



Thai President Foods Public Company Limited



# FOOD VARIETY

Annual Report  
2019



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## VISION

" To be a world leading food producer and brand name that are well-accepted and recognized by consumers of all household for our safe and international standard products under creative and innovative management with responsibilities to social and environment for the long-term sustainability. "

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## MISSION

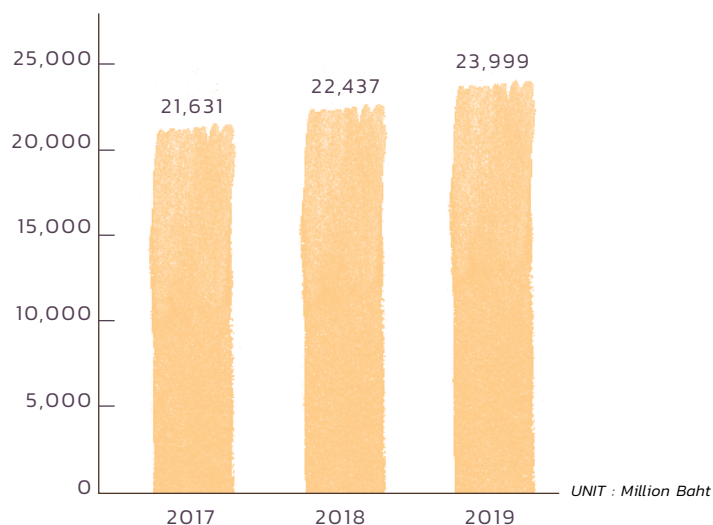
1. Maximize the consumer's benefit with safe, quality and nutritious convenient food products at reasonable price.
  2. Develop capabilities of our human resources leading the company to be learning organization for everyone.
  3. To enhance production efficiency with modern technology, and support research and development to initiate foods innovation as well as effective management system based on the Big Data information.
  4. Search for marketing opportunity and channel for continuously growth of our business around the world.
  5. Build trust among stakeholders with emphasis on social responsibility as well as protections of natural resource and environment using good governance for sustainable development.
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## CORE VALUES

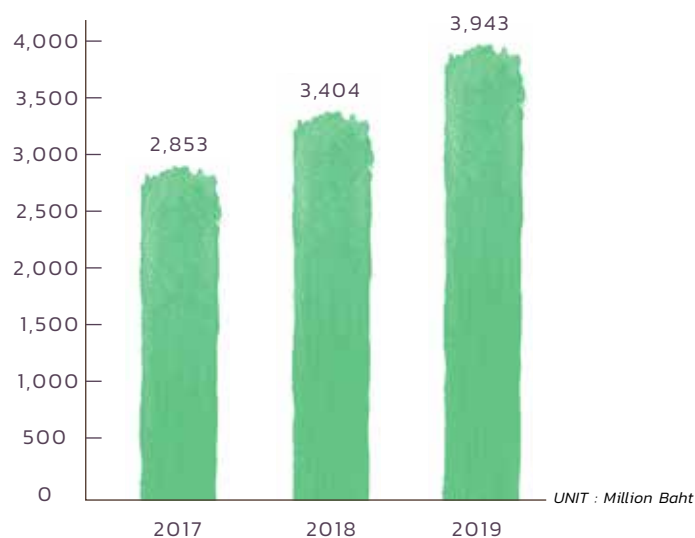




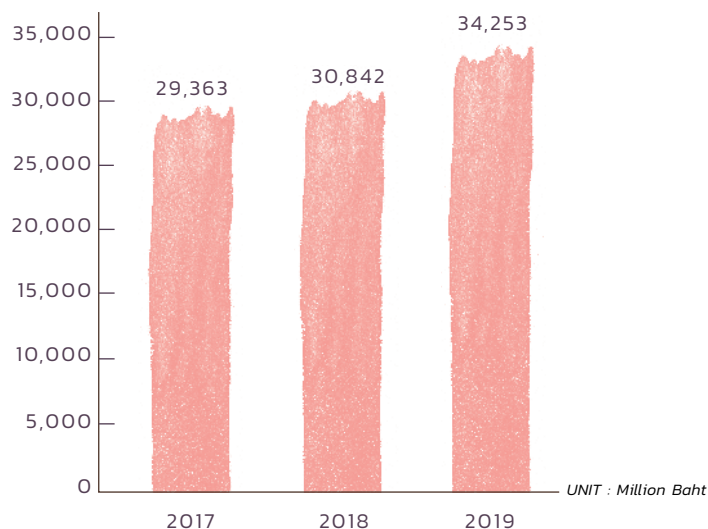
Sales Revenue  
**23,999**



Net Profit of Equity  
Holders of the Company  
**3,943**



Total Assets  
**34,253**





## Highlights of the year

Consolidated	2019	Change (%)	2018	Change (%)	2017
<b>Performance (Million Baht)</b>					
Sales	23,999	6.96	22,437	3.73	21,631
Total Revenues*	25,008	8.25	23,101	3.98	22,218
Net Profit of Equity Holders of the Company	3,943	15.83	3,404	19.31	2,853
Total Assets	34,253	11.06	30,842	5.04	29,363
Total Liabilities	4,209	4.73	4,019	8.45	3,706
Total Shareholders' Equity	30,044	12.01	26,823	4.54	25,657
<b>Per Share Data (Baht)</b>					
Earnings per Share	11.96	15.78	10.33	19.42	8.65
Dividend Per Share	4.46	13.78	3.92	8.59	3.61 **
Book Value per Share	91.12	12.01	81.35	4.54	77.82
<b>Financial Ratio</b>					
Current Ratio	4.63	3.85	4.46	-12.12	5.07
Average Collection Period (Days)	56	-6.39	60	2.63	58
Return on Assets	18.08	10.03	16.43	9.43	15.01
Debt to Equity	0.18	-6.43	0.19	3.14	0.19
Times Interest Earned	534.82	40.60	380.38	52.08	250.12
<b>Rate of Return (%)</b>					
Gross Profit Margin	36.24	0.99	35.25	1.61	33.64
Net Profit Margin	15.77	1.03	14.74	1.89	12.84
Return on Equity	17.80	1.11	16.70	1.63	15.07

\* Included the Share of profit from investments in associates

\*\* Adjusted to be the same base at 329,704,014 shares





## Message from the Board of Directors

The year 2019 is another year that Thai President Foods PCL has continue satisfactory performance from the past year. The Group achieved sales totaling 23,999 million Baht, representing a growth rate of 6.96 %. The Company has been driven by its firm commitment to relentlessly doing business with adherence to good corporate governance principles and efficient and transparent work processes. These elements have contributed to the Company's successful movement towards its goal "To be a world leading food producer and brand name that are well-accepted and recognized by consumers of all households", in line with its vision, in order to bring about business sustainability and generate secure long-term returns to the shareholders.

As in previous years, the Company's operation continued to be conducted based on its commitment to prudence with the focus placed on enhancing production efficiency. Importance is also attached to turning out products of good quality and safety as well as aiming to achieve its goal of sustainable development in accordance with its growth strategy implemented under various projects and activities as follows:

- Development of new value-added products to offer additional alternatives and to better respond to consumers' demands. Instant noodles products in the MAMA OK series, in particular, have been well received by consumers and played a major role in boosting sales.
- On-going improvement of the production systems to maintain international standards included investment in modern machinery to increase efficiency, introduction of robots for use in the processes, introduction of the Total Productive Maintenance (TPM) to enhance

overall efficiency of the machinery and the use of solar rooftop energy to minimize impact on the environment.

- Systematic development of quality human resources and instilling of the TF-POWERS Values among the employees at all levels to ensure their understanding and execution as they are considered important drivers for achievement of the set goals.

In terms of anti-corruption activities, in 2019, the Company's membership in the Private Sector Collective Action Coalition Against Corruption was renewed for the first time for a three-year period.

In recognition of the Company's demonstrated responsibilities for society and the environment as well as sound operating results, the Company was given the Thailand Sustainability Investment (THSI) 2019 Award by the Stock Exchange of Thailand and the Sustainability Disclosure Acknowledgement Award by the Thaipat Institute.

The Company has a three-year plan to achieve sales totaling 30 billion Baht by 2022, by building on the accomplishments from the implementation of the strategy described above in order to add further value to the business for sustainable growth.

On this occasion, the Board of Directors would like to thank the shareholders, business alliances, customers, partners, suppliers, financial institutions, agencies of the public sector and all stakeholders, who have consistently supported the Company's operation. Our thanks also go to all they employees for their dedication to our mutual success.





Mr. Boonsithi Chokwatana  
Chairman of the Board

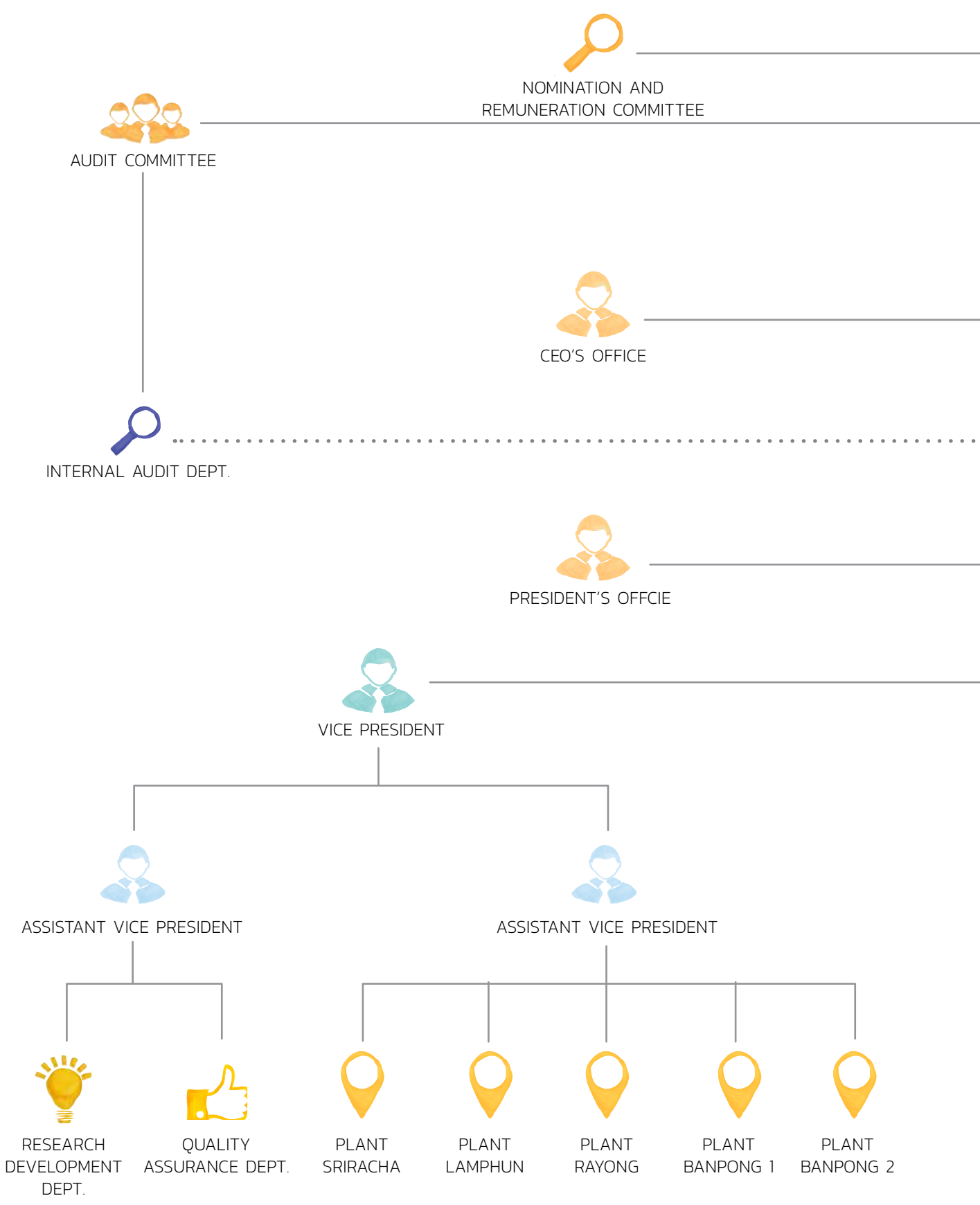


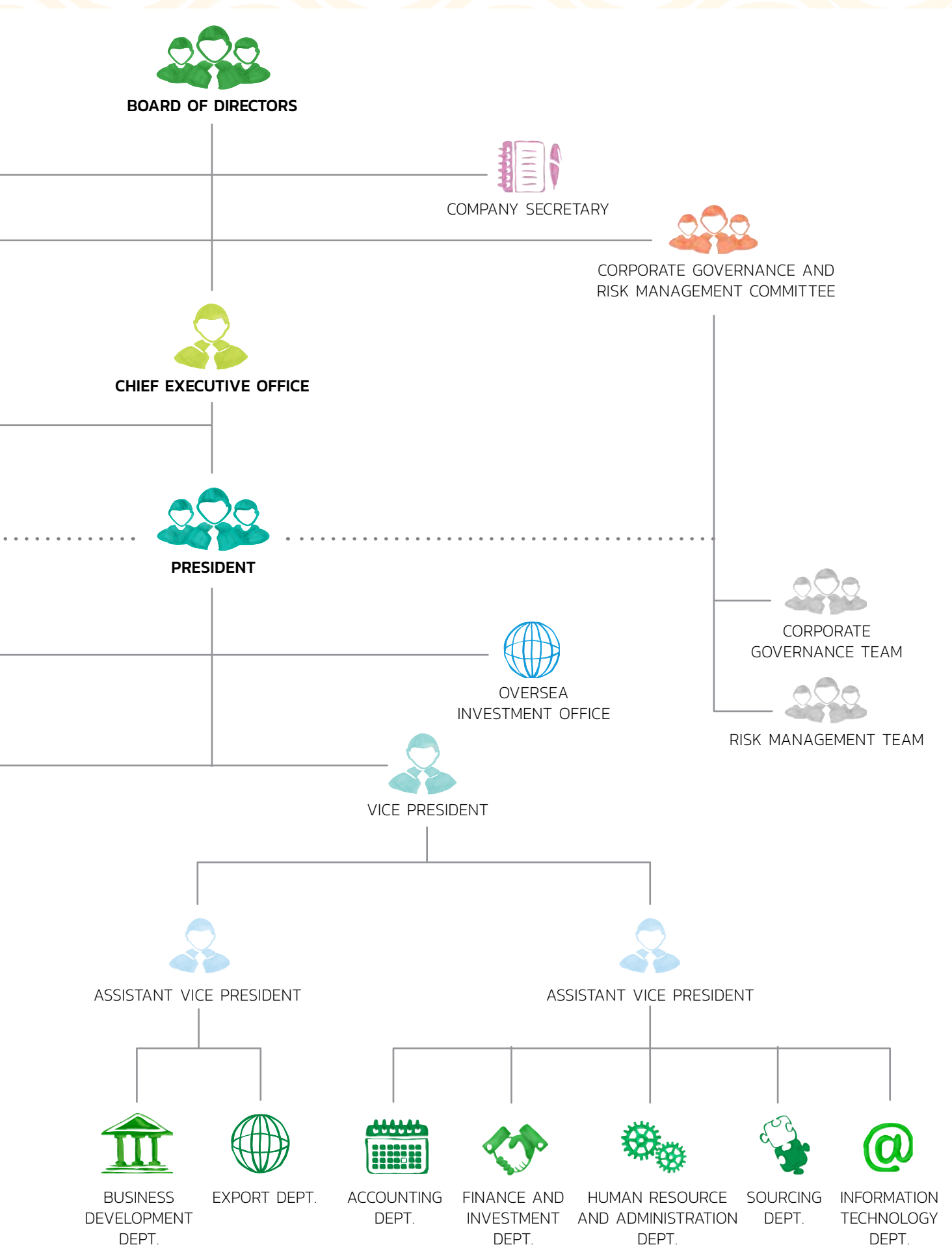
Mr. Pipat Paniangvait  
Vice Chairman of the Board /  
Chief Executive Officer





# Organization Chart







## Board of Directors



**Mr. Boonsithi Chokwatana**  
Chairman of the Board/  
Chairman of the Nomination  
and Remuneration Committee



**Mr. Pipat Paniangvait**  
Vice Chairman of the Board/  
Chief Executive Officer/Nomination  
and Remuneration Committee



**Mr. Suchai Ratanajiaroen**  
Vice Chairman of the Board/  
Nomination and Remuneration  
Committee



**Dr. Poj Paniangvait**  
President/Corporate Governance  
and Risk Management Committee



**Mr. Kamthorn Tatiyakavee**  
Director



**Mr. Apichart Thammanomai**  
Director



**Mr. Boonchai Chokwatana**  
Director



**Mr. Vathit Chokwatana**  
Director



**Miss Pajjana Paniangvait**  
Director/Corporate Governance  
and Risk Management Committee



## Board of Directors



**Mrs. Orathai Thongmeearkom**  
Director



**Dr. Kulpatra Sirodom**  
Independent Director/  
Chairman of the Audit Committee



**Thanpuying Angkab Punyashtthiti**  
Independent Director/  
Audit Committee



**Mr. Chaiwat Maraprygsavan**  
Independent Director/  
Audit Committee/Nomination  
and Remuneration Committee



**Professor Dr. Suwimon Keeratipibul**  
Independent Director/  
Chairman of the Corporate Governance  
and Risk Management Committee



**Mrs. Tongurai Limpiti**  
Independent Director/  
Corporate Governance  
and Risk Management Committee





## Audit Committee



**Dr. Kulpatra Sirodom**  
Chairman of the Audit Committee



**Thanpuying Angkab Punyashtiti**  
Audit Committee



**Mr. Chaiwat Maraprygsavan**  
Audit Committee

## Nomination and Remuneration Committee



**Mr. Boonsithi Chokwatana**  
Chairman of the Nomination and  
Remuneration Committee



**Mr. Pipat Paniangvait**  
Nomination and  
Remuneration Committee



**Mr. Chaiwat Maraprygsavan**  
Nomination and  
Remuneration Committee



## Corporate Governance and Risk Management Committee



**Professor Dr. Suwimon Keeratipibul**  
Chairman of the Corporate Governance  
and Risk Management Committee



**Mrs. Tongurai Limpiti**  
Corporate Governance and  
Risk Management Committee



**Mr. Suchai Ratanajiaroen**  
Corporate Governance and  
Risk Management Committee



**Dr. Poj Paniangvait**  
Corporate Governance and  
Risk Management Committee



**Miss Pojjana Paniangvait**  
Corporate Governance and  
Risk Management Committee



**Miss Hatairat Kwangchit-Aree**  
Corporate Governance and  
Risk Management Committee







## Management Team



**Mr. Pipat Paniangvait**  
Chief Executive Officer



**Dr. Poj Paniangvait**  
President



**Dr. Pojjanee Paniangvait**  
Vice President



**Miss Pojjana Paniangvait**  
Assistant Vice President



**Miss Hatairat Kwangchit-Aree**  
Assistant Vice President



**Mrs. Sodsai Hanchana**  
Assistant Vice President



**Mr. Petch Paniangvait**  
Foreign Investments Office,  
Manager



**Mr. Pun Paniangvait**  
Presidents Office, Manager



**Miss Sararath Tangsirimongkol**  
Accounting Department, Manager/  
Company Secretary



**Mr. Wasan Boonsampankit**  
Finance and Investment  
Department, Manager (CFO)



**Mr. Ittiphon Khouharat**  
Business Development,  
Manager



**Miss Prapin Lawanprasert**  
Sourcing Department, Manager



**Mr. Sorayut Raksasri**  
Human Resource & Administration  
Department, Manager



**Miss Ariya Tangcheevinsirikul**  
Internal Audit Department,  
Manager



**Mr. Chumpol Temiyasathit**  
Research Development  
Department, Manager



**Miss Sawita Sakulthanasombat**  
Quality Assurance Department,  
Manager



**Miss Nimol Kijkhan**  
Sriracha Factory, Manager



**Mrs. Suchada Paniangvait**  
Lamphun Factory, Manager



**Mr. Nirun Poothong**  
Rayong Factory, Manager





# Management

## Management Structure

### The Board of Directors

The Directors of the Company shall perform the duties of the Board of Directors and 3 Committee, including Audit Committee, Nominating and Remuneration Committee, Risk Management Committee.

