Division Director - Commercial 1 and Corporate Communications Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- July 2015-Present Director, Sunleaf Co., Ltd.

Shareholding in the Company (%) as of December 31, 2020 • 0.04% (231,046 shares)

Relationship between Director & Executive family • None

Ms.Hatsaya Charuwitayanan Age 39 years
Assistant Managing Director - Operation Support Division

Education

- Master of Management Agro-Industry, Kasetsart University.
- Bachelor of Agro - Industry, Kasetsart University.

Credential of Thai Institute of Directors

- None

Experiences

Positions in Listed Companies

- May 2019-Present Assistant Managing Director-Operation Support Division, T.A.C. Consumer Public Company Limited.
- 2016-April 2019 Division Director - Commercial 3, Research and Development Division, T.A.C. Consumer Public Company Limited.
- 2010-2017 Associate Director - Business Development 1 Department & Research and Development Department, T.A.C. Consumer Public Company Limited.
- 2008-2010 Senior Manager New Business Development, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.01% (60,916 shares)

Relationship between Director & Executive family • None

Ms.Parichat Chotipumiwet Age 38 Years
Risk Management Committee and Senior Manager Accounting and Finance Department

Education

- Bachelor of Accounting, Thammasat University.
- Certified Public Accountant, Federation of Accounting Professions.

Credential of Thai Institute of Directors

- Board Reporting Program (BRP) Class 27/2018.
- How to Develop a Risk Management Plan (HRP) Class 14/2017.
- Company Secretary Program (CSP) Class 60/2014.

Experiences

Positions in Listed Companies

- 2017-Present Risk Management Committee and Senior Manager Accounting and Finance Department, T.A.C. Consumer Public Company Limited.
- 2013- 2016 Manager Accounting Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.02% (113,234 shares)

Relationship between Director & Executive family • None

Mr.Chawalit Prawatborisut Age 55 years
Associate Director - Department & Domestic Equipment

Education • Bachelor of Engineering Program, Mechanical Engineering, Siam University.

Credential of Thai Institute of Directors

• Directors Accreditation Program (DAP) Class 131/2016.

Experiences

Positions in Listed Companies

- May 2019-December 2020 Associate Director - Department & Domestic Equipment, T.A.C. Consumer Public Company Limited.
- 2016-2017 Associate Director - Business Development 2 Department & Domestic Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2014-2016 Product Manager, K.V.N. import-export (1991) Co., Ltd.

Shareholding in the Company (%) as of December 31, 2020 • None

Relationship between Director & Executive family • None

Mrs.Preawnapa Nimma Age 55 Years
Associate Director - Procurement Division and Acting Factory Manager - Banbung Factory Department

Education • Bachelor of Management, Suan Dusit Rajabhat University.

Credential of Thai Institute of Directors

• None

Experiences

Positions in Listed Companies

- May 2019-Present Associate Director - Procurement Division and Acting Factory Manager-Banbung Factory Department, T.A.C. Consumer Public Company Limited.
- 2013-April 2019 Senior Manager - Supply Chain, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2005-Present Director All In One Manufactory Co., Ltd.

Shareholding in the Company (%) as of December 31, 2020 • 0.0025% (14,848 shares)

Relationship between Director & Executive family • None

Ms.Narisa Tiyasuksawad Age 43 Years
Associate Director - 7-Eleven Department

Education

- Master of Management, Mahidol University.
- Bachelor of Business Administration (Marketing), Assumption University.

Credential of Thai Institute of Directors

- None

Experiences

Positions in Listed Companies

- May 2019-Present Associate Director - 7- Eleven Department, T.A.C. Consumer Public Company Limited.
- April 2015-April 2019 Senior Manager Strategic Partner Department, T.A.C. Consumer Public Company Limited.
- 2011-February 2015 Manager Strategic Partner Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.0024% (14,427 shares)

Relationship between Director & Executive family • None

Mr.Yodchai Pundee Age 50 Years
Senior Manager - Corporate Affairs Department

Education

- Bachelor of Business Administration (Management), Phranakhon Rajabhat University.

Credential of Thai Institute of Directors

- None

Experiences

Positions in Listed Companies

- April 2019-Present Senior Manager - Corporate Affairs Department, T.A.C. Consumer Public Company Limited.
- February-March 2019 Manager - Human Resource Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.0025% (15,456 shares)

Relationship between Director & Executive family • None

Ms. Phonphun Phunpanich Age 40 Years
Senior Manager - Character Business Department

Education • Master of Marketing, Mahanakorn University of Technology.

Credential of Thai Institute of Directors

- None

Experiences

Positions in Listed Companies

- April 2019-Present Senior Manager - Character Business Department, T.A.C. Consumer Public Company Limited.
- December 2013-April 2019 Key Account Manager, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.0014% (8,626 shares)

Relationship between Director & Executive family • None

Ms. Nanthaphuk Pothisarn Age 37 Years
Senior Manager - Supply Chain Department

Education • Bachelor of Business Administration (Management), Rajamangala University of Technology Thanyaburi.

Credential of Thai Institute of Directors

- None

Experiences

Positions in Listed Companies

- April 2019-Present Senior Manager - Supply Chain Department, T.A.C. Consumer Public Company Limited.
- March 2016-March 2019 Manager - Supply Chain, T.A.C. Consumer Public Company Limited.
- March 2014-March 2016 Manager - Production Planning Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2020 • 0.0016% (10,195 shares)

Relationship between Director & Executive family • None

General Information and Other Significant Information

Core Business

T.A.C. Consumer Public Company Limited (“the Company”) engages in the business of sourcing, manufacturing, and distribution of beverages, lifestyle products and Character Business. The Company focuses on managing and executing marketing and sales strategies along with beverage product development. The developed products possess distinctive unique selling points and varieties in both formats and flavors.