The Board of directors meeting No.4/2019 on April 24, 2019 has approved the appointment of 15 Directors of the Company, 5 of those are Independent Directors, and approved the Executive Position of the Company as per following details,

Board of Director		Position	Type of Director
1. Mr. Boonsithi	Chokwatana	- Chairman of the Board - Chairman of the Nomination and Remuneration Committee	Non-Executive Director
2. Mr. Pipat	Paniangvait	- Vice Chairman of the Board - Chairman of the Nomination and Remuneration Committee - Chief Executive Officer	Executive Director
3. Mr. Suchai	Ratanajijaroen	- Vice Chairman of the Board - Member of Corporate Governance and Risk Management Committee - Consultant	Non-Executive Director
4. Dr. Poj	Paniangvait	- President - Member of Corporate Governance and Risk Management Committee	Executive Director
5. Mr. Kamthorn	Tatayakavee	- Director	Non-Executive Director
6. Mr. Apichart	Thammanomai	- Director	Non-Executive Director
7. Mr. Boonchai	Chokwatana	- Director	Non-Executive Director
8. Mr. Vathit	Chokwatana	- Director	Non-Executive Director
9. Miss Pojjana	Paniangvait	- Director - Member of Corporate Governance and Risk Management Committee	Executive Director
10. Mrs. Orathai	Thongmeearkom	- Director	Non-Executive Director



Board of Director	Position	Type of Director
11. Dr. Kulpatra Sirodom	- Director - Chairman of Audit Committee	Independent Director
12. Thanpuying Angkab Punyashthiti	- Director - Member of Audit Committee	Independent Director
13. Mr. Chaiwat Maraprygsavan	- Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	Independent Director
14. Prof. Dr. Suwimon Keeratipibul	- Director - Chairman of Corporate Governance and Risk Management Committee	Independent Director
15. Mrs. Tongurai Limpiti	- Director - Member of Corporate Governance and Risk Management Committee	Independent Director

**Authorized Signatory of the Company :** Two Directors, other than Independent Director namely Thanpuying Angkab Punyashthiti, Dr. Kulpatra Sirodom, Mr. Chaiwat Maraprygsavan, Prof. Dr. Suwimon Keeratipibul, Mrs. Tongurai Limpiti shall jointly sign his/her name with the Company's seal affixed to bind the Company.

#### Scope of Duties and Responsibilities

1. To determine the business directions, goals and policies of the Company.
2. To approve the annual business plan and budget and to oversee the management to operate in accordance with the laws or the predetermined policy and plan in an efficient and effective way.
3. To encourage to establish the Corporate Governance Policy and the Code of Conduct in writing to be the guideline for the Directors, executives, employees, and to follow up their operations to be in strict compliance with these standards.
4. To establish an adequate and suitable internal control system to ensure that all relevant transactions are approved by the authorized persons and are recorded accurately, and that the relevant systems to prevent improper use of Company's asset are operating.
5. To consider with due care the participation of the transactions with conflict of interest. In this regard, the best benefit of the Company and the shareholders must be taken into account. Additionally, the decision making on these transactions shall not be done by the interested persons and shall follow the regulations relating to the connected transactions and the disclosure of information.
6. To give opinion on the financial statements which have been audited and/or certified by the auditors and been considered by the Audit Committee.
7. To be responsible to the shareholders with the equitable treatments and to disclose the accurate, standardized, and transparent information to the shareholders and investors.
8. To acknowledge the operational report of the Executive Committee.





9. To call for the shareholders' meeting by specifying the date, time, place, meeting agenda, dividend payment (if any), and opinion of the Board of Directors on the proposed matters. In this regard, the registration of the share transfer may be closed between 21 days before the meeting and the Company must notify to the shareholders at the Head and Branch Office not less than 14 days prior to the deadline of the share transfer. The company will fix the Record Date( RD ) to ascertain the list of shareholders and fix the closing date of share register book on next working day after the Record Date to list the shareholders to be entitled to have the right to attend the meeting and to receive the dividend.
10. To produce "the report of the Board of Directors' Responsibilities for the Financial Statements" to be disclosed in the Annual Report of the Company (Form 56-2) and the Annual Registration Statements (Form 56-1)
11. To follow up the document submitted to the related regulators to ensure that the reported details are accurate and similar to the information shown in the accounting book, registration, or other documents of the Company.
12. To approve the Charter of Board of Directors and/or the Charter of the other Committee
13. To perform other tasks exceeding the authority of the Executive Board or any other tasks as deemed appropriate by the Board.

#### Authority

1. To appoint, dismiss, empower the advisor of the Board and/or the other Committee to perform their duty
2. To approve the lending to the other company which has the business relationship as the shareholder of the Company, or to the other company which is the trading partner of the Company, or to the other company when the amount of money exceeding the financial limit to be approved by the Executive Committee.
3. To approve to guarantee the credit line of the other company which has the business relationship as the shareholder of the Company, or of the other company which is the trading partner of the Company, or of the other company when the amount of money exceeding the financial limit to be approved by the Executive Committee.
4. To approve to enter in the legal act which is non-financial transaction when the related amount of money exceeding the financial limit to be approved by the Executive Committee.
5. To approve to agree or cancel the credit line when the related amount of money exceeding the financial limit to be approved by the Executive Committee.
6. To approve to invest in or unwind the purchase of common stock and/or other securities when the related amount of money exceeding the financial limit to be approved by the Executive Committee.
7. To approve to invest in or procure the fixed asset when the related amount of money exceeding the financial limit to be approved by the Executive Committee.
8. To approve to sell or transfer the fixed asset when the related amount of money exceeding the financial limit to be approved by the Executive Committee.
9. To approve to recondition, destroy, liquidate the fixed asset or intangible asset which has been out of service, lost, damaging, obsolete, or in unusable conditions when the collective book value exceeding the financial limit to be approved by the Executive Committee.
10. To approve to reappraise, destroy the raw material and/or inventory which has been damaging or obsolete when the depreciation in book value of such matter exceeding the financial limit to be approved by the Executive Committee.

11. To approve to compromise or to solve the dispute by the arbitrator panel, to handle complaint, legal action and/or to follow up the prosecution on behalf of the Company for an unordinary and/or ordinary business matter when the value of the case exceeding the financial limit to be approved by the Executive Committee.

When necessary to perform urgent operation, the Managing Director is empowered to approve such operation, and propose to Board of Director for acknowledgement.

12. The authority of the Board of Directors with regard to the acquisition or disposal of assets, and to the report of connected transaction shall comply with the Notification of the Capital Market Supervisory Board
13. To propose to the shareholders the capital increase or decrease, the change in share value, the amendment of the Memorandum of Association, Articles of Association, and/or objectives of the Company.
14. To approve the setting up, merger, dissolution of the subsidiary.
15. To empower the Chairman of the Board or the Management to determine the guideline of authority.
16. To empower the management, executive or any person to perform duty on behalf of the Board in the case prescribed by the regulation of the Company.
17. To be authorized to invite the management, executive and involved staff to clarify, give opinion, attend the meeting or submit the documents as deemed necessary.
18. To consult the expert or the advisor of the Company (if any) or to hire the external expert or advisor at the cost of the Company's expense when necessary.
19. To appoint and dismiss the Secretary of the Company.

### Meeting of the Board of Directors

The Board of Directors shall conduct the meeting on regular basis, at least once a month. The Board of Directors has held the meeting on every third Wednesday of the month, and may call for the additional meeting as deemed necessary. In every meeting, the meeting's agenda will be determined in advance, and the Company Secretary shall send the invitation notice of the Board's meeting together with supporting documents no less than 7 days prior to the meeting date. The meeting of the Board of Directors normally takes around 1.30-2 hours



### Participation to the Meeting

The Board of Directors held 12 meetings in 2019. The participation of the meeting of the Board of directors and Sub-committee are summarized on the Directors' Meeting allowance and remuneration table.

Name of Directors		Meeting Attended / Total Meetings (Times)			
		Board of Directors meeting	Audit committee meeting	Nomination and Remuneration committee meeting	Corporate Governance and Risk Management committee meeting
		12 Times/Year	5 Times/Year	2 Times/Year	4 Times/Year
1. Mr. Boonsithi	Chokwatana	12/12	-	2/2	-
2. Mr. Pipat	Paniangvait	12/12	-	2/2	-
3. Mr. Suchai	Ratanajajaroen	12/12	-	-	4/4
4. Dr. Poj	Paniangvait	12/12	-	-	4/4
5. Mr. Kamthorn	Tat yakavee	12/12	-	-	-
6. Mr. Apichart	Thammanomai	12/12	-	-	-
7. Mr. Boonchai	Chokwatana	11/12	-	-	-
8. Mr. Vathit	Chokwatana	11/12	-	-	-
9. Miss Pojjana	Paniangvait	11/12	-	-	3/4
10. Mrs. Orathai	Thongmeearkom**	9/9	-	-	-
11. Dr. Kulpatra	Sirodom	11/12	5/5	-	-
12. Thanpuying Angkab	Punyashtiti	10/12	5/5	-	-
13. Mr. Chaiwat	Maraprygsavan	12/12	5/5	2/2	-
14. Professor Dr.Suvimom	Keeratipibul**	8/9	-	-	3/3
15. Mrs.Tongurai	Limpiti**	5/9	-	-	2/2
16. Mr. Kamthon	Punsak-Udomsin*	1/3	-	-	-
17. Professor Dr.visith	Chavasit*	3/3	-	-	1/1
18. Mr. Saroj	Chayavivatkul*	1/3	-	-	-
Percentage of meeting attendance		93	100	100	95

Remark \* Directorship term ended since April 2019

\*\* Appointed since April 2019



## Company Secretary



According to the Board's meeting No. 4/2019, held on Apr24, 2019, the Board resolved to appoint Miss Sararath Tangsirimongkol, Manager of Accounting Department who has passed "Company Secretary Program (CSP) No. 42/2011" and Board Reporting Program (BRP) No. 31/2019 arranged by Thai Institute of Directors, to be the Company Secretary with the service term of 1 year (the qualification of Company Secretary as detailed in the Attachment 1). In addition, the Board of Directors has approved the Charter of Company Secretary to determine the scope of duties and responsibilities of Company Secretary as following,

### Duties and Responsibilities :

#### **Duties**

- (1) Prepare and keep the documents as following,
  - (a) Register of Directors
  - (b) Invitation Notice of the Board's meeting, minute of the Board's meeting, and annual report of the Company
  - (c) Invitation Notice of the shareholders' meeting, and minute of the shareholders' meeting
- (2) Maintain the Report of Stake Holding of the Directors and Executives of the Company
- (3) Submit the Report of Stake Holding as required by Section 89/14 to the Chairman of the Board and Chairman of Audit Committee within 7 working days from the date receiving such report.
- (4) Provide preliminary suggestion with regard to the relevant laws, rules, and Company's regulations.
- (5) Communicate with the shareholders to inform the rights of shareholders and Company's information.
- (6) Facilitate the administration of the Company to be complied with Good Corporate Governance Principles
- (7) Perform any other duties as specified by the Capital Market Supervisory Board

#### **Responsibilities**

The Company Secretary shall perform duties with responsibility, prudence, and integrity to support business operation of the Company to be complied with by the relevant laws, objectives, regulations, resolutions of the shareholders' meeting as prescribed by Section 89/23 of the Securities and Exchange Commission Act (No. 4) 2008.

In the event that the Company Secretary has vacated from position or has been incapable to perform duty, the Board of Directors shall appoint new Company Secretary within 90 days from the date of such vacancy or incapability. In this regards, the Board of Director shall be empowered to assign any one Director to perform substituting duties during such period.

The Company Secretary has prepared the minute of the meeting in written document and already kept the minute which had been certified by the Board. In this regard, each Director had received the minute of the meeting no less than 7 days prior to being certified.



## Remuneration of Company Directors and Executive

**Monetary Remuneration of Company Directors and Sub-committee** consists of meeting allowance of the directors, annual commission and the Position Allowance of the Chairman of the Board of Directors with the information about the remuneration in year 2019 as follows:

Name Of Directors	Position	Remuneration				
		Board Of Directors	Audit Committee	Nomination And Remuneration Committee	Corporate Governance and Risk Management Committee	Total (Baht)
Mr. Boonsithi Chokwatana	- Chairman of The Board - Chairman of The Nomination And Remuneration Committee	3,144,000	-	24,000	-	3,168,000
Mr. Karmthon Punsak-Udomsin*	- Vice Chairman of the Board	610,000	-	-	-	610,000
Mr. Pipat Paniangvait	- Vice Chairman of the Board - Chief Executive officer - Nomination and Remuneration Committee	720,000	-	20,000	-	740,000
Mr. Suchai Ratanajajaroen	- Vice Chairman of the Board - Nomination and Remuneration Committee	720,000	-	-	40,000	760,000
Dr. Poj Paniangvait	- President - Corporate Governance and Risk Management Committee	720,000			40,000	760,000
Mr. Kamthorn Tatiyakavee	- Director	720,000	-	-	-	720,000
Mr. Apichart Thammanomai	- Director	720,000	-	-	-	720,000
Mr. Boonchai Chokwatana	- Director	710,000	-	-	-	710,000
Mr. Vathit Chokwatana	- Director	710,000	-	-	-	710,000
Miss Pojjana Paniangvait	- Director - Corporate Governance and Risk Management Committee	710,000	-	-	30,000	740,000
Mrs. Orathai Thongmeearkom**	- Director	90,000	-	-	-	90,000
Dr. Kulpatra Sirodom	- Independent Director - Chairman of Audit Committee	710,000	240,000	-	-	950,000
Thanpuying Angkab Punyashthiti	- Independent Director - Audit Committee	700,000	120,000	-	-	820,000
Mr. Chaiwat Maraprygsavan	- Independent Director - Audit Committee - Nomination and Remuneration Committee	720,000	120,000	20,000		860,000
Professor Dr.visith Chavasit	- Independent Director - Chairman of Risk Management Committee	630,000	-	-	12,000	642,000
Mr. Saroj Chayavivatkul	- Independent Director	610,000	-	-	-	610,000
Professor Dr.Suvmom Keeratipibul**	- Independent Director - Chairman of the Corporate Governance and Risk Management Committee	80,000	-	-	36,000	116,000
Mrs. Tongurai Limpiti**	- Independent Director - Corporate Governance and Risk Management Committee	50,000	-	-	20,000	70,000
						13,796,000

Remark \* Directorship term ended since April 2019

\*\* Appointed since April 2019

Annual General Meeting No. 2/2019 has approved the director's remuneration for the year 2019 in total limitation up to 15 million baht per year as follows:

1. Meeting allowance: Make payment to the Directors, Nomination and Remuneration Committee Corporate Governance and Risk Management Committee, only for the meeting attendees, at the amount of 12,000 baht/person/time for the Chairman and 10,000 baht/person/time for the members of the Committee.
2. Quarterly meeting allowance: Make payment to the Audit Committee, at the amount of 60,000 baht/person/quarter for the Chairman and 30,000 baht/person/quarter for the members of the Committee.
3. Annual commission: Make payment to the Directors at the amount of 600,000 baht/person/year
4. Position Allowance: Make payment to Chairman of the Board at the amount of 200,000 baht/month
5. Other reward: None

In this regard, the remuneration or the benefits that the Company Directors receives as the officer or the employee of the Company are not included.

**Monetary Remuneration of the Executive** refers to Executive Director and the managements according to the definitions in the announcement of SEC and the management at Manager Level or higher or at other equivalent level that receive the remuneration and other remunerations as the managements, 19 persons, as follows:

Remuneration	Amount (Baht)
Total Salaries	70,558,008
Total Bonus	32,039,274
Provident Fund	2,138,520
<b>Total</b>	<b>104,735,802</b>

**Non-monetary remuneration** i.e. office car for Executive Director and the management





# Dividend Policy

## Dividend Payment Policy of the Company

The Company stipulated the dividend payment policy to pay the dividend of no less than 50% of its net profit according to the separate financial statement

## Dividend Payment Policy of Subsidiary which has been the Listed Company (President Bakery PCL)

The Company stipulated the dividend payment policy to pay the dividend of no less than 50% of its net profit after tax and reserve requirement (including additional conditions)

## Historical Dividend Payment

The Company is the new company from the amalgamation procedure between Thai President Foods Plc. (TF) and President Rice Products Plc. (PR) on October 16, 2017 and the Company has registered as new juristic person in the name of Thai President Foods Public Company Limited with the security symbol "TFMAMA" which has made the dividend payment record shown in the table below.

### TFMAMA Historical Dividend Payment

Year	Interim Dividend (Baht/Share)	Final Dividend (Baht/Share)	Total (Baht/Share)	Payment Date
2017	1.98 *	1.63	3.61	May 23, 2018
2018	1.91	2.01	3.92	Oct 25, 2018 / May 23, 2019

\*Adjusted to be the same base

\*\*In 2019 , the company has made the interim paid for 2.26 Baht/share on Oct17, 2019

The dividend record for TF and PR, before the amalgamation, was shown in the table below.

### TF Historical Dividend Payment

Year	Interim Dividend (Baht/Share)	Final Dividend (Baht/Share)	Total (Baht/Share)	Payment Date Interim / Final
2015	2.07	2.09	4.16	21 Oct 2015 / 25 May 2016
2016	2.65	2.20	4.85	19 Oct 2016 / 24 May 2017
2017	2.82			15 Sept 2017

### PR Historical Dividend Payment

Year	Interim Dividend (Baht/Share)	Final Dividend (Baht/Share)	Total (Baht/Share)	Payment Date Interim / Final
2015	0.85	1.10	1.95	22 Oct 2015/26 May 2016
2016	0.94	1.22	2.16	14 Oct 2016/26 May 2017
2017	0.98			15 Sept 2017



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## ***Certificate of Membership***

*The CAC Council hereby certifies that*

### **THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED**

*has met the commitments to the CAC declaration on anti-corruption  
by putting in place good business principles  
and control against bribery,  
is now a full member of the CAC*

**Bangkok, 18<sup>th</sup> October 2019**

*(Mr. Kulvech Janvatanavit)  
Councilor and Secretary*

*(Dr. Panas Simasathien)  
Chairman*

# Nature of Business

## Products and Services

### 1. Instant Noodles and Semi-finished Food

The Company manufactures and distributes instant noodles and semi-finished food product to domestic and foreign market, and shall classify into product groups as following,

#### 1.1 Semi-finished products manufactured from wheat flour as major raw material

For example, Instant Noodles under “Mama” brand which has been well-known and accepted among consumers for over 40 years and gained over 50% of market shares in domestic market. The Company has also been hired to produce instant noodle for several leading manufacturers in Europe, the United States and Australia for exporting. The Company operates with the production capacity of around 6,000,000 pack/day.

#### 1.2 Semi-finished products manufactured from rice as major raw material

##### 1.2.1 Ready-to-eat Products

For example, Instant Rice Vermicelli, Instant Rice Noodle, Instant Flat Noodle, Instant Rice Porridge, Pre-cooked Rice which are the products of noodle and rice with flavor under “Mama” brand and the international brand, such as MAMY, PAPA, PAMA, HANDI RICE, and PRESIDENT RICE, etc.

##### 1.2.2 Noodle Products

For example, Rice Vermicelli, Rice Noodle, to be used for cooking for consumers with several package sizes to serve small or large family, restaurant, school, under the brand of MAMA MAMY, PAPA, PAMA, HANDI RICE และ PRESIDENT RICE, etc.

#### 1.3 Semi-finished products manufactured from other raw materials

For example, Instant Bean Vermicelli, etc.



## 2. Bakery

President Bakery PCL., which is the Subsidiary of TFMAMA, manufactures and distributes bread and bakery products under its own brand, mostly being sold in domestic market, shall classify into product groups as following,

### 2.1 Wholesale Bakery Products

For example, Sliced Bread, Burger Buns & Hot Dog Buns, Snack Bread such as Filled Bread, Sandwich, Cake, and so on, which are distributed through modern trade retail shop and traditional trade retail shop under the brand of “Farmhouse”.

### 2.2 Retail Bakery Products

For example, Bakery Products, which are distributed through retail shop of the Company such as Deliya, Madame Marco, and Franchise Bakery Business of “Good Morning Farmhouse”, and Vending Machine of bread and bakery

### 2.3 Fast Food & Catering Products

For example, Burger Bun, Hot Dog Bun, Sliced Bread, French Bread, Croissant, Crouton, and Par-Baked Pizza which are sold to fast food shops, such as McDonald's, KFC, Pizza Hut, Burger King, etc., and Fried Products such as Bread Crumbs

## 3. Biscuit

Biscuit products under the brand of “Bissin”, and “Homey”, including biscuit, cracker and wafers of several flavor, such as Butter Coconuts, Butter Coconuts Orange Flavoured Cream, Butter Coconuts Cocoa Topped, Whole Wheat Crackers, Lemonia Cookies, and Wafer of Cocoa, Coffee, Coconut, Strawberry, Blueberry, Blackcurrant Flavour, and Cracker of Sesame, Chicken, Cheese, Coconut Flavour



## 4. Fruit Juice

Fruit Juice products under the brand of “Green Mate”, “Kelly”, “Thai Sun” in can or PET bottle of several flavors such as orange, lychee, grass jelly, and tamarind which are well responded in the Southern Region

## 5. Packaging

Packaging Material for foods, and Paper Cups

## 6. Others

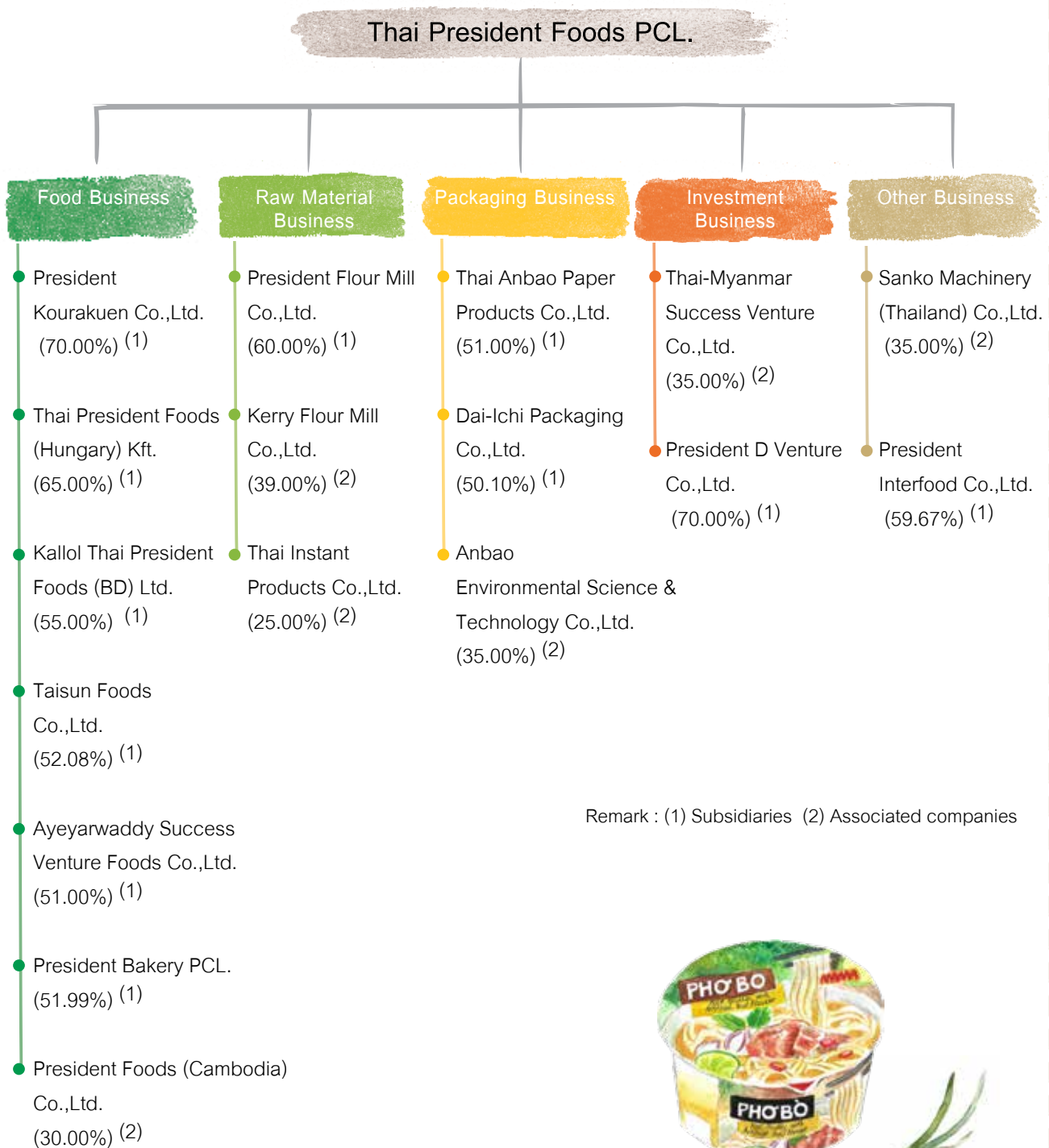
- Wheat flour manufacturing
- Real estate investment
- Exporting Agent





## Shareholding structure of the company

The Company consists of 11 Subsidiaries and 6 Associated Companies, operating the business of Food, Raw Material, Packaging, Investment, and Other as per the Company Structure as of Dec 31, 2019 as below,





## Domestic and Foreign market breakdown

Product Line	Business	Market	Sales Revenue					
			As of 31 – Dec – 19		As of 31 – Dec – 18		As of 31 – Dec – 17	
			Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Instant food Product	Food	Domestic	9,076	37.82	8,350	37.22	8,090	37.40
		Foreign	4,050	16.88	3,611	16.09	3,184	14.72
Bakery	Food	Domestic	7,744	32.27	7,495	33.40	7,449	34.44
		Foreign	-	-	-	-	-	-
Confectionery	Food	Domestic	810	3.37	796	3.55	808	3.73
		Foreign	46	0.19	56	0.25	65	0.30
Fruit Juice	Food	Domestic	293	1.22	296	1.32	386	1.79
		Foreign	720	3.00	679	3.03	503	2.33
Packaging	Package	Domestic	1,073	4.47	981	4.37	1,020	4.71
		Foreign	3	0.01	2	0.01	3	0.01
Other	Raw Material	Domestic	184	0.77	171	0.76	123	0.57
		Foreign	-	-	-	-	-	-
Total		Domestic	19,180	79.92	18,089	80.62	17,876	82.64
		Foreign	4,819	20.08	4,348	19.38	3,755	17.36
Total			23,999	100.00	22,437	100.00	21,631	100.00





## Export Market\*

Market	2019	2018	2017
Asia	51 %	46 %	46 %
Australia	3 %	4 %	4 %
Europe	28 %	30 %	29 %
Canada	3 %	3 %	4 %
America	15 %	16 %	17 %
Africa	-	1 %	-

\* From the Separate financial statements only

## Production Capacity

Factory	Instant food Products (Tons/Day)			Biscuits (Tons/Day)		
	Full Capacity <sup>(1)</sup>	Actual	(%)	Full Capacity <sup>(1)</sup>	Actual	(%)
<b>Sriracha</b>						
Year 2019	232.84	273.83	117.60	-	-	-
Year 2018	230.25	260.14	112.98	-	-	-
<b>Lamphun</b>						
Year 2019	84.24	84.58	100.40	-	-	-
Year 2018	84.24	81.88	97.20	-	-	-
<b>Rayong</b>						
Year 2019	71.22	81.50	114.43	45.00	31.88	70.84
Year 2018	63.00	70.90	112.54	45.00	32.25	71.67
<b>Banpong 1 and Banpong 2</b>						
Year 2019	58.21	49.71	85.40	-	-	-
Year 2018	53.77	45.59	84.79	-	-	-
<b>Total</b>						
Year 2019	446.51	489.62	109.66	45.00	31.88	70.84
Year 2018	431.26	458.51	106.32	45.00	32.25	71.67

Note : (1) Calculate at 2 Shifts per day less 10% machine maintenance period and running 300 days per year

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# Instant Noodles Market in Overview

## Domestic market

The overall market of instant noodles and instant rice noodles in 2019 (data from Nielsen (Thailand): November 2019) increased by 5.2% with a total market value of approximately 16,136 million baht classified by product type as follows.

### 1. Instant noodle market

For the overall situation, the market value of instant noodles in the country in the year 2019 increased by 5.5% compared to the previous year. The total market value was approximately 15,669 million baht. Mama brand could maintain its leading position with a total market share of 48.4% classified by bag products with a market share of 46.9% and cup products with a market share of 52.5%. The factors that made the competition in the instant noodle market more intense than before and the higher growth were due to the increasing segmentation of the noodle market allowing new consumers to enter and some distribution channels which were available for 24 hours including extensive sale promotions in all distribution channels.

The details of growth in domestic distribution channels consisted of distribution channel in convenience stores with a growth rate of 8.3%. For the Super / Hypermarket channel, the growth was 0.9 percent while the traditional trade channel had the increasing growth of 4.4% compared to the previous year.

Therefore, in order to stimulate the sales, the Company used all marketing and public relations strategies to promote the products both offline and online channels. This would focus on raising the awareness for consumers to access products more. In this year, the focus was on marketing with Oriental Kitchen Chain products in the bag form divided into series under the name of OK Generation. Many campaigns were continuously launched to reach more consumers, for example, “Mama Cup, Open Cup Code to Win MG” for winning New MG Zs. This included allowing the convenience store channel participation in the program “Special price products for buying 2 cups at the price of 20 baht”. There was also the promotion to buy products and get free Premium gift immediately at the point of sale, etc.

In addition, the Company also launched cup of Mama Oriental Kitchen Products as an alternative to consumers who liked convenience and speed in order to stimulate growth and create variety for the instant noodle market. In the year 2019, the Company launched 2 new products which were instant cup noodles of Oriental Kitchen, Hot Korean Flavor, and instant cup noodles of Oriental Kitchen Fried Salted Egg Flavor.

In 2020, the Company still plans to develop new flavor products by continuously launching them into the market. We will focus on the premium instant noodle market including the instant noodle market that places importance on health in order to stimulate sales and offer another option for consumers as well.





## 2. Market of rice noodles, noodles, and instant glass noodles

In 2019, the market of rice noodles, noodles, and instant glass noodles in Thailand totaled 988 million baht with an increasing growth rate of 6.6%. Mama brand would still be able to maintain the number one market share at 69.9%.

For the distribution of the Company, in the year 2019, in Mama rice noodles and instant noodles, the Company had the total sale of 712 million baht, increasing about 12 percent from the previous year due to the Company has new products of Signature mama cup that has more premium, such as cup noodles in Tom Yum Leng Zab flavor, cup noodles in crab curry, cup noodles with stir-fried clams and in bags such as Fried Thai Noodles. In addition, some Modern Trade products that had been discontinued in 2018 was reactive.

## 3. Market of instant porridge and instant boiled rice

In the year 2019, the market of instant porridge in the country totaled 2,109 million baht. The market grew with a decrease of 2%. Mama brand had a market share of 6.7%, increasing by 1.1% from the year 2018. In 2019, "Mama" instant porridge brand had total sales at 129 million baht, increasing by 4.40% from the previous year due to 2 new products namely salted egg porridge bags and porridge bags in Tom Yum Kung flavor.

The market of instant boiled rice in the country had a total value of 104 million baht. The market growth increased by 79%. Mama brand had a 99.9% market share. The distribution of the Company in the year 2019 had a total sales of 98.5 million baht growing 100% from 2018 due to 3 new products including cup boiled rice with egg and seaweed flavor, cup boiled rice with Leng Zab flavor, and cup boiled rice with garlic shrimp flavor.

The growth was because the new products were well received by consumers. Moreover, the Company advertised and continued promotions throughout the year using both Above the line and Below the line strategies. This was considered to create a new market group. This market still has a great opportunity to grow.

In 2020, the Company has a continuous growth target in the market of instant boiled rice by requiring new product releases. There are promotions to target groups and all channels. The new products will be able to respond health conscious consumers and consumers who want to try new flavors.

## 4. Biscuit market

The total market value of products in the biscuits group in 2019 were 12,655 million baht, consisting of Biscuit and Cracker of 5,150 million baht, Wafer of 3,759 million baht, and Cookie of 3,746 million baht, growing by 3.6% from 2018 (data from Nielsen (Thailand): November 2019).

Regarding the distribution of the Company's products in the Biscuit group, the growth increased by 1.75% consisting of Biscuit and Cracker growing at 0.47%, Wafer growing at 4.58% and Cookie decreasing in the growth by 10.26%. There are 2 product brands of the Company; Bissin brand with the growth increasing by 2.07% and Homey brand with the growth increasing by 2.46%.

In 2019, under the Bissin brand, 3 new products were launched including 252 grams of Assorted Butter Coconut, 20 grams of creamy wafers of stir-fried salted egg flavor, and 20 grams of creamy wafers of spicy stir-fried salted egg flavor. There were also 29 grams of wafers available in 7-eleven in 2 additional items; Creamy Wafer with Japanese Melon Flavor and Creamy Wafer with Blueberry Flavor. All of which resulted in the Bissin brand to grow better.

For the products under the Homey brand, the promotional activities and marketing activities were organized continuously. In the MT (Modern Trade) market, the sales were similar to last year. In the TT (Traditional Trade) market, the growth slightly increased. In the year 2019, the Homey brand released new products including 60 grams Stick Biscuit in 3 flavors; Tom Yum Kung flavor, Butter Galactic flavor, and oregano sold on the MT channel. Even though the sales did not meet the targets, the overall sales of the Homey brand have improved.

## International market

In the year 2019, international sales faced the main problems which was the currency fluctuation directly affecting the Company's sales. The Company hedged the preliminary risk by entering into forward foreign exchange contracts preventing some foreign exchange losses and increasing sales to meet target. The Company has continuously promoted the market and continues supporting the marketing promotion budget and the promotion of various promotions. The social media marketing plan is also set to reach the new generation, promote the image of the product, stimulate brand awareness, and continuously introduce new products via Facebook, Instagram, Twitter and YouTube. These have been well received with an increasing number of followers.

However, the Company still stands firm to drive the business to grow in a positive direction through cooperation with representatives in various countries that have confidence in the products and business operations of the Company. Besides, for the production line, the Company does not only produce products under the Company's brand but the Company is also hired to produce products under the customer's brand with a target of not more than 30% of total sales to make the production line most effective towards sustainable business growth.

In this regard, the distribution of the Company's products abroad is currently the sales through importing agents and distributing agents with consideration of mutual benefits and long-term cooperation. Therefore, the Company has made a strategic plan for various sales territories by strategy of product distribution in foreign countries as follows:

- Increasing distribution channels in Modern Trade
- Expanding sales channels via e-commerce such as opening the Flagship store on Chinese online websites such as Tmall, JD.com, Taobao which is the world's largest e-commerce market.
- Adding new products to the market by choosing premium products and current products such as group of healthy products, etc.

In the year 2020, there are events that must be closely monitored that the United States authorities have stopped the granting of preferential tariffs on 573 products from Thailand which will come into effect on 25th April 2020, on which food products are the most affected. The products of the Company are also affected. However, as the Company's dealers are aware of this problem, they adjust themselves and prepare the sales plan to support such increasing costs. They will coordinate with the Company in driving the sales plans and closely monitoring to create sale volume to meet the target further.



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## Related transactions

The related transactions between the company and the associated and related companies were the normal business activities. The price of products and services as well as the terms and conditions under these transactions were conducted at fair value and were disclosed in Notes 9 to the financial statements. All of the related transactions were summarized as follows:

Related Parties	Relationship	Transaction Details	Consolidated : ) Transaction Value (Mil. Baht As of 31 Dec.			Policy and Necessity of the Transactions
			2019	2018	2017	
1. Kerry Flour Mills Co., Ltd.	Associated Company Through common shareholdings 39%	Purchase of raw material	612	599	638	Approximately market price with reference to purchase volume At the announced rate
		Dividend income	68	66	76	
2. Sanko Machinery (Thailand) Co., Ltd.	Associated Company Through common shareholdings 35%	Purchase of goods	1	0.7	0.5	Approximately market price with reference to purchase volume Agreed price
		Purchase of machinery and equipment	0.9	6	0.3	
3. President Foods (Cambodia) Co., Ltd.	Associated Company Through common shareholdings 30%	Sales	75	98	106	Cost Plus margin Cost Plus margin
		Other Income	10	9	14	
4. Thai Instant Product Co., Ltd.	Associated Company Through common shareholdings 25%	Purchase of raw material	22	21	17	Approximately market price with reference to purchase volume Upon Contract
		Interest income	0.1	0.1	0.1	
5. Kewpie (Thailand) Co., Ltd.	Other Company Through common shareholdings 10%	Purchase of raw material	1	30	32	Approximately market price with reference to purchase volume At the announced rate
		Dividend income	7	6	5	
6. President Interfood Co., Ltd.	Other Company* Through common shareholdings 8.67% and directorships	Commission and Exporting expenses	9	69	61	Contract price
		Rental Income	1	1	1	Contract price
		Dividend income	-	3	0.4	At the announced rate
7. Sahapattana Interholding Public Co., Ltd. ("SPI")	Through common shareholdings and directorships	Production cost	212	209	173	Approximately market price with reference to purchase volume At the announced rate At the announced rate
		Dividend income	5	5	3	
		Interest income	-	0.2	0.2	
8. Sahapattanapibul Public Co., Ltd. ("SPC")	Through common shareholdings and directorships	Sales	9,222	8,498	8,213	Cost Plus margin
		Administrative expenses	3	3	10	Contract price
9. Jims Group Co., Ltd.	Through common shareholdings and directorships	Sales	4	14	13	Cost Plus margin
		Purchase of raw material	184	196	196	Approximately market price with reference to purchase volume



Related Parties	Relationship	Transaction Details	Consolidated : ) Transaction Value (Mil. Baht As of 31 Dec.			Policy and Necessity of the Transactions
			2019	2018	2017	
10. Northern Technology Co., Ltd.	Through common shareholdings and directorships	Purchase of machinery and equipment	59	19	3	Agreed price
		Purchase of goods	2	2	2	Cost Plus margin
11. Far East Fame Line DDB Public Co., Ltd.	Through common shareholdings and directorships	Research fee / Advertising expenses	212	206	71	Contract price

\* President Interfood became the company' subsidiary since July 2019

## The Necessity and Rationality of the Transactions

The auditor has examined the related transactions and gave the opinion that the related transactions as aforementioned were mainly about the trading of products which was conducted under the terms and conditions upon the jointly agreement of the two parties and was the normal business activities. Moreover, such transactions were reported to the Audit Committee regularly on a quarterly basis.

The Board of Directors resolved to give approval in principle according to the Securities and Stock Exchange Act (No. 4) 2008 (B.E. 2551), Section 89/12 (1), enabling the management department to approve such transactions if those transactions include trade agreements in the same manner that an ordinary person should do with a general contract party in the same situation by the trade bargaining power without the influence of a status as a director, executive or related party.

In 2019, the Audit Committee reported business transactions with related parties that occurred during the period to the Board of Directors for acknowledgement, together with the quarterly financial statements as well as the annual financial statements.

## Comments of the Audit Committee regarding to the transactions

In the case of there is a significant connected transaction, the company has a policy to bring the matter to the Board of Directors' meeting with the approval of the audit committee to consider, or give approval to be proposed to the shareholders' meeting according to the size of the transaction.

In the year 2019, the Audit Committee has no objection regarding the connected transactions.

## The Process of Related Transactions

In the conduct of the related transactions, the price of products and services charged in the transactions shall reflect the normal market rate. In the case of no such market rate, the other market price under the comparable terms and conditions shall be applied or the price in the transactions shall be considered on the basis of the report of the independent appraisers appointed by the company or the associated. This is to ensure that the price of products and services charged in such transactions is reasonable and is for the maximum benefits to the company. In addition, the company's audit committee will examine the related transactions and disclose the relevant details of such transactions on quarterly basis in order to avoid any conflicts of interests.

## The Policies of Related Transactions in the Future

The future related transactions, upon the jointly examination of the audit committee and the company, will be conducted with the rationality and with the fair returns. However because the related transactions are mainly on the basis of the normal business activities and because the company retains a policy to support the operations of each other in the Group, the related party transactions will continue in the future but with the framework of the rationality together with the appropriate conditions and the fair price.



# Risk Factors

## 1. Risk of Price and Sufficiency of Raw Material

Major raw materials of the Company are wheat flour, rice, and palm oil, all of which are agricultural products and would be affected by global supply and demand and climate situation, thus incurring the risk of both sufficiency of supply quantity and fluctuation of raw material price. Although the cost of our products will be affected by such raw material risk, the Company is unable to increase the price of product without prior approval from Department of Internal Trade because the instant noodle is in the list of monitoring consumer goods and services.

However the Company handled the fluctuation of raw material price by closely monitoring market movement and purchasing forward contract when the price of wheat flour and palm oil was decreasing. In a meantime, the Company purchased raw material in a high volume with multiple suppliers to avoid the risk of raw material shortfall as well as to gain negotiation power to deal with individual supplier.

## 2. Risk of Distribution Channel

### 2.1 Risk of Dependency to Major Distributor of Instant Noodles, Semi-finished Foods, and Biscuit Product

Domestic Sales of Instant Noodles and Biscuit Product of the Company, both of which was accounted to be the major proportion of total Sales, was sold to SPC, which was the large distributors of consumer products in the country, as high as more than half of total domestic sales of the Company. However, SPC is major shareholder of the Company and has established business relationship with the Company for a long time, thus ensuring to carry on business volume with the Company. However in order to reduce the risk of dependency to major domestic distributor, the Company has put effort to increase exporting proportion, and established the working panel to expand the other distribution through our Subsidiaries.