Head Office

9/231-233, UM Tower, 23rd Floor, Ramkhamhaeng Road, Suanluang, Bangkok 10250

Tel : 0-2717-2898

Fax : 0-2717-2899

Website : www.tacconsumer.com

E-mail : contact_info@tacconsumer.com

TAX ID : 0107558000369

Factory

99/112 Moo 1, Nongbondaeng Sub District, Banbung District, Chonburi 20170

Tel : 038-110812-4

Registered Capital

Common Shares Baht 152 million (608 million shares)

Paid-up Capital

Common Shares Baht 152 million (608 million shares)

Company Secretary

Tel : +66 27172898 Ext. 77

Fax : +66 2717 2899

E-mail : panjaporn@tacconsumer.com

Investor Relations

Tel : +66 2717 2898 Ext. 77

Fax : +66 2717 2899

E-mail : ir@tacconsumer.com

Corporate Communication

Tel : +66 2717 2898 Ext. 77

Fax : +66 2717 2899

E-mail : contact_info@tacconsumer.com

Reference

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel : +66 2009 9000

Fax : +66 2009 9991

SET Contact Center : +66 2009 9999

Website : <http://www.set.or.th/tsd>

E-mail : SETContactCenter@set.or.th

Auditor

1. Ms.Satida Ratanurak
Auditor's License No.4753 or
2. Mr.Wichart Lokatetekrawee
Auditor's License No. 4451 or
3. Ms.Siriwan Suratepin
Auditor's License No.4604

EY Office Limited

33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110, Bangkok 10501, Thailand.

Tel : +66 2264 9090

Fax : +66 2264 0789-90

Legal Consultant

Pow & Associates Law Office

19th Floor, ITF Building 140/40A, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Thailand

Tel : +66 2634 4995-7

Fax : +66 2238 2574, +66 2634 4998

ZicoLaw (Thailand) Limited

17th Floor, Q House Lumpini unit 1702 1, Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

Tel : +66 2677 7588

Fax : +66 26777589

Report of The Board of Directors' Responsibilities for Financial Reports

Dear Shareholders

The Board of Directors recognizes its duties and responsibilities, as Directors of a Listed Company, for the Company's separate and consolidated financial reports, as well as other financial information appearing in the Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. So, that the shareholders, investors and the public obtain sufficient, accurate and timely information.

The Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets in order to prevent fraud or materially irregular operation.

In this regard, the Board of Directors has appointed an Audit Committee which comprises three Independent Directors who are responsible for reviewing and working with Internal and External Auditors on the financial reports, financial statements and a quarterly and yearly basis, internal control, related transactions. To make certain that the information in these financial reports is prepared according to the intended objectives and under the good corporate governance system.

The Board of Directors is therefore of the opinion that the Company has adequate and appropriate corporate governance, risk management system and internal control system, thus providing reasonable confidence that financial reports for the year ended December 31, 2020 and information of the Company has been prepared under the financial reporting standards, suitable and consistently-conformed accounting policies, with proper and prudent discretion, as well as with sufficient, accurate and timely information disclosure.



(ADM Apichart Pengsritthong)
Chairman of Board of Director



(Mr. Chatchawe Vatanasuk)
Chairman of the Executive Committee

Report of Nomination and Compensation Committee

Dear Shareholders

The Board of Directors has appointed Nomination and Compensation Committee in accordance with the guidelines of Good Corporate Governance of listed companies. At present, the Nomination and Compensation Committee consists of 3 directors, namely, Mrs. Paktra Suriyapee, the Independent Director, who act as the Chairman of the Nomination and Compensation Committee; Mr. Komsak Wattanasriroj, the Independent Director, who act as the Nomination and Compensation Committee and Mr.Chanit Suwanparin, the Director, who act as Nomination and Compensation Committee.

Nomination and Compensation Committee has performed its duties in accordance with the Charter in considering criteria, guidelines and recruitment processes. Including considering appropriate Compensation for directors and sub-committees in order to propose to the Board of Directors for consideration and approval before presenting to the Shareholders Meeting for approval, annually. Moreover, considering the Compensation of the CEO and propose to the Board of Directors meeting for approval.

The Nomination and Compensation Committee has held 1 meeting in the year 2020, to consider various matters. The essence of duties can be summarized as follows:

1. To considered and select qualified candidates for the position of the Board of Directors which is in compliance with the company's criteria and the recruitment process. Propose to appoint qualified individual to be a Director, in replacement of the Director who retired by rotation, at the Annual General Meeting of Shareholders. The Board of Directors has considered the Directors, who are retired by rotation,

qualifications and roles in performing the duties in the past years and proposed to the Annual General Meeting of Shareholders for the year 2020 to be re-appointed for another term.

2. To consider the Compensation of Directors and proposed to the shareholders' meeting for approval. The Board of Directors had determined the Compensation for Directors in 2020, by considering from the criteria for determining the Compensation of Directors that are appropriate and in accordance with the scope of duties and responsibilities of each Director. The Board of Directors ensure that the Directors are at the same level with the same industry which can be motivate and able to maintain directors with knowledge and quality in performing duties for the Company; and proposed to the Annual General Meeting of Shareholders for approval.

3. To consider the performance evaluation of the CEO. The evaluation topics are in accordance with the SET's guidelines in 10 areas such as Leadership Strategy, Formulation Strategy, Implementation financial planning and performance and Relations with the Board of Directors etc.

On behalf of the Nomination and Compensation Committee



(Mrs. Paktra Suriyapee)
Chairman of the Nomination and Compensation Committee

Report of Risk Management Committee

Dear Shareholders

In order to support the committee of T.A.C. Consumer Public Company limited in overseeing the organizational risk management, the Board of Directors therefore appointed Risk Management Committee; to set policies and assist the Board of Directors in managing the Company's risks to cover the entire organization and meet the goals efficiently and effectively. Including, to supervise that the risk management system and process are appropriate in reducing the impact on the Company's business. As well as creating confidence and credibility for investors and stakeholders in each group. The Risk Management Committee consists of Directors who have knowledge, competence, experience and understanding in business operations.

Risk Management Committee Performance for the year 2020

The Risk Management Committee has determined and reviewed the organizational risk management framework, Policy and risk management process in accordance with the roles and responsibilities in the Risk Management Committee Charter. Moreover, the committee has provided suggestions on appropriate risk management guidelines for effective business operations and in compliance with the operation strategies direction and business plans. For the year 2020, 3 meeting was held by the Risk Management Committee to consider significant matters which can be summarized as follows:

1. Considered the annual organization main risk management plan of the year, that the management team from all departments have assessed and classified the level of importance of risk as well as determined the impact that occurred and determined such risk management methods to be in an acceptable level or help reduce the likelihood that such risk will occur.

2. To consider managing the risk of the spread of COVID-19. The Risk Management Subcommittee has assigned all parties in the organization to jointly create a COVID-19 impact assessment form. That it affects the self in any side and are taken into account together to include the overall picture of the organization and to make them aware of the future business direction assessment.

3. Review the risk management report and revise the Risk Management Committee Charter, as well as proceed to ensure that the organization has appropriate risk management. In addition, to ensure that the Company have adequate policies and risk management systems. Including the system effectiveness and practice in compliance with the specified policy.

Risk Management Committee is of the opinion that in the year 2020, the Company has developed the organization's risk management system to cover risk factors in all aspect; as well as has continuous risk management and risk assessment which is in consistent with changing circumstances. The Risk Management Subcommittee meeting was held on a quarterly basis and the Risk Management Committee meeting was held on a semi-annual basis. The Company has managed significant risks at a corporate level efficiently and appropriately as well as control such risk to be at an acceptable level.

On behalf of the Risk Management Committee



(Mr. Komsak Wattanasriroj)
Chairman of Risk Management Committee

Report of Audit Committee

Dear Shareholders

The Audit Committee of T.A.C. Consumer Public Company Limited consists of three following Independent Directors with qualification and expertise in accounting, finance, marketing and management.

1. Asoc.Prof. Kitti Siripullop
Chairman of the Audit Committee
2. Mrs.Paktra Suriyapee
Member of the Audit Committee
3. Mr.Komsak Watanasriroj
Member of the Audit Committee

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period year 2020. Audit Committee had arranged 4 meetings, each of which was attended with the management, internal audit and auditors to discuss relevant issue. There are also meetings that do not have management and auditors on matters related and report the meeting to the Board of Directors. The essence of the work performed can be summarized as follows:

Financial Statement Report

The Audit committee, the auditors and internal audit had reviewed the Company's quarterly and yearly financial statements as well as the financial statements of the Company. By considering from important aspect and consultation is free to ensure that the internal control process of the Company financial budget is accurate and reliable, as well as to ensure that the disclosure of important information is sufficient and timeliness for the financial statement users. Which is also in accordance with the laws and related notice as well as in accordance with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission and in comply with Financial Reporting Standards.

Related Transaction or Conflict of Interest Transaction

The Audit Committee had considered and given opinions about connected transactions or transactions that may give rise to a conflict of interest with the Company. The purpose is caution, rationality and taking into account the interest of the stakeholders and also includes adequate information in line with the conditions imposed by the Stock Exchange of Thailand.

Internal Control System and Risk Management

The Audit Committee reviewed the adequacy of the Company's Internal Control System and Risk Management by making inquiries and considering based on the report of the Internal Audit and Auditors, along with the implementation of solutions and streamline to significant issues. The purpose is to assess the appropriateness and the efficiency of the Company's Internal Control System, risk management and business operations of the management that are in line with the established policies and the delegation of the authority.

Oversight and evaluation of the internal audit

The Audit Committee had reviewed oversight and evaluation of the internal audit performance view of the annual internal audit plan and manpower to promote the independence of the internal audit function.

Regulatory Compliance and Regulations

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws relation to the business of the Company and acknowledge the changing of regulations which have an effect on the Company's business operation.

Considering The Appointed Auditors and Compensation

The Audit Committee had selected and considered the remuneration of the Auditors of EY Office Company Limited by considering auditors qualifications, knowledge, capabilities, experiences, the audit quality of the period year, and the independence of the auditors which are in accordance with the regulations of The Stock Exchange of Thailand or any other related department. The Board of Directors proposed to the Annual General Meeting of Shareholders of the year 2020 to appoint EY Office Company Limited as the Company's auditors. The appoint auditor are:

1. Ms.Satida Ratananurak
Auditor's License No. 4753 and/or
2. Mr.Wichart Lokatetekrawee
Auditor's License No. 4451 and/or
3. Ms.Siriwan Suratepin
Auditor's License No. 4604

The comparison of the fix the auditing fee Year 2019 and 2020

Unit : Baht

List	2019	2020	%Change
Annual audit of financial Statement	1,020,000	1,080,000	5.89
Review report and interim Financial Statements (Total 3 Quarters)	480,000	480,000	-
Total	1,500,000	1,560,000	

Note : 1. The amount does not include other expense such as travel fee, document fee, fax fee etc.
2. In the year 2020, the Company has no other service fees paid to the auditors or the auditing company.

The Audit Committee deemed that during the accounting period ended on 31st December 2020, the Company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the Company had established procedures that helped build

confidence in Company's operation in accordance with the related laws by having good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.

On behalf of the Audit Committee



(Assoc.Prof.Kitti Siripullop)
Chairman of the Audit Committee

The background of the cover is a light green color with a complex pattern of white lines and dots, resembling a network or a stylized city skyline. Overlaid on this are various financial data elements: a line graph with arrows pointing left, several percentage values (+3.14%, +2.8%, +2.6%, -10.4%, +5.6%), and a large, faint number '1'. In the bottom left corner, there is a small graphic of a folded corner.

Financial Statements

Independent Auditor's Report

To the Shareholders of T.A.C. Consumer Public Company Limited

Opinion

I have audited the accompanying financial statements of T.A.C. Consumer Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.A.C. Consumer Public Company Limited as at 31 December 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

Sales are significant accounting transactions as the volume of transactions and the amounts recognised in each period are material and directly affect profit or loss of the Company. In addition, the Company's sales transactions are made with local and overseas customers and there is a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, the Company's recognition of revenue from sales regarding sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Company.

I examined the Company's revenue recognition by assessing and testing the Company's internal controls with respect to the revenue cycle by making inquiries of responsible executives, gaining an understating of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group 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 group audit. I remain solely responsible for my audit opinion.