### 2.2 Risk of Dependency to Major Distributor of Bakery Product

The Company sold high volume of bakery product to CP All PLC., which was the large operator of convenience store in the country, inclusively accounting for 40% of total income from bakery product of the Company. As a result, the sales revenue of the Company shall be affected if losing business volume with this major distributor. Moreover, this distributor has also been the manufacturer of bakery product to distribute through its own convenience store. However the bakery product of Company, compared with bakery product of its own or the other brand, is higher quality product and gains preference from general consumers, thus currently making high income to the convenience store. As a result, the Company has been confident to maintain business with this major distributor because of mutual benefit at both parties.

## 3. Risk of Exchange Rate

Because the Company exported the products to the foreign countries, and received revenue in foreign currency, thus incurring the risk of exchange rate fluctuation. However the Company had no liability of foreign loan and participated in foreign exchange forward contract for hedging exchange rate risk, but not for speculation. In addition, the Company managed foreign exchange by balancing foreign income of exporting and expenditure of importing raw material, machine, and equipment from foreign countries.

#### 4. Risk of Major Shareholder holding more than 25% of total shares

As of December 31, 2019 the major shareholder of the Company, Saha Pathana Inter-Holding PCL., held total of 83,378,702 shares or 25.29% of paid-up capital, thus being dominating factor to make decision in the shareholders' meeting and incurring the risk to the other shareholders to accumulate shareholders to oppose to the opinion proposed by such major shareholder.

The Company recognized the importance of checking and balance principle, and established the corporate governance policy to protect the right of shareholders and perform equitable treatment to the shareholders, such as "One or several shareholders holding shares amounting to not less than 5 per cent of total number of issued shares of the Company may, by subscribing their names, propose the agenda to be discussed in the shareholders' meeting or nominate the person to be selected to be the Director of the Company prior to the annual shareholders' meeting."

In addition, the Board of Directors has approved the regulation to monitor trading agreement between the Company and Directors, Executives, or connected persons in compliance with the rules and regulations of Securities and Exchange Commission and Stock Exchange of Thailand. The Company has also appointed the Audit Committee to perform duty with independence in common with the Board of Directors to ascertain the transparency and encourage trust from the shareholders in the internal control and checking and balance procedure in the Company to support best benefit for the Company and every shareholder.

#### 5. Environment Risk

The Company pays attention to environment, so an environmental team was established to be responsible for supervising and evaluating the environmental impact. The Company has a project to correctly sorting waste according to the environmental management system and wastewater system that meet the standard. Apart from that, the Company uses steam-electric power from natural gas (NG) as an alternate power of fuel oil, so the environmental impact is decreased. In addition, the coal is also used as a fuel with effective air pollution treatment system, resulting in the air quality that meets standard as specified by law.

#### 6. Products' quality Risk

The Company is aware of and pay attention to one of the important missions of the Company, which is to consistently create good quality and safe product. As a food manufacturing company, it is necessary for the Company to provide special attention to consider on the cleanliness and safety in every production process. Therefore, the Company has developed the manufacturing process that is certified by international standard, i.e. GMP, HACCP and BRC etc., from the raw material selection to the transportation of finished goods, so that the goods are safe for the consumer. Apart from that, the Company also invested in the research in manufacturing process and machine to obtain product quality that is consistent and accurate. In addition, the Company also provide a channel to get customer's complaint in order to acknowledge the problem and provide explanation. These processes strengthens the customer's confidence and provide maximum satisfaction to the product.

#### 7. Risk from the Change of Customer's Behavior

Economic changes, social value, communication and technology makes the product consumption changes rapidly which will affect the business growth of the Company. Therefore, the Company is determined to consistently develop the product of Company to catch up with the changes. The Company has conducted a study to follow up the customers' behavior and satisfaction, domestically and internationally, in order to use the information to develop the product in compliance with the market need and to impress the customers. Apart from that, new products are launched to the market to reduce such risk and to be able to response to consumers' need and satisfaction at all time.



# Internal Control and Risk Management

## The opinion of the Board of Directors on Internal control of the Company

The Board of Directors has evaluated the adequacy and suitability of Internal Control, and summarized as following,

1. Financial Statement of the Company complies with the policy of the Company and generally accepted accounting standards including any amendments or changes is accounting standard and has been conducted with faithful discretion to record necessary accounting estimate to represent accurate operating performance.
2. The Company has clearly defined the scope of duties in written for all staff level, has separated responsibilities among the persons to approve payment, post account, maintain information system, and handle property to encourage verifiability according to the effective internal control.
3. The Company establishes the procedures to protect classified information to prevent any use of information for personal benefits, intention may causing damages to the Company, disclosure of information to customers/selling agents/suppliers/competitors/or external parties, excepting for the use of information in normal business operation or general publicized information.
4. The Company establishes the operation procedure for all staffs to prevent any actions which may cause conflict of interest with business of the Company.
5. The Company monitors and evaluates up-to-date news or information which may cause risk factors to conduct appropriate risk mitigation measures.



The Company has established the Internal Audit Department as an independent unit to directly report to the Audit Committee of the Company. The Audit Committee shall submit the internal audit report to the Board of Directors on regular basis. At present, the Audit Committee and Internal Audit of the Company have committed to the auditing framework according to the International Standard of the Committee of Sponsoring Organization of the Treadway Commission( COSO) in 5 key areas following,

### 1. On Organization and Environment

The company has an organizational structure with an emphasis on clear division of duties including the approval power according to the chain of command. The company also gives importance to good corporate governance by allowing employees at all levels in the organization to be aware of their roles, duties and responsibilities as well as being aware of their responsibilities. The company has the clear intention to perform the operation by adhering to the principles of good corporate governance with honesty practices. We uphold the codes of ethics and business ethics as well as promoting corporate culture that focuses on honesty and ethics to be the good role model. This can encourage good consciousness to allow personnel in various activities of the organization to work with knowledge and ability as well as supporting the duties in every area. It is an important part that helps supporting the organization's operations to achieve the control objectives with limited resources in order to achieve sustainability for the organization.

The company has signed to propose the intention to act as Private Sector Collective Action Coalition Against Corruption which is the national project supported by the government and the Office





of the National Anti-Corruption Commission (NACC) and has participated in activities of the Private Sector Collective Action Coalition Against Corruption Committee (CAC) continually. In the year 2018, the company publicized and communicated to remain the commitment in doing business with “Anti-corruption measures” for partners or those who want to become partners with the company in various ways. This showed the intention of the company in fighting against corruption. The speakers were invited to give knowledge to the partners in this matter as well as communicating in “Gift accepting policy” for the executives at all levels including all new employees in order to understand the purpose and essence of the measure. Everyone in the organization can be reminded to be aware of and comply with. In the year 2019, the company requested to renew the certification No. 1 by submitting the self-assessment form regarding anti-corruption measures. On 18th October, 2019, the company’s representatives received the certificate for the company that has been certified by Dr. Korp Kritayakirana, Vice President of the Private Sector Collective Action Coalition. Against Corruption Committee (CAC), continually.

## **2. On Risk Assessment**

The Board of the Company is responsible to establish risk management to handle any potential risks which may disrupt our strategic objectives. The Board shall assign Corporate Governance and Risk Management Committee to formulate risk management policy and frameworks to effectively oversee risk management practices, and to continuously monitor any significant risks to the organization. On this regards, all internal units shall be responsible to handle and control all potential risks at the acceptable level, and report their risk management performance to the Board of Directors on regular basis.

In addition, the Company has implemented operational risk management as been certified by several international operational standards and foods safety standards, namely ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO/TEC 17025 (General Requirements for the Competence of Testing and Calibration Laboratories), GMP (Good Manufacturing Practices), HACCP (Hazard Analysis and Critical Control Points), BRC (Global Standard for Food Safety), Kosher (Kosher Foods Manufacturing Standard), Halal (Halal Foods Manufacturing Standard), AEOs (Authorized Economic Operator Standard of Customs Department for Exporters)

Corruption risk is considered one of the major risks of the organization. The Company has evaluated and identified such risk management measures including monitoring and reporting the risk status continuously in order to ensure that the Company is able to manage risks promptly and supervise risk management to be at an acceptable level.

## **3. On Management Control**

In general, the Company conducts Control Activities on regular basis to ascertain that all working operations shall be in compliance with Rules, Regulations, and Operational Manual. The Company shall evaluate operational performance for staff at all levels to ensure the achievement of business’s objective. The scope of duties and limit of financial The scope of duties and limit of financial approval is clearly defined in written. In addition, the Company established protection of asset practice to prevent the loss of asset or improper use of asset for personal benefit. The Company also assigned the staff to be responsible for internal control in each operational procedure. The Company strictly complied with the regulation on information disclosure of connected transaction as required by the Securities Exchange Commission, and monitored all operations to ensure compliance with Company’s rules and related laws.



#### 4. On Information and Communication System

The Company shall prepare supporting documents for the Board's meeting to provide necessary and sufficient information. Such meeting document has been submitted to the Board's Member in advance as required by the laws. The Company has evaluated efficiency of every Board's meeting. The Company compiles the minute of the Board's meeting which is open for the shareholders to monitor performance of Directors of the Company. The accounting documents are kept by category as required by the laws, and back-up information system has been implemented. The Audit Committee will hold the meeting with external auditor and the Management to discuss about the auditor's report, operational result of the Company, accounting policy, internal control system, and the disclosure of related party transaction, etc.

The Company recognizes the importance of information technology. The Company has continuously improved information system to ensure that effective and efficient information needed for decision making can be communicated throughout the organization. Such important information includes Management's policy, rules and regulations, order of the executive, and compliance information. The employee's information can be delivered from top Management to all staff levels. The effective information safety system has been implemented to safeguard communication channel of the Company. The contingent plan to protect important information when having severe disasters which disrupt our normal operation is also conducted. For external communication, the Company has set up Investor Relation Unit to be the communication channel to provide information and to receive complaint or suggestion from outside persons.

#### 5. On Monitoring System

The Company has followed up the performance result of the Company on monthly basis. Year-on-year performance comparison will be analyzed and led to suitable change in our business strategy. In addition, to ensure adequate Internal Control, the Company assigns Internal Audit Department to execute annual auditing plan, to evaluate adequacy and suitability of Internal Control System, to follow up auditing result, and directly report to the Audit Committee. The Audit Committee is responsible to report any significant operational error to the Board to find out corrective measure in timely basis.

### The opinion of the Audit Committee

The Board of Directors has reviewed and amended the Charter of the Audit Committee to be in compliance with the regulation related to the Independent Director and Audit Committee as prescribed by Stock Exchange Thailand and Securities and Exchange Commission, as well as included the responsibility of Audit Committee to formulate the anti-corruption policy to be suitable with nature, environment, and culture of the Company and to propose to the Board of Directors for approval. In addition, the Audit Committee has reviewed and evaluated the risk of potential fraud as proposed by Internal Audit Department to ascertain that such fraud risk shall incur minimum impact to the financial position and performance of the Company. The Audit Committee shall investigate the complaint from whistle-blower of any wrongdoing in the organization, and propose to the Board of Directors to determine punishment and corrective measure. The Audit Committee shall perform duties with independence to encourage effective internal audit procedure. On this regard, the Audit Committee may hold the meeting with the external auditor without presence of Executives of the Company.

According to the evaluation of internal control system of the Company in 5 abovementioned areas and

quarterly internal audit report, the Audit Committee is of the opinion that the Company has established adequate Internal Control and performed appropriate risk management to support continuous business operation in order to achieve business objective. Although some particular operations required improvement as recommended by internal auditor, the related department has conducted corrective measure to lessen or prevent such potential risk, and such improvement has already been verified by follow-up procedures. Thus the concerning Department should be able to conduct operation to meet business target in a suitable manner. However the effectiveness of internal control of the Company is changeable according to various factors, thus may affecting business operation.

### Head of Internal Audit and Internal Control

The Board of Directors has common opinion with the Independent Director and Audit Committee that: the Company has established appropriate Internal Control to be suitable with current nature of business, and recognized that no matter how much internal control to be performed, the Company is not protected from all sort of error, but having prevented such potential risk in a reasonable manner.

The Internal Audit Department is independent and direct to the Audit Committee. The internal management works directly to the Company's director. The Audit Committee is responsible for approving the appointment, transfer or termination of employment and assess the performance of the head of internal audit. Currently, Miss. Ariya Tangcheevinsirikul is the Internal Audit Manager. The Internal Audit Department is able to access the information needed to verify and assess the adequacy, appropriateness and efficiency of the internal control system of various processes and systems according to the internal audit plan approved by the Audit Committee by the annual internal audit plan prepared in accordance with the risk-based audit and report the audit and monitoring results directly to the Audit Committee regularly.





## Major Shareholders

Top ten major shareholders of the Company, including the holding by related persons according to the Section 258 of the Securities and Exchange Act B.E. 2535 as registered on Book Closing of the Company as of December 2019, are summarized as following.

No.	Major Shareholders <sup>(1)</sup>	Shares	%holding
1	Saha Pathana Inter-Holding PCL	83,378,702	25.29
2	NISSIN FOODS HOLDINGS CO., LTD.	55,534,253	16.84
3	Punsak-Udomsin Group <sup>(2)</sup>	51,948,041	15.76
4	Paniangvait Group <sup>(2)</sup>	47,686,705	14.46
5	Tat yakavee Group <sup>(2)</sup>	28,621,488	8.68
6	NOMURA SECURITIES CO LTD-CLIENT A/C	10,470,274	3.18
7	Chokwatana Group <sup>(2)</sup>	7,474,233	2.27
8	Sahapatanapibul Public Company Limited	6,431,151	1.95
9	I.C.C. International Public Company Limited	4,135,628	1.25
10	Osathanugrah Group <sup>(2)</sup>	3,489,168	1.06
11	Other	30,534,371	9.26
Total		329,704,014	100.00

Remark : (1) Excluding the shareholding of Thai NVDR Co.,Ltd.in amount of 298,981 shares, or 0.09% of paid-up capital.

(2) Grouping shareholders by the persons using the same family name and their close relatives, such as father, mother, spouse, and the juristic person to be held the shares of more than 50% by aforementioned persons.

## Shareholding Structure

Shareholding Structure of the Company as of latest Book Closing on December 31,2019

Type of Shareholder	Number of Shareholders	Number of Shares	% of total shares
<b>Juristic Person</b>			
- Thai Nationality	39	126,988,017	38.52
- Non-Resident	22	68,904,716	20.90
Subtotal	61	195,892,733	59.42
<b>Natural Person</b>			
- Thai Nationality	2,562	133,579,320	40.51
- Non-Resident	7	231,961	0.07
Subtotal	2,569	133,811,281	40.58
<b>Total</b>	<b>2,630</b>	<b>329,704,014</b>	<b>100.00</b>



# Report of Directors' shareholding



No.	Name of Directors		Shares			
			Dec 31, 2019	Dec 31, 2018	Change	% Shareholding 2019
1	Mr. Boonsithi	Chokwatana	3,117,894	3,101,994	15,900	0.95
2	Mr. Karmthon	Punsak-Udomsin*	-	2,668,946	(2,668,946)	-
3	Mr. Pipat	Paniangvait	23,861,860	23,838,360	23,500	7.24
4	Mr. Suchai	Ratanajajaroen	-	-	-	-
5	Dr. Poj	Paniangvait	3,058,552	3,058,552	-	0.93
6	Mr. Kamthorn	Tatiyakavee	8,424,453	8,424,453	-	2.56
7	Mr. Apichart	Thammanomai	158,972	158,972	-	0.05
8	Mr. Boonchai	Chokwatana	76,264	73,964	2,300	0.023
9	Mr. Vathit	Chokwatana	888	888	-	0.0003
10	Miss Pojjana	Paniangvait	3,066,189	3,066,189	-	0.93
11	Mrs. Orathai	Thongmeearkom**	1,016,838	739,638	277,200	0.31
12	Dr. Kulpatra	Sirodom	150,147	150,147	-	0.05
13	Thanpuying Angkab	Punyashthiti	155,873	155,873	-	0.05
14	Mr. Chaiwat	Maraprygsavan	-	-	-	-
15	Professor Dr. Visith	Chavasit*	-	-	-	-
16	Mr. Saroj	Chayavivatkul*	-	-	-	-
17	Professor Dr. Suwimon	Keeratipibul**	-	-	-	-
18	Mrs. Tongurai	Limpiti**	27,426	27,426	-	0.008

Remark : Percentage of shares held including their spouse and minor children

\* Directorship term ended since April 2019

\*\* Appointed since April 2019

# Management Discussion and Analysis

## For the year ended 31 December 2019

### 1. Operating Results

#### 1.1 Sales Revenue

The Company achieves total sales income for the year 2019 at the amount of Baht 23,999.08 million, increasing by Baht 1,562.19 million or 6.96% as compared to the same period of the year 2018. Such total sales income consists of the sales volume of President Bakery Plc. (PB) at the amount of Baht 7,743.87 million, equal to 32.27% of the total sales volume. The sales volume for the Company only (TFMAMA) has an increasing growth from the same period of the previous year by 9.41%. The key reason is from the sales volume of new products and the growth of foreign market. At the same time, the sales volume of PB has increased by 3.31% due to the company has marketing activity continuously.

##### 1.1.1 Sales Revenue Classified by Products

The revenue structure of the Company is summarized as following

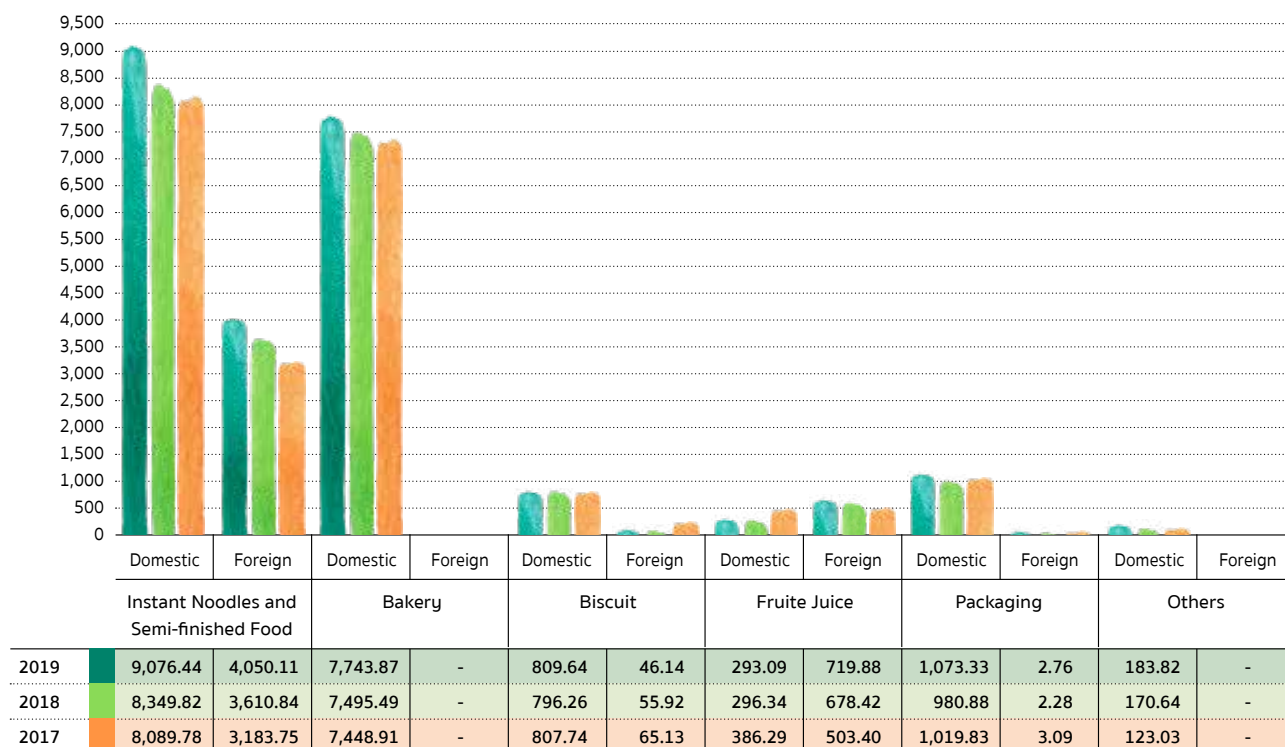
Product Line	Business Group	Operated by	Sales Revenue							
			% Share holding	Year ended on Dec 31, 2019		Year ended on Dec 31, 2018		Year ended on Dec 31, 2017		
				Million Baht	%	Million Baht	%	Million Baht	%	
Instant Noodles and Semi-finished Food	Food	Thai President Foods Plc (TFMAMA)	-	13,126	54.69	11,961	53.31	11,273	52.11	
		Kallol Thai President Foods (BD) Ltd.	55.00							
		Thai President Foods (Hungary) Kft. (Hungary)	65.00							
		President Kourakuen Co., Ltd.	70.00							
		Ayeyarwaddy Success Venture Foods Co., Ltd.	51.00							
Bakery	Food	President Bakery Plc.	51.99	7,744	32.27	7,495	34.40	7,449	34.44	
Biscuit	Food	Thai President Foods Plc (TFMAMA)	-	856	3.57	852	3.80	873	4.04	
Fruit Juice	Food	Taisun Foods Co., Ltd.	52.08	1,013	4.22	975	4.35	890	4.11	
Packaging	Packaging	Thai Anbao Paper Products Co., Ltd.	51.00	1,076	4.48	983	4.38	1,023	4.73	
		Dai-Ichi Packaging Co.,Ltd.	50.10							
Other	Raw material	President Flour Mill Co.,Ltd.	60.00	184	0.77	171	0.76	123	0.57	
	Investing	President D Venture Co.,Ltd.	70.00							
	Agent	President Interfood Co.,Ltd.	59.67							
Total				23,999	100.00	22,437	100.00	21,631	100.00	





### 1.1.2 Sales Revenue Classified by Product type and Market location of each Company

(Unit : Million Baht)



#### ■ Instant Noodles and Semi-finished Food

##### *Domestic Market*

The growth rate for the period ended 31 December 2019 is 8.70% as compared with the previous year. The instant noodles grew by 8.13%, while white noodle, porridge and boiled rice increased by 13.67% due to the development of products and continuous marketing activities. Apart from that, the company designed new products which receive good responses from the consumer.

##### *Foreign Market*

The growth rate for the period ended 31 December 2019 is 12.17% as compared with the previous year. The instant noodles grew by 13.52% and white noodle, porridge and boiled rice has growth rate of 6.14%. The sales volume for the market in Asia Region still have the highest ratio per sales volume, while the North America and European market has good expansion, which because of the effect from the adjustment of marketing strategies and the arrangement of sales promotional activities with the sales representative in foreign countries, so the products of the company become well known and accepted in world market.

#### ■ Bakery

The sales revenue of bakery products for the year ended on Dec 31, 2019 increased by 3.31% from the previous year. The Company has performed continuous advertising and sales promotion activities in order to encourage sales volume and to distribute our products to widen customers.

## ■ Other Products

For the overall sales volume of other products which consists of the goods on biscuit category, packaging, fruit juice, etc. for the period ended 31 December 2019 has the growth rate at 4.96%. The sales volume of fruit juice in foreign county has expanded greatly, while the goods on biscuit category and packaging has an increased sales volume due to the new products launching and penetration marketing strategy.

### 1.2 Cost of Sales

Cost of sales for the period of year 2019 is Baht 15,300.60 million, increased by Baht 772.27 million or 5.32% as compared to the same period of the previous year since the use of raw materials and packaging in production has increased as per the sales volume. However, the decreasing in palm oil price caused the ratio of cost of sales to the sales income lower than the previous year by 1.00% and stood at 63.75%

### 1.3 Selling and Administrative Expenses

The selling and administrative expenses totaled to Baht 3,824.53 million, increasing by Baht 196.75 million or by 5.42% from the previous year. The higher expense was attributed to higher employee benefit provision which comply to the Labor Protection Act (Issue 7) BE. 2562, 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, selling property expenses of a Subsidiary, and higher remuneration of the employees according to increasing number of employee and salary base. However, the ratio of selling and administrative expenses to total sales revenue ratio was at 15.94%, slightly decreasing from the previous year.

### 1.4 Net Profit

The net profit, in the part of shareholders' equity of the Company, for the year stood at Baht 3,943.07 million, increasing by Baht 538.67 million or by 15.82% from the previous year. The Company maintained the profit margin at 15.77% of total income. Meanwhile, The net profit for the Company only (TFMAMA) stood at Baht 2,935 million, increasing by 13.67%, which consist of the operation profit amounted to Baht 2,234.17 million (increasing by 8.20%), profit from investment in associates companies and Private fund amounted to Baht 624.42 million (increasing by 37.54) and Baht 76.41 million ( increasing by 20.67) accordingly.

## 2. Financial Position

### 2.1 Assets

Total assets of the Company as of Dec 31, 2019 amounted to Baht 34,253.43 million, increasing by Baht 3,411.86 million or by 11.06% from the previous year. The main assets of the Company consisted of the fixed assets of Baht 19,886.08 million, accounting for 58.06% of total assets, and the current assets of Baht 14,367.35 million, accounting for 41.94% of total assets. The increasing assets of the Company was mainly attributed to increasing current investment as a result of higher operation profit.

The trade account receivable of the Company in 2019 stood at Baht 3,635.62 million, accounting for 10.61% of total assets and decreasing by 1.57% from the previous. The major trade account receivable from domestic market of the Company was due from Sahapathanapibul PCL, whereas the average debt collection period was at 56 days, or decreasing by 4 day from the previous year. In addition, the Company had set aside the allowance for doubtful accounts by Baht 21.52 million, which was sufficient to cover the account receivable due longer than 3 months. In overall, the trade account receivable of the Company was mostly paid on schedule. Although a few foreign accounts were paid overdue, such delayed payment constituted an insignificant portion, when compared with total trade accounts.



The inventory of the Company in 2019 amounted to Baht 1,454.72 million, accounting for 4.25% of total assets and increasing by 5.73% from a year earlier. In addition, the average shelf life of instant noodles products stood at 180 days, whereas the average days sales was at 34 days.

## 2.2 Liability

Total liability of the Company as of Dec 31, 2019 amounted to Baht 4,208.69 million, increasing by Baht 190.07 million or by 4.73% from the end of 2018 as a result of increasing amount of outstanding liability and accrued expenses because the Company had undue liability obligation and higher employee benefit provision. However, most liability of the Company was current liability, whereas the long-term liability was accounted for 26.27% of total liabilities. Meanwhile the debt to equity ratio of the Company was at 0.18 time.

## 2.3 Shareholders' Equity

The shareholders' equity of the Company as of Dec 31, 2019 amounted to Baht 30,044.74 million, increasing by Baht 3,221.78 million or by 12.01% from the end of 2018 because of net profit in the period. In 2019, the Company recorded the dividend payment for the second half-year of 2018 at Baht 662.71 million, and the interim dividend payment for the period ended on June 30, 2019 at Baht 745.13 million. In addition, the book value of the Company increased by 9.77 Baht per share from 81.35 Baht per share to 91.12 Baht per share, or rising by 12.01% from the preceding year.

# 3 Liquidity Position and Suitability of Capital Structure

## 3.1 Liquidity Position

The net cash from operating activities of the Company in 2019 amounted to Baht 5,543.24 million, whereas the net cash used for investing and financing activities amounted to Baht 3,945.66 million and Baht 1,593.95 million respectively. The Company, as of Dec 31, 2019, recorded net cash and cash equivalent of Baht 3,320.23 million, decreasing by Baht 24.34 million from 2018. The important details were summarized as follows,

The cash inflow from operating activities totaled to Baht 5,543.24 million, mainly due to the operating profit before tax of Baht 5,872.27 million. The Company used Baht 3,945.66 million for investing activities, mostly in short-term and long-term investment by placing excessive cash into deposit in the financial institutions. The Company also purchased additional machinery and equipment. In addition, the cash paid for financing activities was at Baht 1,593.95 million, mainly due to the dividend payment of Baht 1,407.08 million. However, the Company was able to maintain strong liquidity ratio. The current ratio and the quick ratio of the Company in 2019 stood at 4.63 and 4.15 times respectively, increasing from the ratio in the previous year. Meanwhile, the cash cycle of the Company was at 45 days.

## 3.2 Suitability of Capital Structure

The Debt to shareholders' equity ratio of the Company as of Dec 31, 2019 was low at 0.18 time, while the interest coverage ratio was high at 534.82 times, thus reflecting the stability of capital structure and strong capability of debt service of the Company.

# 4. Remuneration to the Auditor (Separate financial statements)

The Company paid for the remuneration to the Auditor as following,

- 4.1 The Auditing Fee amounted to 2,900,000 Baht
- 4.2 The Other Fees consisted of The auditing fee for specific requirement as prescribed by the investment promotion certificate of the Board of Investment amounted to 800,000 Baht

## Ratios

Liquidity Ratio	2019	2018	2017
1. Current Ratio (Times) = Total current assets / Total current liabilities	4.63	4.46	5.07
2. Quick Ratio (Times) = (Cash and cash equivalents+Current investments +Trade and other receivables+Short-term loan to related parties) / Total current liabilities	4.15	3.90	4.54
Asset Management Ratios			
3. Total Asset Turnover (Times) = (Total revenues + Share of profit from investments in associates and joint venture) /Total assets (Average)	0.77	0.77	0.78
4. Fixed Asset Turnover (Times) = (Total revenues + Share of profit from investments in associates and joint venture) / Property, plant and equipment (Average)	2.93	2.66	2.44
5. Account Receivable Turnover (Times) = Sales/Trade and other receivables (Average)	6.55	6.13	6.29
6. Average Collection Period = 365/Account Receivable Turnover	56	60	58
7. Account Payable Turnover (Times) = Cost of sales/ Trade and other payables (Average)	8.15	7.81	7.85
8. Average Payment Period (Days) = 365/Account Payable Turnover	45	47	47
9. Inventory Turnover (Times) = Cost of sales/Inventories (Average)	10.81	10.65	11.15
10. Average Inventory Period (Days) = 365/Inventory Turnover	34	34	33
11. Cash cycle (Days) = Average Collection Period+Average Inventory Period-Average Payment Period	45	47	44
Leverage Ratios			
12. IBD/E Ratio (Times) = (Current portion of liabilities under finance lease agreements+ Liabilities under finance lease agreements - net of current portion) / Equity attributable to owners of the Company	0.004	0.011	0.015
13. D/E Ratio (Times) = Total liabilities / Equity attributable to owners of the Company	0.18	0.19	0.19
14. Interest Coverage Ratio (Times) = Profit before finance cost and Income tax expense / Finance cost	534.82	380.38	250.12
Profitability Ratios			
15. Gross Profit Margin (%) = (Sales - Cost of sales) x 100/ Sales	36.24	35.25	33.64
16. Net profit margin (%) = Profit attributable to Equity holders of the Company x100/ (Total revenues + Share of profit from investments in associates and joint venture)	15.77	14.74	12.84
17. Return On Assets (ROA) (%) = Profit before finance cost and Income tax expense x100 / Total Assets (Average)	18.08	16.43	15.01
18. Return On Equity ROE (%) = Profit attributable to Equity holders of the Company x 100 / Equity attributable to owners of the Company (Average)	17.80	16.70	15.07
19. Book Value = (Total Assets-Total Liabilities)/ Issued and fully paid - up share capital	91.12	81.35	77.82

Remark : Average = (Ending of previous period – Ending of current period) / 2







# Corporate Governance

## 1. Corporate Governance Policy

The Board of Directors realizes the benefits and importance of good corporate governance in the company for creating the transparency, build the confidence for shareholders, investors, related parties, and stakeholders with the business as well as creating the value for the company sustainably. The good corporate governance principles of the Company consist of good corporate governance policies, good corporate governance principles, 8 business ethic codes of conduct for the Company's directors, executives and employees approved by the Board of Directors Meeting No. 3/2020 on March 18, 2020. The Company determines to review the appropriateness on a yearly basis. In order for all departments to participate in enhancing good governance in the operation of the Company in accordance with the principles of good corporate governance altogether, the Company has, therefore, published the principles of good corporate governance on the Company's website at [www.mama.co.th](http://www.mama.co.th) (investor relations topic) and has prepared good corporate governance information to be publicized and communicates to the Company's directors, executives and employees so that all directors, executives and employees are informed and can be adhered as the principles for the same practice in business operation.

### 1.1 Good corporate governance policy

- (1) All directors, executives and employees are committed to implement the principles of corporate governance, business ethics and the code of conduct for directors, executives and employees for the Company's operations.
- (2) All directors, executives and employees must perform their duties responsibly, carefully, honestly by compliance with the laws, the Company' articles of association and relevant announcements.
- (3) Taking action so that the management structure of the Company clearly establishes the authority, duties and responsibilities of each committee and the executives.
- (4) Ensuring the available systems for internal control and risk management to be in appropriate level, including the available system for accounting and financial reporting that is accurate, reliable.
- (5) Arranging for sufficient, reliable and timely disclosure of important information as long as it does not affect the rightful interests of the Company.
- (6) Recognizing and respecting the rights of ownership of shareholders, equal treatment of shareholders.
- (7) Operations by taking into account responsibility to shareholders, stakeholders, communities, society and the environment.
- (8) Commitment to excellence in business operations with adherence to creating satisfaction for customers by hearing and reviewing oneself so as to increase the capabilities of managing and creating the best things always.
- (9) Cultivating morality, ethics, creating good consciousness, treating employees with fairness as well as striving for continuous development and enhancement of personnel's capabilities.
- (10) Anti-corruption, no violation of intellectual property, respect for the laws and human rights.
- (11) Dealing with conflicts of interests with prudence and rationality based on the Company's benefits primarily.



The Board of Directors has prepared the manual of “Good corporate governance principles, 2<sup>nd</sup> edition” in accordance with Corporate Governance Code for listed Companies 2017 defining the codes of practices for the Board of Directors to adhere appropriately as the leader of the organization and the highest responsible person of the organization. It consists of 8 main codes of conduct as follows:

- Code 1 Recognize the roles and responsibilities of the Board of Directors as the organization leader that creates value for the business sustainably.
- Code 2 Determine the objectives and main goals of the business for the benefits of sustainability.
- Code 3 Strengthen the efficient Board of Directors
- Code 4 Recruitment and development of senior management and personnel management
- Code 5 Promote responsible innovation and business operations
- Code 6 Ensure that there is a risk management system and suitable internal control
- Code 7 Maintain financial credibility and information disclosure
- Code 8 Encourage participation and communication with shareholders

### 1.2 Ethics in business operations

The corporate governance in business ethics of the Company has been defined as a good business practice for all directors, executives and employees to observe as a guideline by focusing on treating stakeholders with equality and fairness including taking into account the responsibility to all stakeholders. The Board of Directors and executives realize the importance of performing duties with responsibility, carefulness, honesty, transparency and accountability.

Key components of the business ethics are compliance to the law and anti-corruption. The Board of Work performances is aware of the importance to run the business in compliance with Good Governance. Therefore, there is a distinct policy and procedure stipulated on 16 October 2017 in the Board of Work performances' meeting which approved the Anti-corruption Policy and Anti-corruption Policy Compliance, First revision. In 2019 the policy was reviewed and approved by the the Board of Work performances' meeting No. 6/2019 on 19 June 2019. To comply with the current situation for all work performance, managements and employees have been complying to the policy and pass it on to other people outside the company, such as subsidiaries, joint company, partner and all related parties, as well as communicate through Company website, [www.mama.co.th](http://www.mama.co.th).

### 1.3 Ethics of the Board of Directors, executives and employees

Regarding the corporate governance in the code of ethics for the Board of Directors, the executives, and the employees, the Company has set up the good business practices for all directors, executives and employees to adhere for practicing as the guideline by focusing on creating good consciousness in performing duties with honesty, prudence and carefulness for the best interest of the Company and all concerned parties. Moreover, the Company will always listen and act on all complaints equally, transparently, and fairly.

## 2. Sub-committees

The Board of Directors has appointed 3 sub-committees consisting of the Audit Committee, the Nomination and Remuneration Committee and the Good Governance and Risk Management Committee so as to support and promote the management of each department of the organization for effective operations in consistency with the principles of good corporate governance.



## 2.1 Audit Committee

The Audit Committee of the Company consists of no less than 3 Independent Directors and at least one of those shall have sufficient knowledge, understanding, and experience in finance and accounting to audit the reliability of financial statement. The Board of Directors has appointed 3 Independent Directors having the qualification as required by the notification of the Capital Markets Supervisory Board and 1 Secretary of the Committee. The Audit Committee and the Secretary of the Committee, having the service term of 1 year, are named as following,

1. Dr. Kulpatra	Sirodom	Chairman of the Audit Committee (Independent Director) (with experience in Accounting and Finance)
2. Thanpuying Angkab	Punyashthiti	Member of Audit Committee (Independent Director)
3. Mr. Chaiwat	Maraprygsavan	Member of Audit Committee (Independent Director)
4. Miss Ariya	Tangcheevinsirikul	Secretary of Audit Committee

### Duties and Responsibilities:

- (1) Verify the company to have correct and adequate financial reporting
- (2) Verify the company to have appropriate and effective Internal Control and Internal Audit. Consider the independence of the internal auditor, as well as approve the appointment, relocation, promotion and employment termination and also evaluation on the performance of the Head of internal auditor or other relevant department in charge of the internal audit.
- (3) Verify the company to be in compliance to the law concerning security and stock market, the regulations of the Securities Exchange of Thailand and other laws related to the business of the company.
- (4) Consider, select, propose the assignment of an independent party to be the Company's Auditor and propose the remuneration of such person, as well as terminate the employment of the Company's Auditor, attend the meeting with the auditor without the Administration Department at least once a year.
- (5) Consider the items that relates or items that may have conflict of interest to be in accordance to the laws and regulations of the Securities Exchange of Thailand. In this regard, this is to endure that such items are reasonable and provide a maximum interest for the company.
- (6) Prepare the report of Audit Committee by including in the Annual Report of the company. Such report must be signed by Chairman of the Audit Committee and must include at least the following information:
  - (a) Comments on the correctness, completeness and reliability of Financial Report of the Company
  - (b) Comments on the adequacy of the company's internal control
  - (c) Comments on the compliance to the law, concerning security and stock market, the regulations of the Securities Exchange of Thailand and other laws related to the business of the company.
  - (d) Comments on the appropriateness of the auditor
  - (e) Comments on the items that may have conflict of interest
  - (f) Number of Audit Committee Meeting and the attendance of each member of the Audit Committee
  - (g) Comments or remarks in over all that the Audit Committee received from the compliance to the Charter.
  - (h) Other items that the shareholders and the investor in general should know under the scope, roles and responsibilities assigned by the Board of Work performances.



(7) During the operation of the Audit Committee, if it is found or suspected that there is any item or actions as follows which may significantly impact the financial status and performance of the company, the Audit Committee must report to the Board of Work performances for revision within the due date that Audit Committee sees appropriate.

(a) Items with conflict of interest

(b) Important fraud or abnormality or error in internal control system.

(c) The violation against the law, concerning security and stock market, the regulations of the Securities Exchange of Thailand and other laws related to the business of the company.

If the Board of Work performances or the managements do not make revision within the timeline, one of any auditor may report such item or action to the Securities Exchange of Thailand.

(8) Support and follow up the company to have efficient risk management system.

(9) Improve and revise the Audit Committee Charter, and propose to the Board of Work performances for approval.

(10) Other operation as assigned by the Board of Work performances with agreement from the Audit Committee, using the authorization under the company regulations and the laws.

(11) Consider the Anti-corruption Policy or review the appropriateness of the change to the Anti-corruption Policy to fit the characteristic of the business and propose to The Board of Work performances for approval.

(12) Verify the risk assessment concerning corruption to ensure that the risk that the corruption that will affect the financial status and company performance is minimized and fit the characteristic of the company business

(13) Accept the notification of the trace of corruption activity that the company personnel has participated and verify the fact as notified and propose to the Board of Work performances for consideration on the punishment or solution to such problem.

To perform the duty as specified above, Audit Committee is responsible for the Board of Work performances directly and the Board of Work performances is responsible for the operation of the company to the outsider. The Audit Committee has the period to be in the position for 1 year from the date of the assignment resolution.

## 2.2 Nominating and Remuneration Committee

The Nominating and Remuneration Committee consists of 3 Directors, one of which shall be Independent Director. The Nominating and Remuneration Committee, having the service term of 1 year, are named as following,

1. Mr. Boonsithi	Chokwatana	Chairman of the Nominating and Remuneration Committee
2. Mr. Pipat	Paniangvait	Member of Nominating and Remuneration Committee
3. Mr. Chaiwat	Maraprygsavan	Member of Nominating and Remuneration Committee (Independent Director)

### Duties and Responsibilities :

#### The Nomination

1. To select and nominate the qualified persons to be the Director of the Company.
2. To verify the profile of the nominated person to ensure that the Director of the Company is proven with knowledge, ability, experience, expertise from various backgrounds, and qualifications pursuant to the Articles of Association of the Company and the other relevant laws.
3. To provide the opinions or suggestions to be used for the consideration.
4. To propose the nominated persons to the Board of Directors for approval.