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

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

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

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

S. Ratananurak

Satida Ratananurak
 Certified Public Accountant (Thailand) No. 4753
 EY Office Limited
 Bangkok: 18 February 2021

Statement of Financial Position

T.A.C. Consumer Public Company Limited

As at 31 December 2020

(Unit: Baht)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets			
Cash and cash equivalents	8	203,566,425	16,094,791
Current investments	9	-	540,583,646
Trade and other receivables	10	241,624,361	302,661,349
Inventories	11	34,920,104	39,631,255
Other current financial assets	12	396,463,090	-
Other current assets		2,864,519	11,688,672
Total current assets		879,438,499	910,659,713
Non-current assets			
Property, plant and equipment	13	98,347,463	104,311,438
Right-of-use assets	14	20,842,899	-
Intangible assets	15	56,224	261,620
Deferred tax assets	22	8,540,129	9,292,864
Other non-current financial assets		4,281,200	-
Other non-current assets		-	4,250,818
Total non-current assets		132,067,915	118,116,740
Total assets		1,011,506,414	1,028,776,453

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

Statement of Financial Position (Continued)

T.A.C. Consumer Public Company Limited

As at 31 December 2020

(Unit: Baht)

	Note	2020	2019
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	17	214,430,573	266,546,691
Advance received from customers		5,287,741	7,406,416
Current portion of long-term financial lease liabilities		-	1,317,702
Current portion of lease liabilities	14	4,991,881	-
Income tax payable		23,490,568	26,480,887
Other current liabilities		6,321,804	8,449,661
Total current liabilities		254,522,567	310,201,357
Non-current liabilities			
Long-term financial lease liabilities, net of current portion		-	1,533,670
Lease liabilities, net of current portion	14	15,663,158	-
Provision for long-term employee benefits	18	18,632,301	18,575,050
Total non-current liabilities		34,295,459	20,108,720
Total liabilities		288,818,026	330,310,077
Shareholders' equity			
Share capital			
Registered			
608,000,000 ordinary shares of Baht 0.25 each		152,000,000	152,000,000
Issued and fully paid up			
608,000,000 ordinary shares of Baht 0.25 each		152,000,000	152,000,000
Share premium		426,988,701	426,988,701
Retained earnings			
Appropriated - statutory reserve	20	15,200,000	15,200,000
Unappropriated		128,499,687	104,277,675
Total shareholders' equity		722,688,388	698,466,376
Total liabilities and shareholders' equity		1,011,506,414	1,028,776,453

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

Statement of Comprehensive Income

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2020

(Unit: Baht)

	Note	Financial statements in which the equity method is applied	Separate financial statements	
		2019	2020	2019
Profit or loss:				
Revenues				
Sales and service income		1,520,276,775	1,314,737,938	1,520,276,775
Gain on disposal of investment in joint venture		75,751	-	-
Other income		7,088,458	2,002,797	7,088,458
Total revenues		<u>1,527,440,984</u>	<u>1,316,740,735</u>	<u>1,527,365,233</u>
Expenses	21			
Cost of sales and services		1,053,373,191	869,490,793	1,053,373,191
Selling and distribution expenses		193,207,454	140,915,611	193,207,454
Administrative expenses		72,623,672	72,307,614	72,623,672
Loss on exchange		4,177,893	134,475	4,177,893
Loss on disposal of investment in joint venture		-	-	5,219,615
Total expenses		<u>1,323,382,210</u>	<u>1,082,848,493</u>	<u>1,328,601,825</u>
Operating profit		<u>204,058,774</u>	<u>233,892,242</u>	<u>198,763,408</u>
Share of loss from investment in joint venture		(2,389,682)	-	-
Finance income		2,518,191	1,988,815	2,518,191
Finance cost		(352,438)	(1,185,735)	(352,438)
Profit before income tax expenses		<u>203,834,845</u>	<u>234,695,322</u>	<u>200,929,161</u>
Income tax expenses	22	(41,744,188)	(46,314,753)	(41,744,188)
Profit for the year		<u>162,090,657</u>	<u>188,380,569</u>	<u>159,184,973</u>
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss	18	(6,553,474)	-	(6,553,474)
Less: Income tax effect	22	1,310,695	-	1,310,695
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(5,242,779)	-	(5,242,779)
Other comprehensive income for the year		<u>(5,242,779)</u>	<u>-</u>	<u>(5,242,779)</u>
Total comprehensive income for the year		<u>156,847,878</u>	<u>188,380,569</u>	<u>153,942,194</u>
Basic earnings per share	23			
Profit for the year		0.27	0.31	0.26
Weighted average number of ordinary shares (shares)		<u>608,000,000</u>	<u>608,000,000</u>	<u>608,000,000</u>

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

Statement of Changes in Shareholders' Equity

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2020

(Unit: Baht)

	Financial statements in which the equity method is applied				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated -		
			statutory reserve	Unappropriated	
Balance as at 1 January 2019	152,000,000	426,988,701	15,200,000	62,948,822	657,137,523
Profit for the year	-	-	-	162,090,657	162,090,657
Other comprehensive income for the year	-	-	-	(5,242,779)	(5,242,779)
Total comprehensive income for the year	-	-	-	156,847,878	156,847,878
Dividend paid (Note 26)	-	-	-	(115,519,025)	(115,519,025)
Balance as at 31 December 2019	152,000,000	426,988,701	15,200,000	104,277,675	698,466,376

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

Statement of Changes in Shareholders' Equity

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	152,000,000	426,988,701	15,200,000	65,854,506	660,043,207
Profit for the year	-	-	-	159,184,973	159,184,973
Other comprehensive income for the year	-	-	-	(5,242,779)	(5,242,779)
Total comprehensive income for the year	-	-	-	153,942,194	153,942,194
Dividend paid (Note 26)	-	-	-	(115,519,025)	(115,519,025)
Balance as at 31 December 2019	<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>104,277,675</u>	<u>698,466,376</u>
Balance as at 1 January 2020	152,000,000	426,988,701	15,200,000	104,277,675	698,466,376
Profit for the year	-	-	-	188,380,569	188,380,569
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	188,380,569	188,380,569
Dividend paid (Note 26)	-	-	-	(164,158,557)	(164,158,557)
Balance as at 31 December 2020	<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>128,499,687</u>	<u>722,688,388</u>

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

Cash Flow Statement

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2020

(Unit: Baht)

	Financial statements in which the equity method is applied		
	2019	2020	2019
Cash flows from operating activities			
Profit before tax	203,834,845	234,695,322	200,929,161
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	18,542,170	23,094,832	18,542,170
Allowance for expected credit losses (reversal)	525,290	(430,179)	525,290
Reduction of inventories to net realisable value	17,403,437	-3,941,853	17,403,437
(Gain) loss on disposal of investment in joint venture	(75,751)	-	5,219,615
Share of loss from investment in joint venture	2,389,682	-	-
Gain on sales and change in value of investments in trading securities	(4,301,073)	-	(4,301,073)
Loss on sales of other current financial assets	-	6,290,866	-
Gain on fair value adjustment of financial assets	-	(507,541)	-
Loss on write-off of non-refundable deposit	1,089,869	-	1,089,869
Gain on disposals of equipment	(1,838,240)	-	(1,838,240)
Loss on write-off of equipment and intangible assets	54,111	47,768	54,111
Allowance for impairment loss on property, plant and equipment	-	562,250	-
Provision for long-term employee benefits	4,782,252	3,097,344	4,782,252
Unrealised loss on exchange	4,213,597	211,426	4,213,597
Finance income	(2,518,191)	-1,988,815	-2,518,191
Finance cost	374,810	1,185,735	374,810
Profit from operating activities before changes in operating assets and liabilities	244,476,808	262,317,155	244,476,808
Operating assets decrease (increase):			
Trade and other receivables	5,341,325	61,157,969	5,341,325
Inventories	6,364,433	8,653,004	6,364,433
Other current assets	241,850	8,824,153	241,850
Other non-current assets	3,426,310	(30,382)	3,426,310
Operating liabilities increase (decrease):			
Trade and other payables	10,481,727	(52,891,861)	10,481,727
Advance received from customers	-6,147,637	(2,118,675)	(6,147,637)
Other current liabilities	4,243,363	(2,127,857)	4,243,363
Cash from operating activities	268,428,179	283,783,506	268,428,179
Cash paid for long-term employee benefits	(6,023,628)	(3,040,093)	(6,023,628)
Interest received	2,459,975	2,286,281	2,459,975
Interest paid	-	(27,568)	-
Corporate income tax paid	(32,510,390)	(48,552,337)	(32,510,390)
Net cash from operating activities	232,354,136	234,449,789	232,354,136

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

Cash Flow Statement (Continued)

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2020

(Unit: Baht)

	Financial statements in which the equity method is applied		
	Separate financial statements		
	2019	2020	2019
Cash flows from investing activities			
Increase in current investments	(148,458,189)	-	(148,458,189)
Cash paid for purchase of other current financial assets	-	(1,698,933,864)	-
Proceed from sales of other current financial assets	-	1,837,071,401	-
Proceeds from disposals of investment in joint venture	905,385	-	905,385
Acquisitions of plant and equipment	(32,866,736)	(15,752,030)	(32,866,736)
Proceeds from disposals of equipment	2,676,402	-	2,676,402
Increase in intangible assets	(47,464)	(20,660)	(47,464)
Net cash from (used in) investing activities	(177,790,602)	122,364,847	(177,790,602)
Cash flows from financing activities			
Repayments of liabilities under finance lease agreements	(2,946,659)	-	(2,946,659)
Repayments of lease liabilities	-	(5,960,188)	-
Dividend paid	(115,519,025)	(163,382,814)	(115,519,025)
Net cash used in financing activities	(118,465,684)	(169,343,002)	(118,465,684)
Net increase (decrease) in cash and cash equivalents	(63,902,150)	187,471,634	(63,902,150)
Cash and cash equivalents at beginning of year	79,996,941	16,094,791	79,996,941
Cash and cash equivalents at end of year (Note 8)	16,094,791	203,566,425	16,094,791

Supplemental cash flows information

Non-cash transactions

Acquisitions of assets under financial lease agreements	502,773	-	502,773
Acquisition of right-of-use assets under lease contracts	-	3,611,883	-
Dividend payable	-	775,743	-

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

Notes to Financial Statements

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2020

1. General information

1.1 Corporate information

T.A.C. Consumer Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the change of its status to a public limited company under the Public Limited Companies Act on 26 August 2015. The Company operates in Thailand and its principal activity is the manufacture and distribution of beverage, with the registered office address at 9/231-233, 23rd Floor, UM Tower, Ramkhamhaeng Road, Suanluang, Bangkok, and its factory address is at 99/112 Moo 1, Nongmaidaeng, Banbueng, Chonburi.

1.2 COVID-19 pandemic

A second wave of the COVID-19 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

3. New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting Standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

These standards do not have any significant impact on the Company's financial statements.

TFRS 16 Leases

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

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

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

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and impairment of assets.

In the fourth quarter of 2020, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of the temporary relief measures on accounting alternatives as mentioned. These has no significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of the statement of financial position of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

The impacts of
Financial reporting
standards related

31 December 2019	to financial instruments	TFRS 16	1 January 2020
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Statement of financial position**Assets****Current assets**

Current investments	540,584	(540,584)	-	-
Other current financial assets	-	540,584	-	540,584

Non-current assets

Property, plant and equipment	104,311	-	(3,487)	100,824
Right-of-use assets	-	-	22,480	22,480
Other non-current financial assets	-	4,250	-	4,250
Other non-current assets	4,250	(4,250)	-	-

Liabilities**Current liabilities**

Current portion of long-term financial lease liabilities	1,318	-	(1,318)	-
Current portion of lease liabilities	-	-	4,258	4,258

Non-current liabilities

Long-term financial lease liabilities, net of current portion	1,534	-	(1,534)	-
Lease liabilities, net of current portion	-	-	17,587	17,587

4.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value			
		Fair value through profit or loss	through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	16,095	-	-	16,095	16,095
Trade and other receivables	311,972	-	-	311,972	311,972
Other current financial assets	540,584	374,216	-	166,368	540,584
Other non-current financial assets	4,250	-	-	4,250	4,250
Total financial assets	872,901	374,216	-	498,685	872,901

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

Operating lease commitments as at 31 December 2019	7,750
Less: Short-term leases and leases of low-value assets	(529)
Add: Option to extend lease term	15,602
Less: Contracts reassessed as service agreements	(2,016)
Less: Deferred interest expenses	(1,814)
Increase in lease liabilities due to TFRS 16 adoption	18,993
Liabilities under finance lease agreements as at 31 December 2019	2,852
Lease liabilities as at 1 January 2020	21,845
Weighted average incremental borrowing rate (percent per annum)	5.01

(Unit: Thousand Baht)

Comprise of:

Current lease liabilities

4,258

Non-current lease liabilities

17,587

21,845

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

(Unit: Thousand Baht)

Buildings and building improvement

18,917

Machinery and plant equipment

76

Furniture and office equipment

1,093

Motor vehicles

2,394

Total right-of-use assets22,480

5. Significant accounting policies

5.1 Revenue and expense recognition

a) Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting goods returns, discounts and allowances.