5. To review and amend the Charter of the Nomination and Remuneration Committee and propose for approval to the Board of Directors.
6. To perform any other tasks as assigned by the Board of Directors.

#### The Remuneration

1. To evaluate the performance of the Board of Directors annually.
2. To consider and determine the amount of the remuneration for the Board of Directors by taking into account the performance results of the Company, the amount approved by the shareholders' meeting, and the amount actually paid to the Board in the past year and to propose the remuneration to the Board of Directors and the shareholders' meeting for approval respectively.
3. To consider and allocate the remuneration for the Directors in proportion to the performance, duty, responsibility, and the amount of the remuneration approved by the shareholders, and to propose the suitable remuneration to the Board of Directors for approval.
4. To consider and allocate the remuneration for the Member of the Nomination and Remuneration Committee (who is not the Director of the Company) in proportion to the performance, duty, and responsibility, and to propose the suitable remuneration to the Board of Directors for approval.
5. To review and amend the Charter of the Nomination and Remuneration Committee and propose for approval to the Board of Directors.
6. To perform any other tasks as assigned by the Board of Directors.

The Nominating and Remuneration Committee held 2 meetings in 2019, as per details in the Report of the Nomination and Remuneration Committee 2019

#### **2.3 Corporate Governance and Risk Management Committee**

Corporate Governance and Risk Management Committee consists of 6 members, 3 directors, 1 managements and 2 Independence Work performance shall be Chairman of Corporate Governance and Risk Management Committee and there shall be one secretary of the Corporate Governance and Risk Management Committee having the period of 1 years:

- |                      |                   |  |
|----------------------|-------------------|--|
| 1. Prof. Dr. Suwimon | Keeratipiboon     | Chairman of the Corporate Governance and Risk Management Committee<br>(Independent Director) |
| 2. Mrs. Thong-Urai   | Limpiti           | Member of Corporate Governance and Risk Management Committee<br>(Independent Director)       |
| 3. Mr. Suchai        | Rattanajiacharoen | Member of Corporate Governance and Risk Management Committee                                 |
| 4. Dr. Poj           | Paniangvait       | Member of Corporate Governance and Risk Management Committee                                 |
| 5. Miss Pojjana      | Paniangvait       | Member of Corporate Governance and Risk Management Committee                                 |
| 6. Miss Hatairat     | Kwangchit-aree    | Member of Corporate Governance and Risk Management Committee                                 |
| 7. Miss Piyada.      | Disawat           | Secretary of Corporate Governance and Risk Management Committee                              |



## **Duties and Responsibilities :**

### **Good Governance**

- (1) Set, review and improve the Corporate Governance policy, the Corporate Governance business ethics, ethic of director, managements and employees Anti-corruption Policy and regulation to match with the change of business, rules, notification, regulations and relevant laws consistently.
- (2) Set the procedure according to Corporate Governance Anti-corruption Policy and follow up and evaluate the work performance
- (3) Encourage and support the Directors, managements and employees to comply with Corporate Governance and Anti-corruption Policy
- (4) Review and revise the Corporate Governance and Risk Management Committee Charter and propose to the Board of Work performances for approval
- (5) Perform other actions as assigned by the Board of Work performances

### **Risk Management**

- (1) To review and propose Risk Management Policy and Framework to the Board of Directors for approval.
- (2) To formulate Risk Appetite Limit and propose to the Board of Directors for acknowledge, and report risk status and risk management on significant matters to the Board on regular basis.
- (3) To oversee overall risk management to be in line with Risk Management Policy and Framework continuously to ensure effective and constant risk management for the whole organization.
- (4) To review risk management report and monitor significant risks to be handled in an adequate and appropriate manner.
- (5) To cooperate with the Audit Committee on significant risks and oversee Internal Audit Department to ensure that internal control system is adequate and risk management is implemented properly and constantly for the whole organization.
- (6) To provide advice and recommendation to Risk Management Team on risk management issues that needed to be improved, and to appoint Sub-committee to be able to conduct risk management in an effective manner.
- (7) To perform the other duties as assigned by the Board of Directors.

The Risk Management Committee held 4 meeting in 2019, as per details in the Report from Risk Management Committee.

## **3. Nomination and appointment of directors and senior executives**

The Company has appointed sub-committee, the Nominating and Remuneration Committee, to perform the duties in considering the selection of persons to be nominated for the position of directors and senior executive which the Recruitment and Remuneration Committee has set the criteria for consideration as follows:

### **Criteria for selecting the Company's directors**

- 1 Be qualified according to the Public Company Act, Securities and Exchange Act, rules of the Securities and Exchange Commission, and rules of the Stock Exchange of Thailand
2. Be qualified and have skills of the Board of Directors according to the elements in creating the Board Skill Matrix to be in line with the business direction
3. Have knowledge, competence, and experience in various fields corresponding to the food industry business and related industries as well as supporting various investment business plans that increase growth opportunities for the Company in the future to enhance benefits and add value to the Company.



4. Possessing of leadership, vision, morality and ethics, having a transparent work history
5. Nomination of independent directors with qualifications according to the rules of the Capital Market Supervisory Board.

#### **Process for nomination of the directors**

1. The Nomination and Remuneration Committee is responsible for nominating suitably qualified experts to be the directors by proposing to the Board of Directors meeting for consideration before presentation to the annual general meeting of shareholders for election with a majority vote of the shareholders attending the meeting and voting except the case of not leaving at the end of the term and the remaining term of not less than 2 months. The Board of Directors meeting shall select the person nominated by the Nomination and Remuneration Committee for the post of director with a vote of not less than three-fourths of the number of remaining directors. Such person who is appointed as director will have a term of office equal to the remaining term of the director replaced. This is in accordance with the Company's articles of association.
2. The Nomination and Remuneration Committee takes action according to the Company's articles of association, Article 17 ". At every annual general meeting of shareholders, the ratio of 1 in 3 directors must vacate office. If the number of directors to leave cannot be divided into exactly 3 parts, the number closest to 1 in 3 parts must leave. The outgoing directors under paragraph one can be rightfully reappointed as directors if having been selected by the meeting to hold the position again." Therefore, in the annual general meeting of shareholders, the Nomination and Remuneration Committee will take action based on the nomination process for the directors having completed their term according to the above rules of the Company's articles of association so as to nominate such directors to the Board of Directors' meeting for consideration before presentation to the annual general meeting of shareholders for election.
3. About nominating the persons for the post of independent director, the Nomination and Remuneration Committee will consider the independent director's qualifications determined by the Company, which conform to the rules of the Capital Market Supervisory Board as follows.

#### **Qualifications of independent directors of the Company**

The independent directors of the Company must have qualifications according to the rule of the Capital Market Supervisory Board as follows:

1. Holding shares not more than 1% of the total number of shares with voting rights of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company, including shareholding of related party of that independent director.
2. Neither being nor having formerly been a director involved in work management, employee, consultant receiving a regular salary or control authority of the Company, parent company, subsidiary, associate company, same-level subsidiary, major shareholder or of control authority of the Company except having been excluded from such characteristics for not less than 2 years before the date of appointment as independent director. Such prohibited characteristics do not include the case that an independent director used to be a government official or a consultant of government agencies which are major shareholders or the control authorities of the Company.
3. Not being a person with blood relationship or by legal registration in the forms of being father, mother, spouse, sibling and child, including spouse of the child of another director, executive, major shareholder, control authority or the person to be nominated as director, executive or control authority of the Company or subsidiaries.





4. Neither having nor having formerly had business relationship with the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company in a manner that may hinder the use of independent judgment, including neither being nor having formerly been a significant shareholder or control authority of the person having business relationship with the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company except having been excluded from such characteristics for not less than 2 years before the date of appointment as independent director. Business relations under paragraph one include normal commercial transactions for business operations, renting or renting real estate out, transactions related to assets or services or giving or receiving financial assistance by accepting or giving loans, guaranteeing, providing assets as collateral for debts, including other similar circumstances, resulting in the Company or the contract party's debt obligation to pay to the other party from 3% of net tangible assets of the Company or from 20 million baht or more, whichever amount will be lower. Calculation of such debt burden shall be based on the method of calculating the value of connected transactions according to the announcement of the Capital Market Supervisory Board on the rules for connected transactions mutatis mutandis. However, consideration of such debt burden must include the debt burden incurred during 1 year before the date of business relationship with the same person.
5. Neither being nor having formerly been an auditor of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company and not being a significant shareholder, control authority or a partner of the audit office having the auditor of the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company being affiliated with, except having been excluded from such characteristics for not less than 2 years before the date of appointment as independent director.
6. Neither being nor having formerly been any professional service provider, including serving as a legal advisor or financial advisor receiving service fee of more than 2 million baht per year from the Company, parent company, subsidiary, associate company, major shareholder or control authority of the Company and not being a significant shareholder, control authority or a partner of that professional service provider, except having been excluded from such characteristics for not less than 2 years before the date of appointment as independent director.
7. Not being a director appointed to be a representative of the director of the Company, major shareholder or shareholder related to major shareholder.
8. Neither operating a business having the same conditions and significantly competing with the business of the Company or subsidiary nor being a significant partner in the partnership nor being a director involved in work management, employee, consultant receiving a regular salary or holding more than 1% of the total number of shares with voting rights of another company running business with the same conditions and significantly competing with the business of the Company or subsidiaries.
9. Not having any other characteristics that cause the inability to give independent opinions on the operations of the Company.

In case of the Capital Market Supervisory Board's announcement on changes in qualifications of independent directors, the Company's independent directors must have qualifications according to the announcement on changes in all respects.

After having been appointed as independent directors with characteristics according to (1) to (9), the independent directors may be assigned by the Board of Directors to decide on business operations of the Company, parent company, subsidiaries, associate company, same-level subsidiary, major shareholder or control authority of the Company by decision-making in the form of Collective decision.



In 2019, the Company's independent directors neither had business relationship nor provided professional service, or were the persons appointed as independent directors without business relationship or providing professional service in value exceeding the criteria according to the announcement of the Capital Market Supervisory Board and the Company's above rules.

#### **Entitling minor shareholders to nominate the persons to be elected as directors**

The Company recognizes the rights and equality of shareholders according to the principles of good corporate governance. Therefore, the Company allows shareholders to nominate the persons to be elected as directors of the Company in advance of the annual general meeting of shareholders pursuant to the Company's rules. More details can be viewed from the Company's website [www.mama.co.th](http://www.mama.co.th) under the topic: "Investor Relations / Annual Shareholders Meeting".

In 2019, the Company granted the opportunity for the shareholders to nominate the persons to be elected as the Company's directors in advance prior to the Annual General Meeting of Shareholders for the year 2019 from December 1 - December 30, 2018, with the following consideration criteria:

- (1) The Company secretary will initially consider and screen. The complete information and documents will be presented to the Nomination and Remuneration Committee to consider qualifications of the persons, which will also be presented to the Board of Directors for consideration. The decision of the Board of Directors is final.
- (2) The persons approved by the Board of Directors will be named at the annual general meeting of shareholders for the year 2019 in written notice of the scheduled meeting, together with opinions of the Board of Directors.
- (3) For the persons not approved by the Board of Directors, the Company will give notification in the general meeting of shareholders with specified reasons.

At the end of the specified period, the Company informed the result of the opportunity for shareholders to nominate persons to be elected as directors at the annual general meeting of shareholders by disseminating news via the Stock Exchange of Thailand for the year 2019. On February 20, 2019, the Company published the news of result concluding that no shareholder proposed the agenda for the general meeting of shareholders and nominated the persons to be considered for being the Company's directors at the Annual General Meeting of Shareholders No. 2/2019 and reporting to the shareholders again on the date of the Annual General Meeting of Shareholders on 24 April 2019.

#### **Rules for electing the Company's directors at the annual general meeting of shareholders**

The Company has determined the voting for electing the directors at the annual general meeting of shareholders according to the Company's articles of association, Article 16, requiring the shareholders' meeting to elect the directors pursuant to the following criteria and methods.

- (1) One shareholder has a vote equal to 1 share.
- (2) Each shareholder can use all available votes under (1) to elect one person or several persons as directors, but cannot divide the votes for any person in any number.
- (3) The persons receiving the highest votes in descending order are elected as directors equaling the required number of directors at that time. If the persons elected in the next descending order have equal votes more than the number of directors required at that time, the Chairman must have the deciding vote.

In 2019, the Company held the Annual General Meeting of Shareholders No. 2/2019 for the second year after the registration of the company and according to the Articles of Association of the Company No. 17, the election of directors to replace the directors who are retired from office. In the first and second years after the





registration, the lots would be drawn for selection. For the following years, the directors who are in the position for the longest time will leave the position and the retiring directors may choose to take office again. In this first year, there are 5 directors who must retire the office by drawing lots as follows:

- |                    |                |  |
|--------------------|----------------|--|
| 1. Mr. Boonsithi   | Chokwatana     | - Chairman of the Board<br>- Chairman of the Nomination and Remuneration Committee                                 |
| 2. Mr. Karmthorn   | Punsak-Udomsin | - Vice Chairman of the Board   |
| 3. Mr. Pipat       | Paniangvait    | - Vice Chairman of the Board<br>- Member of the Nomination and Remuneration Committee<br>- Chief Executive Officer |
| 4. Prof.Dr. Visith | Chavasit       | - Independent Director<br>- Chairman of Risk Management Committee  |
| 5. Mr. Saroch      | Chayavivatkul  | - Independent Director   |

The Annual General Meeting of Shareholders No. 2/2019 had appointed 5 directors to replace those who retired, which consist of Mr. Boonsithi Chokwatana, Mr. Pipat Paniangvait, Mrs. Orathai Thongmeearkom, Prof. Dr. Suwimon Keeratipibul, Mrs. Tongurai Limpiti with the majority vote from the total number of votes of shareholders attending the meeting and having voting rights.

#### **Nomination of the top management**

The Company nominates the top management of the Company from current executives or other people with appropriate qualifications, knowledge, capability, experience and good understanding of the Company's business and ability to manage the organization in order to achieve the objectives and goals as specified by the Board of Directors.

The top executives of the Company are the directors of the Company, who have been selected by the Nomination and Remuneration Committee and the Board of Directors meeting will continue to consider suitability for appointment of the executive positions.

## **4. Supervising the operations of subsidiaries and associate company**

The Board of Directors is responsible for managing the business and the operations of the Company as well as supervising work management of subsidiaries and associate company according to the goals, operational plan and strategies of the Company under the laws, objectives and articles of association of the Company. Additionally, the Board of Directors has considered the organizational structure and the management of subsidiaries and associate company to be effective and favorable to business conditions. The purposes are to focus on developing the management of subsidiaries and associate company to have corporate governance system, good risk management and participation in signing the declaration of the intent of Private Sector Collective Action Coalition Against Corruption with the Company and to have the ability to compete in the industry for future growth. The Company will receive the reports on operational results from the subsidiaries and associate company regularly. Also, the operating results are always examined so as to plan the works and the targets for further operations.

The Company receives financial statements from subsidiaries and associates on a monthly basis so that the company can track and acknowledge the operating performance of the subsidiaries and associates and can present the operating performance to the Board of Directors for acknowledgment every month as same as the report of the Company's performance. In addition, there are 3 important subsidiaries with a total asset value of more than 40% of the total assets in 2019 using the same audit office as the company in order to build confidence in the preparation of financial reports in a timely manner.

## 5. To Control the Use of Inside Information

The company has a measure to supervise the internal information usage by including in the business ethics and Code of Conduct for the Directors, managements and employees, concerning conflict of interest and the use of the company's information for person benefits, as follows:

- Directors and managements must report their interest and the related persons according to the criteria
- Directors, managements and employees which are in the organization that know the internal information are prohibited from trading company's stock in the period of 1 month before the financial status is revealed to the public and after the financial statement is revealed for 24 hours.

In this regard, the Company Secretary who is responsible for sending official letters to all Directors and managements will know the period that is prohibited for trading the company stock before the disclosure of quarterly financial statement and annual financial statement through the news distribution channels of the Securities Exchange of Thailand.

- The Directors, managements, their spouse and the minor child are responsible to report the stock holding and the change to the company's stock holding to the Securities and Exchange Commission and inform the Company Secretary to report to the Board of Work performances in the following meeting of the Board of Work performances.
- Do not reveal or pass the information or secret of the company that one known or have known to the outsider or the irrelevant person.
- The information disclosure must be done by the authorized employees of the company. There may be a level of the confidential information according to the importance of the information and the use of information must be in the scope of the assigned roles and responsibility.
- The company has set the policy for the Directors and high level managementsto report to the Chairman of the Board of Directors about the company stock trading at least 1 day before the trading.
- The punishment measure of the company stated on the employment regulation and the worst punishment is to terminate the employment.

In this regard, the company has put up the notification of the Instruction on business ethics and Code of conduct for Directors, managements and employees for acknowledgment, as well as announcing through Intranet system and the website of the company, [www.mama.co.th](http://www.mama.co.th).

In 2019, the Company's secretary reported to the Board of Directors meeting to know the schedule of period for prohibiting the trading of the Company's securities before publishing the financial statements of each quarter for 3 quarters, 3 times and 1 annual financial statement. The formal notification letter were sent to the directors and all executives for a total of 4 times.

## 6. Auditor remuneration

### 6.1 Audit fee

In 2019, the Company and the subsidiaries paid the audit fee to EY Office Co., Ltd. which was the auditor office including persons or enterprise relevant to the auditor and the auditor office for the accounting year of 2019 with the details as follows:

Audit fee	2019	2018
Audit fee particularly for the Company	2,900,000 Baht	2,760,000 Baht
Audit fee for 3 subsidiaries	2,210,729 Baht	2,068,301 Baht
<b>Total</b>	<b>5,110,729 Baht</b>	<b>4,828,301 Baht</b>



## 6.2 Non-audit fee

The Company and the subsidiaries paid the remuneration for the audit on compliance with the conditions of BOI in the amount of 1,085,000 baht and other service fee for 60,000 baht for the accounting year of 2019 to EY Office Co., Ltd. which was the auditor office including persons or enterprise relevant to the auditor and the auditor office.

For the remuneration to be paid in the future due to an agreement that has not yet been completed in the accounting year of 2019, the Company does not have such expenses.

## 7. Compliance with the principles of good corporate governance in other matters

The Board of Directors has realized the importance and the benefits of good corporate governance. The purpose is to allow the Company to have an effective, transparent, auditable management system that helps build confidence of shareholders, investors, stakeholders and all related parties for leading the organization to sustainable growth.

The good corporate governance policy has promoted the systems of work administration, internal control and risk management for better and continuous efficiency as follows.

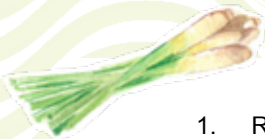
- Administration system : Commitment to creating added value for the Company with prudence and caution, management with adequate competence and efficiency in order to maximize the benefits for shareholders, the formulated appropriate management guidelines, the regulations that determine the separation of powers of the Board of Directors and the management department clearly in writing. Also, action must be taken to ensure that the accounting system, financial reports and auditing are reliable.
- Internal control and risk management by maintaining the internal audit and risk assessment control system with neither specificity nor focus on specific internal control, but being comprehensive for correctness, integrity, fairness and safety of business confidential information for maximum benefit of the Company, monitoring and supervising the management of resolving conflicts of interests and connected transactions.
- Operations with transparency and clarity without discrimination by specifying good practices whereby the executives and staff at all levels should have a good spirit toward shareholders, customers, partner companies and society with ethics, anti- corruption , no violation of intellectual property, respect for the laws and human rights

In 2019, the Company received the results of corporate governance evaluation as follows.

- The Company received a full score of 100 in excellent level from assessment of quality of organizing the annual general meeting of shareholders for 2019 by the Thai Investors Association.
- The Company received the result of evaluating Corporate Governance Report of Thai Listed Companies for the year 2019 at very good level by the Thai Institute of Directors (IOD).
- The company has been selected to be in the "Thailand Sustainability Investment (THSI) from the Stock Exchange of Thailand
- The company received the Sustainability Disclosure Acknowledgement, concerning the sustainable disclosure to general public and the beneficial from Thaipat Institute.

This report on compliance with good corporate governance principles of the Company was presented and reviewed by the Board of Directors meeting No. 3/2020 on 18 March 2020.

For the principles of good corporate governance (CG Code) of the year 2019, the Company handled each matter as follows.