When a contract provided a customer with a right to return the goods within a specified period, the Company recognises the amount ultimately expected they will have to return to customers as a refund liability and recognises the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The right of return asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

b) License fee

Revenue from license of cartoon character is recognised systematically over the contract period.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position, which is recognised as revenue when the Company performs under the contract.

c) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

d) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw materials and packing materials are charged to production costs whenever consumed.

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

5.4 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Building improvement	-	3 - 20 years
Machinery and plant equipment	-	5 - 10 years
Furniture and office equipment	-	3 - 5 years
Selling tools and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

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

5.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.6 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Computer software	2 - 5 years

5.7 Leases

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

The Company as lessee

Accounting policies adopted since 1 January 2020

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and building improvement	5 - 8 years
Machinery plant and equipment	3 - 10 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

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

5.8 Related party transactions

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

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

5.9 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.10 Impairment of non-financial assets

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

An impairment loss is recognised in the profit or loss.

In the assessment of asset impairment if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

5.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

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

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

5.12 Provisions

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

5.13 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Financial instruments

Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and unbilled revenues, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

Investments

Current investments in securities held for trading are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.

The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification is recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

5.15 Derivatives

Accounting policies adopted since 1 January 2020

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes is recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a derivatives asset in non-current asset or a derivatives liability in non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as derivatives assets in current assets or derivatives liability in current liabilities.

5.16 Fair value measurement

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

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

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

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

6. Significant accounting judgements and estimates

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

Reduction of inventories to net realisable value

In determining the net realisable value of inventories, the management needs to make judgement and estimates of loss that may be incurred from substandard or deteriorated inventories, and the effect from the reduction of the selling price of inventories.

Property, plant and equipment and depreciation

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

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Leases

Determining the lease term with extension and termination options - The Company as lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company as lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

7. Related party transactions

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

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	48.6	58.1
Post-employment benefits	2.8	4.2
Total	<u>51.4</u>	<u>62.3</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Cash	20	20
Bank deposits	203,407	15,946
Cash in private fund	139	129
Total cash and cash equivalents	<u>203,566</u>	<u>16,095</u>

As at 31 December 2020, bank deposits in savings and fixed deposits carried interests between 0.04 and 0.55 percent per annum (2019: between 0.04 and 0.50 percent per annum).

9. Current investments

As at 31 December 2019, current investments consisted of the following:

	(Unit: Thousand Baht)
	<u>2019</u>
Investments in trading securities	319,508
Current investments in private fund	54,708
Fixed deposits	<u>166,368</u>
Total current investments	<u>540,584</u>

As at 31 December 2019, the Company had current investments in 6-month and 12-month fixed deposits totaling Baht 166.4 million, carrying interests between 1.00 and 1.75 percent per annum and due for redemption during January 2020 to May 2020.

10. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	229,393	295,378
Past due		
Up to 3 months	4,510	5,834
3 - 6 months	189	-
6 - 12 months	-	284
Over 12 months	284	1
Total	234,376	301,497
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(60)	(200)
Total trade accounts receivable - unrelated parties - net	234,316	301,297
<u>Other receivables</u>		
Other receivables - unrelated parties	7,243	1,291
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(254)	(544)
Total other receivables - unrelated parties - net	6,989	747
Interest receivable	319	617
Total other receivables - net	7,308	1,364
Total trade and other receivables - net	241,624	302,661

Movements of allowance for expected credit losses of trade and other receivables are summarised as follows:

	(Unit: Thousand Baht)
As at 1 January 2020	744
Allowance for expected credit losses (reversal)	(430)
As at 31 December 2020	<u>314</u>

11. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	40,654	39,282	(14,661)	(10,828)	25,993	28,454
Work in process	151	125	-	-	151	125
Raw and packing materials	10,232	20,442	(1,615)	(9,390)	8,617	11,052
Goods in transit	159	-	-	-	159	-
Total inventories	51,196	59,849	(16,276)	(20,218)	34,920	39,631

During the current year, the Company reduced cost of inventories by Baht 5.9 million (2019: Baht 18.5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 9.9 million (2019: Baht 1.1 million), and reduced the amount of inventories recognised as expenses during the year.

12. Other current financial assets

As at 31 December 2020, other current financial assets consisted of the following:

(Unit: Thousand Baht)

Fixed deposits at amortised cost	1
Debt instrument at fair value through profit or loss	
Investments in mutual fund	396,462
Total other current financial assets	396,463

The Company had set up a private fund for its investments which is managed by an asset management company. The investments include convertible bonds and trust securities of foreign companies or corporates.

As at 31 December 2020, the Company assessed the fair value of such investments by referring to the value quoted by the asset management company in which the fair value increased Baht 0.5 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Machinery and plant equipment	Furniture and office equipment	Selling tools and equipment	Motor vehicles	Assets under installation	Total
Cost								
1 January 2019	10,704	31,108	10,373	17,695	48,219	15,092	12,272	145,463
Additions	14,874	6,986	3,582	1,421	-	5,689	817	33,369
Transfer in (transfer out)	-	158	285	130	205	-	(778)	-
Disposals/write-off	-	-	(143)	(612)	-	(10,995)	(54)	(11,804)
31 December 2019	25,578	38,252	14,097	18,634	48,424	9,786	12,257	167,028
Adjustment from TFRS 16 adoption	-	-	-	(2,695)	-	(3,600)	-	(6,295)
Additions	-	7,536	2,866	2,986	-	-	2,364	15,752
Transfer in (transfer out)	-	-	-	65	210	-	(275)	-
Write-off	-	(223)	(58)	(111)	-	-	-	(392)
31 December 2020	25,578	45,565	16,905	18,879	48,634	6,186	14,346	176,093
Accumulated depreciation								
1 January 2019	-	8,637	5,744	11,123	19,148	10,979	-	55,631
Depreciation for the year	-	2,453	1,334	2,777	9,674	1,760	-	17,998
Depreciation on disposals/write-off	-	-	(143)	(254)	-	(10,515)	-	(10,912)
31 December 2019	-	11,090	6,935	13,646	28,822	2,224	-	62,717
Adjustment from TFRS 16 adoption	-	-	-	(1,602)	-	(1,206)	-	(2,808)
Depreciation for the year	-	3,217	1,884	1,900	9,684	934	-	17,619
Depreciation on write-off	-	(178)	(55)	(111)	-	-	-	(344)
31 December 2020	-	14,129	8,764	13,833	38,506	1,952	-	77,184
Allowance for impairment loss								
31 December 2019	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	562	562
Net book value								
31 December 2019	25,578	27,162	7,162	4,988	19,602	7,562	12,257	104,311
31 December 2020	25,578	31,436	8,141	5,046	10,128	4,234	13,784	98,347
Depreciation for the year								
2019 (Baht 3.2 million included in cost of sales, and the balance in selling and administrative expenses)								17,998
2020 (Baht 4.7 million included in cost of sales, and the balance in selling and administrative expenses)								17,619

As at 31 December 2020, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 20.7 million (2019: Baht 16.9 million).

The Company has mortgaged land with structures thereon with net book value as at 31 December 2020 amounting to approximately Baht 16.1 million (2019: Baht 16.5 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 16.

14. Lease

The Company as lessee, has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 10 years.

14.1 Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Building and building improvement	Machinery and plant equipment	Furniture and office equipment	Motor vehicles	Total
As at 1 January 2020	18,917	76	1,093	2,394	22,480
Increase during the year	567	1,779	1,266	-	3,612
Depreciation for the year	(3,283)	(452)	(938)	(576)	(5,249)
As at 31 December 2020	<u>16,201</u>	<u>1,403</u>	<u>1,421</u>	<u>1,818</u>	<u>20,843</u>

14.2 Lease liabilities

Lease liabilities as at 31 December 2020 are presented below.

(Unit: Thousand Baht)

Lease payment	23,103
Less: Deferred interest expenses	<u>(2,448)</u>
Total	20,655
Less: Portion due within one year	<u>(4,992)</u>
Lease liabilities - net of current portion	<u>15,663</u>

A maturity analysis of lease payments is disclosed in Note 29 under the liquidity risk.

Movements in lease liabilities during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2020 (Note 4)	21,845
Add: New lease contracts during the year	3,612
Accretion of interest	1,158
Less: Payments during the year	<u>(5,960)</u>
Balance as at 31 December 2020	<u>20,655</u>

14.3 Expenses relating to leases that are recognised in profit or loss

The following are the amounts relating to lease contracts recognised in profit or loss for the year ended 31 December 2020:

	(Unit: Thousand Baht)
Depreciation expenses of right-of-use assets	5,249
Interest expenses on lease liabilities	1,158
Expense relating to short-term leases	76
Expenses relating to leases of low-value assets	186

14.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 6.7 million, including the cash outflow related to short-term lease and leases of low-value assets.

15. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Cost	5,715	6,597
Less: Accumulated amortisation	(5,659)	(6,335)
Net book value	<u>56</u>	<u>262</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	262	759
Acquisitions - at cost	21	47
Amortisation for the year	(227)	(544)
Net book value at end of year	<u>56</u>	<u>262</u>

16. Bank overdrafts

The bank overdrafts are secured by the mortgage of the Company's land with structures thereon.

As at 31 December 2020, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 119.8 million (2019: Baht 119.8 million).

17. Trade and other payables

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
Trade payables - unrelated parties	128,380	183,308
Other payables - unrelated parties	42,998	23,777
Accrued expenses	43,053	59,462
Total trade and other payables	<u>214,431</u>	<u>266,547</u>

18. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits		
at beginning year	18,575	13,263
Included in profit or loss:		
Current service cost	2,819	3,634
Interest cost	278	304
Past service costs	-	845
Included in other comprehensive income:		
Actuarial loss arising from:		
Demographic assumptions changes	-	1,899
Financial assumption changes	-	1,473
Experience adjustments	-	3,181
Benefit paid during the year	<u>(3,040)</u>	<u>(6,024)</u>
Provision for long-term employee benefits		
at end of year	<u>18,632</u>	<u>18,575</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 0.8 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in profit or loss in the statement of comprehensive income in the year 2019.

The Company expects to pay Baht 0.2 million of long-term employee benefits during the next year (2019: Baht 2.0 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits is 11 years (2019: 11 years).

Significant actuarial assumptions are summarised below.

	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)
Discount rate	1.61	1.61
Salary increase rate	5.00	5.00
Staff turnover rate (depending on age of employees)	3 - 34	3 - 34

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

	(Unit: Million Baht)	
	As at 31 December 2020	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.7
Salary increase rate	1.7	(1.5)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(1.8)	2.1

(Unit: Million Baht)

As at 31 December 2019

	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.6
Salary increase rate	1.4	(1.3)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(1.5)	1.8

19. Share capital

On 23 March 2020, the Meeting of the Board of Directors of the Company No. 2/2563 passed a resolution to approve the share repurchase project (Treasury Stock) with the maximum amount of Baht 50 million for 18 million shares repurchased, representing 3% of the total issued share capital. The repurchase period is from 8 April 2020 to 7 October 2020. During this period, no shares were repurchased by the Company.

20. Statutory reserve

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

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Purchases of finished goods and changes in inventories		
of finished goods and work in process	653,582	800,694
Raw materials and consumables used	161,361	149,601
Advertising and promotion expenses	55,582	103,823
Salaries and wages and other employee benefits	113,592	113,452
Transportation expenses	35,156	36,606
Depreciation and amortisation	23,095	18,542
Consulting fees	2,571	1,355

22. Income tax

22.1 Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Current income tax:		
Current income tax charge	45,562	46,625
Deferred tax:		
Relating to origination and reversal of temporary differences	753	(4,881)
Income tax expenses reported in the statement of comprehensive income	<u>46,315</u>	<u>41,744</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial loss	-	(1,311)

22.2 The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied	Separate financial statements	
	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	<u>203,835</u>	<u>234,695</u>	<u>200,929</u>
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	40,767	46,939	40,186
Effects of:			
Non-deductible expenses	2,245	639	2,826
Additional expense deductions allowed	(1,268)	(1,263)	(1,268)
Total	<u>977</u>	<u>(624)</u>	<u>1,558</u>
Income tax expenses reported in the statement of comprehensive income	<u>41,744</u>	<u>46,315</u>	<u>41,744</u>
Effective income tax rate	<u>20.5%</u>	<u>19.7%</u>	<u>20.8%</u>