## 1. Rights of shareholders

The Company recognizes the legitimate rights of shareholders, encourages their right execution, and prevents any acts that may infringe or curtail their rights, especially with respect to the primary rights of shareholders; namely the right of purchasing and transferring shares, profit sharing, receiving sufficient information, attending shareholders' meeting to express their opinions or to make voting on such important issues as election to the Board, determination of the remuneration for the Board, approval for important matters, appointment of external auditors, etc.

In addition to aforementioned primary right of the shareholders, the Company has supported and facilitated the use of right for the shareholders as below,

### 1.1 Right to receive information :

The shareholders shall be provided with equitable information. To this end, apart from the communication on SET's public news board, the Company discloses information on official website of the Company <http://www.mama.co.th> in Thai and English version to provide sufficient information to the shareholders, particular to the information that may affect their decision making; e.g. quarterly and annually result of performance, information of connected transaction, acquisition and disposition of asset, top ten major shareholders of the Company on latest book closing (latest information as of Dec 31, 2019), shareholding of Non-Controlling Interest, the annual report within 14 days after the meeting date, and any other important information that may affect decision making of the shareholders.

### 1.2 Right to attend shareholders' meeting :

The company has the policy to encourage, support and facilitate all types of shareholders and the investor in attending the annual shareholders meeting with the company consistently. The Company shall hold the shareholders' meeting on annual basis within 4 months after the date of Company's book closing. (Accounting cycle of the Company is Jan 1 to Dec 31, 2018). The Company selects to hold the shareholders' meeting at Grand Fourwings Convention Hotel (Srinagarindra), 333 Srinagarindra Rd, Hua Mak, Bang Kapi, Bangkok 10240, because this place is close to the Company, Airport Link terminal, and express way, thus convenient for travelling. The Company has improved information system of registration procedure and of vote counting to disclose the result transparently, such as previous counting can be updated to handle disagreement opinion from the shareholders, or previous counting of the past agenda can be displayed upon shareholders' request. In addition, the Company shall conduct the meeting on each individual agenda separately in order to open for the shareholders not attending the meeting since beginning to be able to cast the vote.

**Treatment of shareholders before the shareholders' meeting date :** The Company notified a resolution on the scheduled meeting of shareholders at least 5 weeks in advance of the meeting date, i.e. on 13 March 2019 so that the shareholders could arrange time to attend the meeting and schedule the dissemination of written notice of scheduled meeting, along with all documents for the meeting with the same information as information sent by the Company to shareholders in the form of document via the Company's website 33 days in advance for the shareholders to study beforehand. The Company assigned Thailand Securities Depository Co., Ltd. for Depositors as the Company's share registrar to deliver such documentation to the shareholders 22 days in advance of the meeting. The announcement was also put in the newspaper advertisement for 3 consecutive days and 7 days before the meeting date, i.e. on 17-19 April 2019. Each agenda included the facts and reasons, including the opinions of the Board of Directors, together with the meeting documents such as annual report, power of attorney Form B, history of nominated persons to be elected as directors, map of the meeting venue, explanations of documents and evidence to be presented by the shareholders for attending the meeting, the Company's articles of association relating to the shareholders' meeting and the procedure for attending the meeting. In addition, the shareholders could download the power of attorney prepared in compliance with the announcement of the Commerce Ministry, which includes 3 types, viz. Form A, Form B and Form C. Any one of the power of attorney forms could be chosen at the Company's website [www.mama.co.th](http://www.mama.co.th)





The Company has given the right of the shareholders to propose agenda and/to nominate candidates to be elected as Director in the General Meeting of Shareholder 2/2019 by sending the letter to the Company Secretary during Dec 1 – Dec 30, 2018 and the Company has disclosed the Principle as aforementioned in Thai and English version in SET's public news board and on the Company's website (<http://www.mama.co.th>) on November 21, 2019. After the giving period, the Company has not received any agenda nor a name/person to consider for representation on the board of director in the Company's General Meeting of Shareholders 2/2019, and the Company will inform the result on invitation notice to attend the shareholders' meeting and the Company's website afterward.

With regard to the right of the shareholders to propose agenda and/to nominate candidates to be elected as Director in the shareholders' meeting, the qualified shareholder entitled to have the said right must possess the qualifications in compliance with the law which is shareholders or group of shareholders holding Company shares collectively at the minimum of 5 percent (16,485,200 shares) of total voting rights.

Additionally, the Company allowed the shareholders to send questions in advance relating to the agendas of the general meeting of shareholders No. 2/2019 on 24 April 2019 via E-mail: [sararath@mama.co.th](mailto:sararath@mama.co.th) or by registered mail to Miss Sararat Tangsirimongkol (Company secretary), Thai President Foods Public Company Limited, No. 304 Srinakarin Road, Hua Mak Sub-district, Bang Kapi District, Bangkok 10240 or Fax 0-2374-7743 before the meeting date as notified by the Company in written notice of the scheduled general meeting of shareholders. It appeared that no shareholder sent the questions in advance to the Company. The Company notified such information to the general meeting of shareholders for acknowledgment before proceeding with the meeting according to the agendas.

**Practice to the Shareholders on the meeting date:** The Company shall fully provide convenience for the shareholders to attend the meeting and to exercise their voting. The shareholders are facilitated to raise the query on the operation results without any obstacle may causing by day, time, and place of the meeting. The shareholders are open to register to attend the meeting not less-than 2 hour before the meeting started. However, the shareholders still reserved their right to attend the meeting after the meeting started and were eligible to do voting on the remaining agenda and would be deemed as a quorum of the meeting since they exercised their voting right. The Company shall prepare adequate staff to perform registration procedure, provide the Stamp Duty to be posted on the proxy form, and distribute the voting card. The Company will improve barcode system in registration procedure and to count the vote in a timely and transparent manner. Additionally, the voting result will be verifiable after the meeting in case of any doubt or objection of the shareholders.

In the event that the shareholders could not attend the meeting in person, any person or any audit committee member that was an independent director appointed by the Board of Directors with no interest in the agendas for electing the directors could be authorized to act as proxy and attend the meeting instead for preserving their rights. In the general meeting of shareholders No. 2/2019 on 24 April 2019, three independent directors of the Company as proxies were namely:

- |                      |               |   |
|----------------------|---------------|---|
| 1. Dr. Kulpatra      | Sirodom,      | Independent Director / Chairman of Audit Committee  |
| 2. Thanpuying Angkab | Punyashthiti  | Independent Director / Member of Audit Committee  |
| 3. Mr. Chaiwat       | Maraprygsavan | Independent Director / Member of Audit Committee /<br>Member of The Nomination and Remuneration Committee |

The Board of Directors has recognized the importance of the general meeting of shareholders, which is considered a duty to attend the meeting except for sickness or being busy with important mission. In the general meeting of shareholders No. 2/2019 on 24 April 2019, 14 directors attended the meeting out of 15 persons, representing 93.33 percent. The Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Chairman of the Risk Management Committee

attended the meeting. Moreover, there were Accounting Manager, Financial and Investment Manager (CFO), Certified Public Accountant from EY Office Co., Ltd. for enabling the shareholders to ask questions about financial statements. Also, arrangements were made for the votes-counting Inspector that was an external legal consultant from Chompoo and Associates Co., Ltd. To act in order to ensure that the shareholders' meeting went transparently, correctly according to the laws and the Company's articles of association.

The Company has realized the importance of organizing the annual general meeting of shareholders for allowing the shareholders to exercise their right to know the operating results, along with analysis results and explanations of the management department (MD&A), the implementation of anti-corruption measures, dividend payment rate, consideration and voting on various matters as required by law and Company's articles of association. When the scheduled time came at 9.00 hrs., the meeting was opened by the Chairman of the Board of Directors who chaired the shareholders' meeting. The President announced the number / proportion of shareholders attending the meeting, introduced the directors, executives, auditor and vote-counting Inspector. The Company secretary notified various rules used in the meeting, voting procedure and vote - counting rules, including votes for, against, abstentions and voided ballot (if any). The meeting was conducted according to the order of the agendas. No agenda was added or no important information was changed without prior notice to the shareholders. Time allocation was appropriate and adequate for presenting various issues of each agenda. Also, the shareholders were allowed to ask questions and express their opinions fully on each agenda. In this meeting, many shareholders asked questions and expressed opinions that were beneficial to the Company. The Board of Directors and the executives of the Company acted to clearly answer the questions of shareholders pertinently for the shareholders to understand well. Also, the voting results were concluded from the use of Barcode system to count the votes of each agenda and the voting results were displayed via Projector for the shareholders' acknowledgement of each resolution. The important agendas of the general meeting of shareholders were as follows.

**(1) Appointment of the Board of Directors :** The Company allowed the shareholders to exercise their right to elect the directors individually. Detailed information of the persons nominated to be elected was available, consisting of [name, surname, age, nationality, type of director proposed for appointment, education, director training course, current position, term of directorship, holding the position of director or executive in other listed companies / other parties / business that is competitive or related to the Company business, 5 years past experience, prohibited qualifications, shareholding in the Company and attendance at the meeting in 2019] as shown by written notice of the scheduled general meeting of shareholders sent by the Company to the shareholders in advance of the meeting. Besides, in the shareholders' meeting, the Company announced the positions held in the companies running business with the same condition and competing with the Company's business again for the shareholders' acknowledgement and compliance with the Company's articles of association. Each director had passed the screening process by the Nomination Committee that considered the appropriateness in terms of qualifications, experience and expertise from various professions, including the performance as director in the past period. Examination of the directors having completed the term each year will be presented to the Board of Directors meeting. The Board of Directors has the authority to consider the selection of qualified persons from the list presented by the Nomination and Remuneration Committee according to the number required so as to propose the appointment of directors to the general meeting of shareholders No. 2/2019 on 24 April 2019.

In addition, at the general meeting of shareholders No. 2/2019 on 24 April 2019, the Company increased the right for shareholders to propose the persons to be elected as the Company's directors in advance of the general meeting of shareholders No. 2/2019 by making the letter of specified form sent to the Company secretary from 1 December to 30 December 2018 for presentation to the Nomination and Remuneration Committee, publishing in both Thai and English through the channels of the Stock Exchange of Thailand and the Company's website [www.mama.co.th](http://www.mama.co.th) to consider proceeding with the next steps. In this shareholders' meeting, before considering electing the Company directors, the Company informed again that the Company gave such right to the





shareholders, it appeared that no shareholder nominated the person to be elected as the Company director by the specified period.

**(2) Remuneration for the Board of Directors :** The Company proposed remuneration for the Company directors to the general meeting of shareholders to request approval at the general meeting of shareholders No. 2/2019 on 24 April 2019 in the total amount not exceeding 15 Million Baht as the same, which was considered by the Nomination and Remuneration Committee according to the policy and rules for determined remuneration of directors. Additionally, the Company announced the approved amount of remuneration for the Board of Directors and the amount actually paid in the past year, consisting of pension, meeting allowance, remuneration for the Audit Committee, remuneration for the Nomination and Remuneration Committee, remuneration for the Corporate Governance and Risk Management Committee (not including remuneration or welfare benefits received by the directors as the Company's staff or employees). In the annual report and Form 56-1, there are explanations of additional details for other remunerations, including an explanation of detailed remuneration and amounts paid to the directors and the sub-committees individually, including remuneration specifically for executive directors and executives.

**(3) Appointment of auditor and determination of the audit fee :** The Company provided information of the certified public accountant as follows: name of certified public accountant, audit office, independence, number of years of acting as auditor for the Company, the audit fee during the current year and other charges for services received from the audit office of the auditor's affiliation. Such information was considered by the Audit Committee of the Company. Remuneration for the audit and other service fees of the Company and the subsidiaries, which were paid to EY Office Co., Ltd. as the same audit office with the Company can be summarized as follows.


#### Information on the auditor's remuneration

Details	Year 2019	Year 2018
1. Specific remuneration of the Company*		
- Remuneration for the audit	2,900,000 Baht	2,760,000 Baht
- Other service fees	<u>800,000 Baht</u>	<u>800,000 Baht</u>
Total	3,700,000 Baht	3,560,000 Baht
2. Remuneration of 3 subsidiaries		
- Remuneration for the audit	2,210,729 Baht	2,068,301 Baht
- Other service fees	<u>345,000 Baht</u>	<u>345,000 Baht</u>
Total	2,555,729 Baht	2,413,301 Baht
<b>Total amount</b>	<b>6,255,729 Baht</b>	<b>5,973,301 Baht</b>

**(4) Dividend payment :** According to the policy on payment of dividend, the dividend shall be "allocated from the net profit on the specific financial statement at not less than 50 percent". The company state the details of the profit allocation, rate of the dividend to be paid and the reason and comparative information on the payment of dividend in the previous years. In 2019 the dividend payment for the performance of 2018 is rat the rate of 3.92 baht per share, at the amount of 1,292.44 Million Baht, equal to the ratio of payment of dividend at 50.05 percent which is in accordance with the policy on payment of dividend stated by the company.

Treatment of shareholders after the shareholders' meeting date: The Company prepared the detailed minutes of the general meeting of shareholders with the names of the Company's directors attending / not attending the meeting and the causes of leave, important explanations, questions and answers or summary comments.

In 2019, the shareholders asked questions or expressed additional opinions. The Board of Directors answered the questions to the satisfaction of the shareholders. The details of each agenda were in accordance with the facts at the meeting. The voting results for each agenda were reported by separating the votes and proportion, percentage of votes in each resolution, viz. votes for, against, abstentions and voided ballot. The minutes of the



meeting were signed by the Chairman of the Board of Directors and were delivered by the Company to the Stock Exchange of Thailand as well as the Securities and Exchange Commission. Moreover, information and photographing of the general meeting of shareholders throughout the meeting period were disseminated in the form of video media and published as clip file on the Company's website [www.mama.co.th](http://www.mama.co.th) within 14 days from the date of the general meeting of shareholders in both Thai and English to be a channel for enabling the shareholders to check information with no need to wait for the next general meeting of shareholders. The Company also sent the minutes to the Ministry of Commerce within the time prescribed by law. The company has published the minutes both in Thai and English through company website [www.mama.co.th](http://www.mama.co.th) since 2 May 2019 and also reveal the recording of the meeting throughout the meeting in the pattern of Video and publish it as a clip file to be another channel for the shareholders to verify the information without waiting for the next meeting.

**1.3 Distribution of ordinary shareholding of the Company :** The Company determined the list of shareholders (Record Date: RD) entitled to attend the general meeting of shareholders No. 2/2019 on 27 March 2019 with information in the form of shares distribution report consisting of directors, managers and executives as well as related parties and people having a relationship, holding a total of 20.35% ordinary shares of the Company of paid-up capital (with a proportion of not more than 25%). The shareholders who held more than 5% ordinary shares, accounted for 56.04% and small ordinary shareholders represented 23.60 percent (% free float).

## **2. Equitable treatment of shareholders**

The Company recognizes the importance of rights and equitable treatment of shareholders with regard to shareholders' meeting, inside information, trading shares of the Company, and connected transaction.

**2.1 Shareholders' meeting :** The Company opens for the shareholders, who cannot attend the meeting in person, to attend the meeting by proxy or by Independent Director. The Company provides the proxy form in the format that the shareholders can specify their voting objective and notifies the shareholders to submit the necessary evidence to appoint their proxy. In the Annual Shareholders' Meeting No. 2/2019 on 24 April 2019, the Company shall propose 3 Independent Directors to be the proxy holders to cast the vote on behalf of the shareholders. With respect to the voting in the shareholders' meeting as prescribed in the Article 41 of the Article of Association, each shareholder shall have the number of votes equal to the number of shares held (one vote for one share). To ascertain transparency and accountability, the Company has introduced electronic ballot to facilitate vote counting by the computer system for every agenda; thus easier for the shareholders to verify the voting result in case of any future argument. And on the agenda to appoint the Directors, the Company opens for the shareholders to select the Director individually.

■ On 22 March 2019, the Company disseminated written notice of the scheduled general shareholders meeting, along with all documents for the meeting with the same information to be sent by the Company to shareholders in the form of document on the Company's website 33 days in advance of the meeting date on 24 April 2019. Besides, Thailand Securities Depository Company Limited for Depositors as the Company's share registrar, was assigned to deliver to the shareholders 22 days in advance of the meeting date. The announcement was also put in the newspaper ads for 3 consecutive days on 17-19 April 2019, 7 days before the meeting.

■ For foreign shareholders, written notice of the scheduled general meeting of shareholders, including supporting documents for the meeting and the minutes of the meeting were translated by the Company into English and sent via Thailand Securities Depository Co., Ltd. for Depositors and delivered to the Stock Exchange of Thailand and the SEC. All information can be viewed from the Company's website [www.mama.co.th](http://www.mama.co.th) of both Thai and English versions.

■ For the shareholders' inability to attend the meeting, any person who is an independent director or any audit committee member of the Company could be authorized to attend the meeting instead for preserving their right. The Company provided the names, type of director, age, nationality, addresses and interest in the meeting agendas of the 2 independent directors in written notice of the scheduled meeting. (However, for the independent director leaving according to the term in any year, that director will not be proposed to avoid interest).



To choose the audit committee member or independent director as a proxy, the shareholders could view other information related to the Audit Committee or 2 independent directors in the annual report sent together with the scheduled meeting letter by using the power of attorney attached by the Company to the scheduled meeting letter, i.e. Form B to encourage the shareholders to use the power of attorney with possible determination of the voting direction. Or it was possible to download the power of attorney prepared in compliance with the announcement of the Commerce Ministry from the Company's website, which includes 3 types, i.e. Form A, Form B and Form C. (Form C was used only in case of the shareholder being a foreign investor and appointing a custodian in Thailand to be a custodian and take care of shares). Any one of the power of attorney forms could be chosen. Besides, the Company provided stamp duty to accommodate the authorizing shareholders.

In the Annual General Meeting No. 2/2019 on 24 April 2019, there are 8 shareholders, holding the total of 12,331,639 shares has assign the independence director that the company proposed to be the proxy and cast the vote on behalf of the shareholder. Therefore, on such Annual General Meeting date, there are shareholders who attend the meeting by themselves 61 persons, holding 58,810,918 shares and the proxy of the shareholders 50 persons, holding 163,319,813 shares. The total number of shareholders and proxy attended the meeting are 69 persons, with total shareholding of 222,130,731 shares, equal to 67.37 percent of the issued and paid up shares

- Determination of voting right in the meeting was in accordance with the number of shares held by the shareholders. One share was the right equal to one vote.

- The Company conducted the meeting according to the order of seven agendas without switching the agendas and no additional agenda or change of important information without informing the shareholders in advance.

- Voting for each agenda was done openly by Barcode system. The scoreboards and voting ballots were prepared for shareholders on every agenda. For the counting of votes, only people who did not agree and / or abstained would be counted, which would be deducted from the total votes attending the meeting. The rest would be considered as the votes for. Therefore, if any shareholder was against or abstained from voting on each agenda, the scoreboards received upon registration would be lifted up. Such scoreboards had the names of the attendees at the meeting, the number of shares held or authorized. For Barcode, the Company's staff would scan Barcode from the scoreboards. The voting results would be displayed on the screen in the meeting room immediately for transparency and verification. Thus, all shareholders could know the votes on each agenda as to the number of votes for, against and abstentions at the same time immediately. The shareholders must sign the ballots for keeping as evidence. In addition, the program has supported the back vote recording for greater flexibility in case of the shareholders' request or to look at past votes on the previous agendas.

**2.2 Supervision of the internal information usage and Confidentiality :** The company has the measure to supervise the internal information usage by including in the business ethics that shall be conducted between the company and the beneficiary and include in the Code of Conduct for the Directors, managements and employees to perform their task with honesty, responsibility, discipline and good consciousness to the public and oneself; not use the position to seek benefit for oneself and/or others dishonestly; maintain the benefit and asset of the company; not using the information and asset of the Company for one's/others' benefit and not taking any action that support any other people to run a competitive business against the company. The company has distributed the Manual of Good Corporate Governance, consists of: Good Corporate Governance Policy, 8 Good Corporate Governance, business ethics and Code of conduct for Directors, managements and employees to the Directors, managements and employees. Such manual was published through IT system on both intranet system and the website of the company, [www.mama.co.th](http://www.mama.co.th). Apart from that, the QR code for such manual was generated to be put on the announcement thoroughly to be the instruction for business operation and work rules for Directors, managements and employees.

Apart from that, the company has a policy to take action on the confidentiality. There is a data storage system for keeping the business secret which is considered as controlled document that is accessible by the relevant person only and not allowed to be copied. There will be the assignment of the person in charge of such data storage.



The company has set the measure to supervise such matter in the work regulations of the company and the worst punishment is to terminate the employment.