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

(Unit: Thousand Baht)		
Statements of financial position		
	As at 31 December 2020	As at 31 December 2019
Deferred tax assets		
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	63	149
Allowance for diminution in inventory value	3,255	4,044
Accrued expenses	1,291	1,560
Allowance for goods returns	46	144
Allowance for impairment of property, plant and equipment	112	144
Lease	72	-
Provision for long-term employee benefits	3,726	3,715
Others	2	-
Total	8,567	9,612
Deferred tax liabilities		
Right of return assets	(27)	(120)
Financial leases	-	(199)
Total	(27)	(319)
Deferred tax assets - net	8,540	9,293

23. Earnings per share

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

24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The Company organised into business units based on its products and services. During the current year, the Company expended its business to the sales of license of cartoon characters. At present, the Company is engaged in two operating segments, which are the manufacture and distribution of beverage and the sales of license of cartoon characters. Its operations are carried on only in geographical area of Thailand. For the year 2020, the operation of the sales of license of cartoon characters represented 2 percent of total sales (2019: 3 percent of total sales). The Company's distribution channel includes both in domestic and overseas markets. For the year 2020, domestic sales represented 98 percent of total sales (2019: 97 percent of total sales).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segments and geographical area.

Major customers

For the year 2020, the Company had revenue from one major customer, with revenue of 95 percent of the Company's revenues (2019: 96 percent).

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by AIA Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 3.1 million (2019: Baht 3.0 million) were recognised as expenses.

26. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>2019</u>			
Dividends for 2018	Annual General Meeting of the shareholders on 23 April 2019	54.7	0.09
Interim dividends for 2019	Board of Directors' meeting on 13 August 2019	60.8	0.10
Total for 2019		<u>115.5</u>	
<u>2020</u>			
Interim dividends for 2020	Board of Directors' meeting on 25 March 2020	85.1	0.14
Interim dividends for 2020	Board of Directors' meeting on 6 August 2020	79.0	0.13
Total for 2020		<u>164.1</u>	

27. Commitments

27.1 Operating lease commitments

The Company has entered into several operating lease agreements in respect of the lease of equipment which are short-term leases and leases of low-value assets and other related service contracts. The terms of the agreements are generally between 1 and 3 years.

As of 31 December 2020, future minimum payments required under these contracts were as follows:

(Unit: Million Baht)

Payable

In up to 1 year	4.3
In over 1 year and up to 3 years	0.1

27.2 Merchandise sub-license commitments

On 19 October 2017, the Company entered into a merchandise sub-license agreement with an overseas company. Under the terms of the agreement, the Company is granted the privilege to sell licenses of the characters. The Company agrees to pay royalty fee at the percentage of gross license fee receipts as specified in the agreement. The agreement is for a period of 5 years, from 1 January 2018 to 31 December 2022.

On 1 September 2019, the Company entered into a merchandise sub-license agreement with a creator and copyright holder in Thailand. Under the terms of the agreement, the Company is granted the privilege to sell licenses of the characters. The Company agrees to pay royalty fee at the percentage of gross license fee receipts as specified in the agreement. The agreement is for a period of 2 years, from 1 September 2019 to 31 August 2021.

28. Fair value hierarchy

As at 31 December 2020, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	2020
	Level 2
Financial assets measured at fair value	
Investments in mutual fund	396

During the years 2020 and 2019, there were no transfers within the fair value hierarchy.

29. Financial instruments

29.1 Derivatives

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Derivative assets		
Derivative assets not designated as hedging instruments		
Forward exchange contracts	56	-
Total derivative assets	<u>56</u>	<u>-</u>

Derivatives not designated as hedging instruments

The Company uses forward exchange contracts to manage some of its transaction exposures. The forward exchange contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 12 months.

29.2 Financial risk management objectives and policies

The Company's financial instruments, principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade and other receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar credit risks. The Company classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off when there are no movement and past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its purchasing transactions and investment in private fund that are denominated in foreign currencies.

The Company manages its foreign currency risk by hedging purchasing transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases and 24-month period for net investment hedges.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Forward exchange contracts outstanding as at 31 December 2020 are summarised below.

2020			
Foreign currency	Sold amount (Thousand)	Contractual exchange rate for amount sold	Contractual maturity date
		(Baht per 1 foreign currency unit)	
US dollar	40	31.4300	7 April 2021

As at 31 December 2019, the Company had no outstanding of forward exchange contracts outstanding.

The balances of financial assets denominated in foreign currencies as at 31 December 2020 and 2019 are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	2020 (Million)	2019 (Million)	2020 (Baht per foreign currency unit)	2019
US dollar	2	2	29.8674	30.1540

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
US dollar	+5	3,144
	-5	(3,144)

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2020

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	62	-	-	135	7	204	0.04 - 0.55
Trade and other receivables	-	-	-	-	242	242	-
Other current financial assets	-	-	-	-	396	396	-
	62	-	-	135	645	842	
Financial liabilities							
Trade and other payables	-	-	-	-	214	214	-
Lease liabilities	5	16	-	-	-	21	3.96 - 11.12
	5	16	-	-	214	235	

(Unit: Million Baht)

As at 31 December 2019

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	10	6	16	0.04 - 0.50
Current investments	167	-	-	-	374	541	1.00 - 1.75
Trade and other receivables	-	-	-	-	303	303	-
	167	-	-	10	683	860	
Financial liabilities							
Trade and other payables	-	-	-	-	267	267	-
Liabilities under financial lease agreements	1	2	-	-	-	3	3.96 - 11.12
	1	2	-	-	267	270	

Liquidity risk

The Company manages liquidity risk to meet its business obligations by maintains an adequate level of cash to meet its liquidity requirements. The Company had working capital cover the liquidity needs and its liquidity risk is low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Less than 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	214,431	-	-	214,431
Lease liabilities	5,953	16,814	336	23,103
Total	220,384	16,814	336	237,534

29.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2020, the Company's debt-to-equity ratio was 0.4:1 (2019: 0.5:1)

31. Events after the reporting period

On 18 February 2021, the meeting of the Board of Directors of the Company No. 1/2021 approved the payment of final dividend for 2020 to the Company's shareholders at Baht 0.17 per share or a total dividend of Baht 103.36 million.

The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

32. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 18 February 2021.

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.set.or.th, www.sec.or.th or in the website of T.A.C.Consumer Public Company Limited www.tacconsumer.com

T.A.C. Consumer PCL.

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Additional Information