**2.3 Determination of the trade in securities of the Company :** The Directors, Executives, and staffs who can access significant inside information are prohibited to purchase/sell the shares of the Company during the period of 1 month prior to the disclosure of financial statements to the public. In addition, the Company has notified the Board of Directors and Managements to report any changes in their shareholding status to the SEC, as specific in Section 59 of Securities and Exchange Act B.E. 2535, and send the copy to the Secretary of the Company to report to the Board's meeting on the agenda of the shareholding of Directors and Managements. The Board's meeting found none of prohibitive transactions from our Executives in 2019.

In 2019 there are 2 Directors who change the company's stock holding by reporting through electronic system to the Office of the Securities and Exchange Commission (SET) according to the stipulated timeline in order to report the acquisition/ sale of the company's stock. Apart from the Directors and managements according to the criteria of SET Office and to comply with the measure to protect the internal information usage, the company has set the policy that the managements from manager level and higher must show the change of company's stock holding too and in the Board of Work performances monthly meeting. Company Secretary will be responsible for reporting the stock holding of all Director and managements to the Board of Work performances for acknowledgement and record in the minutes of meeting.

**2.4 Dealing with connected transactions or transactions that may have conflicts of interest :** The Company conducts business with prudence and rationality for maximum benefits to the Company. Any connected transactions shall be undertaken with identical conditions as applied to the transactions with any other counterparties, and must represent or support normal business undertaking. To this end, the Director assumed to have related interests shall not participate in the approval of such transactions in order to encourage the other Directors to fully express their opinions and independently make decision. Furthermore, the Company has obligation to disclose name, detail of relationship to the related person, price setting policy, amount of transaction, and opinion of the Board on the news board of SET in both Thai and English version, and on the Company's website "<http://www.mama.co.th>".

In 2019, the Company had a related transaction of providing financial assistance by lending money to 1 associate company in the amount of 1 million baht, which was approved by the Executive Committee meeting.

In addition, the directors and executives are responsible for reporting changes in interests of the directors and executives to the Company secretary within 1 month from the change date. The Company secretary is also charged with sending such report to the Chairman of the Board and Chairman of the Audit Committee within 7 working days from the date of receiving this report under Section 89/14 of the Securities and Stock Exchange Act (No. 4) 2008.

In 2019, the Company secretary was informed about changes in interests from 6 directors and 1 executive.

### **3. Stakeholders awareness**

The Board of Directors has recognized and paid attention to the rights and benefits of various groups of stakeholders; inside and outside the organization, government sector and related agencies as well as responsibility to the community, society and environment in conformity with social responsibility standards, including the commitment to develop the Company for stable and sustainable growth with the ability to generate returns for shareholders appropriately. Therefore, the Company has established the business ethics and code of conduct for directors, executives and employees in writing through dissemination by training all employees and organizing an orientation session for new employees and communication via the INTRANET system and the Company's website at [www.mama.co.th](http://www.mama.co.th). The purpose is to be guidelines for the conduct of directors, executives and employees

at all levels in performing the duties based on the Company's missions with good consciousness, adherence to as practices of responsibility to various groups of stakeholders, viz. shareholders, customers, employees, business partners, creditors, competitors, government sector and environment.

As a result, in 2019, was selected to be in the list of "Thailand Sustainability Investment (THSI) 2019" from the Securities Exchange of Thailand as the registered company in the Securities Exchange of Thailand with the evaluation of sustainability that pass the criteria in 3 dimensions, which are economic, environmental and social aspects. It also received a standard certificate: Sedex Members Ethical Trade Audit / Ethical Trading Initiative (SMETA-4 Pillars)) from SGS (Thailand) Limited. Furthermore, the Company was accredited "Thai labor standards (TLS 8001-2553) basic level from a delegation of the Provincial Office of Labor Protection and Welfare at the Provincial Office of Labor Protection and Welfare, i.e. Provinces of Rayong, Chonburi and Lamphun. According to this certificate, the Department of Labor Protection and Welfare, Ministry of Labor certified that the Company is an organization of business operations with social responsibility related to labor, compliance with the legal standards on the basic rights of workers. This certificate is valid from February 2018 until February 2020.

**Toward shareholders :** The Company is determined to achieve business growth with sustainable competitiveness as well as to create ongoing return to shareholders by setting the dividend payment policy. The Company opens for the shareholders and outside interested persons to visit our factory. Additionally, the Company has supported social activities to promote business relationship with the institutional investors.

The company has the policy on the payment of dividend that the dividend shall be "allocated from the net profit on the seperated financial statement at not less than 50 percent". This was approved by the Board of Director meeting No. 1/2017 on 16 October 2017. .

In 2019, the general meeting of shareholders No. 2/2019 on 24 April 2019 resolved to approve the dividend payment at the rate of 3.92 baht per share, amounting to 1,292.44 million baht, accounting for 50.05% dividend payment ratio according to the Company's stipulated dividend payment policy.

■ The Company organized activities together with listed companies in Sahapat Group and the Stock Exchange of Thailand in the event "Analysts, Investors Meeting with Sahapat Group "No. 10 at the BITEC Exhibition and Convention Center, Bangna on 28 June 2019. Dr. Poj Paniangvait, the Company's President joined in this discussion so as to allow the shareholders and investors interested in the Company ("TFMAMA") to receive news and information and be able to inquire directly about the Company's business progress. Many analysts, investors and members of mass media were interested to attend the event.

**Towards customers :** The Company runs business based on integrity, fairness, providing accurate information to customers and free competition according to market mechanisms by taking into account the needs and maximum satisfaction of the customers mainly, responsibility to customers and protection of trade secrets of customers, including new innovations and increasing production efficiency so as to control the costs for competitiveness. The focus is on producing goods of quality standards according to international standards. So, the Company has strived to develop its food factories to be accredited by food standard agencies and received the international standard certificates as follows.

- BRC Global Standard for Food Safety
- GMP good hygiene management in production standards
- HACCP food safety management standards
- HALAL Halal product standards
- KOSHER Kosher product standards
- TISI - TIS 271 Industrial product standards
- Fair Trade product standards
- Organic product or organic agricultural product standards



The Company provides various channels to listen to opinions, feedback and complaints from customers or consumers and respond to complaints quickly and efficiently for further improving and developing the system by providing customer relations service through the Company's website [www.mama.co.th](http://www.mama.co.th) and Call Center system, telephone 02-3747955.

In 2019, the Company organized activities to take care of customers and consumers as follows.

■ The Company allowed the outsiders interested to visit the Company's factories, namely production plants in Sriracha and Lamphun to watch the processes of producing instant noodles from the first step until the final process, that is to say packaging goods. The objectives were to promote knowledge and understanding about production processes in the factories and to create a good relationship between the manufacturer and consumers continuously. In 2019, 161 groups visited the factories, totaling more than 9,686 people.

■ The Company organized activities with foreign customers at the production plant in Rayong Province for the year 2019 in the event: MAMA Global Agent Meeting between 25 - 27 May 2019 to strengthen a good relationship with foreign customers in all regions (Global).

■ The company has developed a lot of new products to the market in 2019 to response to the consumer's demand. The products are 4 products of instant cup noodles, 4 products of instant pack/cup white noodles, 4 product of instant cup porridge, 3 products of instant cup rice congee and 6 products of bread. They are well accepted by the customer.

■ The Company did not find significant complaints from customers. The Company analyzed other complaints to find the causes, defects, correct, prevent, monitor the whole system and apply to the entire organization so as to avoid recurrence of those defects.

**Towards employees :** The Company recognizes the importance of personnel, which is a key and valuable resource to lead the Company to achieve the set goals. Therefore, emphasis is put on employees at all levels, no matter which part of working, department is without discrimination. Care is equally provided, including compliance with the labor protection law as well as the requirements of occupational safety, health and working environment management standards. As a result, the Company has been accredited according to Thai labor standards TLS 8001 (Workplace Conditions Assessment (WCA)).

■ The employees are provided fair remuneration, which are salary, bonus, overtime payment and provident fund. There are also other good welfare to support and pay attention to good quality of life of the employees in addition to the regular remuneration , which are annual medical checkup, medical payment, uniform, diligent allowance, annual reward, payment for working duration for employees who has been worked for 10 years, 20 years and 30 years. There is welfare about housing loan, gift for the child of employee, annual party, etc. Apart from that the education payment is provided to potential employees. The supports are given every year. The company focuses on supporting the potential in the employees by arranging the training that matches with the work in each field that can be applied to the job. In addition, the company concerns about the life safety and health of employees, such as arranging the training for managements and employees development, training on increasing the efficiency and cost reduction for the manufacturing by using the automatic manufacturing technology. There is a project to develop the potential of health management team to reduce the risk of chronic disease of the insured person in the company, Basic Fire Fighting, fire drilling, and the use of necessary equipment. Apart from that, the work environment is created to encourage the teamwork among employees by arranging activities to strengthen the relationship and to help each other like family.







In 2019 the company sees the importance of the health care of the employees. So, it is started by teaching the employees to be knowledgeable about health care and pay attention to the good health of oneself by

- Communicate and publicize the knowledge about disease and how to be away from the disease
- Invite the doctor to provide information about disease, beginning of the disease, sickness, so that the employee can notice and take care of oneself more. On 12 June 2019 the company invited the doctor from the hospital to provide information about “stress management from work”
- Support the health by providing relaxing massage in the office by the blind massager every Friday (20 minutes per person.)
- Arrange annual medical checkup for employees

■ **Personnel development and training in 2019 :** The Company has a policy to focus on promoting knowledge and understanding to enhance the capabilities of employees to be able to perform their duties of responsibility efficiently, to carry out the activities of the organization to achieve the goals in the specified direction for achieving success together and realize the performance of duties to maintain the international standard systems of the Company accredited for better development. Besides, preparations were also made for the rules and regulations relating to the export of goods to foreign markets, e.g. the United States Food Safety Modernization Act (FSMA) by managing the Company’s Food Safety Plan system correctly, appropriately on the basis of assessment of various risks, including preparation for changes in various standards of each country that are likely to occur each year. Emphases are placed on analysis of the organization’s context, understanding of the necessity and the expectations of stakeholders and application of the risk concept to work planning for continuous improvement. The Company has organized training sub-courses for employees to increase knowledge and capacity to learn, develop the works continuously, including sending employees to get trained in various courses related to the professional lines of each department, consisting of professional development courses, executive development course, capacity enhancement course, courses related to the environmental laws, standards, and requirements and courses on anti-corruption measures (according to the details of each staff training course under Clause 8.5.4: Employee development policy).

In 2019 the company has supported the employee by arranging training for the employees both internal and external and course. The total training duration is 81,121 hours or at the average of 14 hours/person/year

**Towards Trading Partners :** The Company commits to any trading agreements, and behaves to the trading partners with fairness. We have never received or asked for any asset outside trading agreement. The Company supports free and fair competition by mutually respect the right of trading partners, develops close relationship, and visit our partners occasionally to evaluate their operational performance. The Company has informed our partners about accepted practice to work together. The Company realizes the importance of procurement to improve the quality of raw material with controllable cost, thus focusing on transparent and accountable purchasing and hiring process for best benefit of the Company. The Company has never defaulted on terms and conditions agreed with the counterparties. In addition, the Company reviewed our working procedures to comply with the standards of sustainable supply of raw material, such as Unilever (Unilever Responsible Sourcing Audit - URSA) to evaluate the risk of human right violation arising in the countries of suppliers to serve our end customers who pay attention to Responsible Business Partner Policy, and so on.

**Towards creditors :** Most of the Company’s payables are trade accounts payables with the clear conditions and arrangements for goods delivery and payment. The Company has complied with the conditions, agreements and made payments on schedule. Throughout the past period, the Company has never had any disputes with regard to the default on debt repayment. The Company has paid all creditors according to the conditions of payment agreed beforehand and has assisted the creditors by using the bank transfer method in Paylink system.

In 2019, the company has improved the working system related to the trade payable by reducing the billing process. This has a good impact to both the trade payable and the company in terms of the reduced time to do transaction and cost reduction in terms of document in the process and cost reduction for the trade payable to travel for billing, etc. For the loan, the company does not have any loan with the financial institution.

**Towards Competitors :** The Company conducts business under the laws and fair competition, maintaining best practice to avoid any acts that may violate or access to confidential information of competitors by dishonest method. The Company has never encountered to any dispute with our trading competitors so far.

**Towards Government Sector :** The company run the business by complying to the regulations of the government sector and set up the policy and procedure with the government sector in business ethics. Apart from that, the company has set the tax policy to show our determination to comply with the relevant laws, as we as the use of tax privilege and tax management correctly according to the law.

In 2019, the company has completely paid the tax on time and in compliance with the law provision, both for the withholding tax, corporate income tax, value added tax, special business tax, customs duty, signboard tax, property tax, as well as stamp duty, and also the regulations related to the factory, such as food manufacturing law, energy and environment law, labour law, occupational safety and health, etc.

**Towards Social and Community :** The Company provides ongoing support to the community service, and promotes social contribution in the Company. We regularly provide assistance to the victims in many disaster incidents.

**Toward the environment :** The Company has taken responsibility and attached great importance to the environment by strictly complying with the laws and regulations of relevant agencies and emphasis on environmental protection in every operational step as well as adhering to ISO-14001 international standards of the environmental management system, including training employees at all levels to understand the importance of the environment correctly.

The Company is aware of the environmental impact arising from production processes, which may result in damage to the community and business. Consequently, various measures have been established to control waste from production before release to the environment by regularly preventing and monitoring potential risks such as wastewater treatment measures to be recycled for use in the factories, measures for treating air from combustion of fuel before release into the atmosphere, measures for preventing furnace oil chemical from leaking out into the environment, placing purchase orders for coal packed with Big Bag to reduce the spread of coal dust, etc.

Furthermore, the implementation of such measures, together with the commitment to develop the Company's food factories to meet international standards have resulted in accreditation from various international standards agencies by issuing international standard certificates for the Company, e.g. ISO 14001 Environmental Management System Standard and Carbon Footprint Label Standard.

**Stakeholders' participation in whistleblowing :** The Company has provided the channels for enabling the shareholders and stakeholders to communicate, express opinions about the Company, including employees or stakeholders that have seen or have evidence or have a doubt about involvement of the employees or the persons acting on behalf of the Company in giving bribes or corruption directly or indirectly, offenses, violation of the Company's rules, regulations and policies, non-compliance with the code of conduct for directors, executives and employees, not receiving fairness in working, whistle-blowing, notification of complaints about such acts can be done through the following channels.





1) Complaining directly verbally or making a letter to the complaint receiver

■ Complaint receiver: Head office Tel: 0-2374-4730

- Chairman of the Audit Committee
- President
- Internal Audit Manager
- Human Resources and Administration Manager
- Finance and Investment Manager (Investor Relations)
- Company Secretary

■ Complaint receiver: Factory branches (Provinces of Chonburi, Rayong, Lamphun and Ratchaburi)

Phone: (038) 480-502, (033) 101-500, (053) 584-088, (032) 719-599, respectively

- Managers of 4 factories
- Supervisor of Personnel Management Department at 4 factories

2) Via E-mail of the complaint receiver

3) Comment box

4) Via registered mail to the complaint receiver :

Thai President Foods Public Company Limited

No. 304 Srinakarin Road, Hua Mark Sub-district, Bang Kapi District, Bangkok 10240

5) In the event that the complainant chooses to remain anonymous, the details, facts or evidence must be specified clearly enough to show a believable reason for involvement in giving bribes or corruption.

The Company will keep relevant information as confidential and take into account the safety of complainants except in cases where disclosure is required by law.

**Processes of receiving complaints or whistle-blowing**

The Company will investigate the complaints according to the rules carefully without affecting the complainants or whistle-blowers. The complaints already considered will be reported to the senior management so as to report to the Corporate Governance and Risk Management Committee, the Audit Committee and the Board of Directors.

The Company has established a policy to protect the complainants or whistle-blowers as well as related persons for the complainants to be confident that employees will receive fairness and safety in case of whistle-blowing, e.g. neither termination of employment nor transfer of job positions. As to information notified, including the names of informers and related persons, the Company will keep such information confidential and take into account the safety of whistle-blowers except for the cases where disclosure is required by law only.

In 2019 the company has received 1 complaint from the external party related to the non-compliance to the Anti-corruption Policy. The company has taken actions according to the complaint consideration procedure, and completed the investigation and close the complaint in the same year. Apart from that the company has set the additional measure to prevent such case immediately.

**Promotion of the efficient use of resources :** The Company encourages employees to use resources efficiently by controlling the consumption of electric energy, water supply, fuel oil, supporting the use of documents and electronic forms to reduce the use of paper and having a monthly energy meeting to control the use of each energy type, including organizing environmental week activities within the factories relating to environmental conservation regularly, continuously every year. As a result, the Company received a certificate of energy conservation standard from the Ministry of Energy.



**No violation of intellectual property :** The Company commits to our business ethics to not violate any intellectual property, meanwhile the Company has determined to develop our own food innovations by utilizing modern technology together with enhancement of our staff's knowledge and skill in order to serve needs of our customers. For the time being, the Company has never been prosecuted against the violation of intellectual property.

**No violation of Human Rights :** The Company respects the rights of person, thus honoring and offering fair practices to all staff in an equitable manner. The Company encourages personal safety and suitable right in workplace, and prohibits any forms of harassment. For the time being, the Company has never found the case of prosecution against the violation of human rights. The Company has also reviewed internal regulation concerning safety in factory to avoid any potential violation of human rights, such as the use of CCTV, vehicle check before passing factory gate, etc.

### **Anti-Corruption**

Thai President Foods (TFMAMA) with the Board of Directors realizes the importance of business operations under the principles of good corporate governance and operational ethics by striving to run business with fairness, integrity, transparency and verifiability in order to manage the organization effectively and create confidence of all stakeholders. Because the Company has considered that corruption will reduce competitiveness of the business and is a major obstacle to development of the organization and the nation, so anti-corruption has been stated in the good corporate governance policy. The Board of Directors meeting approved the "anti-corruption policy and compliance with the anti-corruption policy No. 1" on 16 October 2017. The 1st review was done on 19 June 2019.

The policy states in writing that "the directors, executives and employees are prohibited from accepting or supporting all forms of corruption both directly and indirectly." This anti-corruption policy is reviewed annually.

Thai President Foods joined in signing the intention to be Private Sector Collective Action Coalition Against Corruption on 18 February 2014 and was certified as a member of Private Sector Collective Action Coalition Against Corruption on 22 July 2016.

Thai President Foods has implemented the policies, practices and measures related to anti-corruption concretely so as to promote business operations based on good governance, that is to say setting up a risk assessment unit, creation of a risk control system, having a process of auditing, monitoring from the internal audit department every year to ensure that the operations are in accordance with the operational procedures and internal control truly by reporting directly to the Audit Committee and the Board of Directors, respectively.

Thai President Foods has set the policy of focusing on promoting knowledge, understanding of compliance with the "anti-corruption policy and compliance with the anti-corruption policy No. 1" of the Company by requiring communicating the policy to the directors, executives and employees via many channels e.g. orientation program, training, seminars, posting the announcements, QR code and dissemination through internal information system, etc.

In 2019 Thai President Foods still show the determination to conduct the Anti-corruption Policy consistently by arranging the training for all new employees during the year. Apart from that, the company also take actions on the important matter as follows:





13 March 2019	The Board of Work performances' meeting No. 3/2019 has resolved to approve the company to send the information of self-assessment concerning the anti-corruption measure of the company to Thailand's Private Sector Collective Action Coalition Against Corruption to submit the proposal for renewal of the membership of Thailand's Private Sector Collective Action Coalition Against Corruption No. 1, 2019.
21 May 2019	The company has received the certificate of renewal of the membership of Thailand's Private Sector Collective Action Coalition Against Corruption No. 1 for quarter 1/2019 from Thailand's Private Sector Collective Action Coalition Against Corruption
19 June 2019	The Board of Work performances' meeting No. 6/2019 has approved the amendment to the regulations according to Anti-corruption Policy and revise the Anti-corruption Policy to match the information in the present, effective on 19 June 2019 onwards.
21 June 2019	The company has arranged the seminar on the guideline to comply with the anti-corruption measure for the company in Sahapat Group to exchange the and expand the knowledge about anti-corruption measure together.
18 October 2019	The company participated in National Collective Action Coalition Conference No. 10 under the title "Innovations in the Fight against Corruption" at Regency Ball Room, Hyatt Regency Sukhumvit Hotel and receive the certificate of renewal of the membership of Thailand's Private Sector Collective Action Coalition Against Corruption No. 1, 2019.
27 November 2019	The company subscribed to be the CAC Change Agent with the determination to invite the partner that are SMEs to participate to announce the determination under the CAC SME Certification Project and be a part to create transparency and sustainability to the nation further.
25 December 2019	The company continue for the 2nd year to announce NO Gift Policy to show the determination and encourage the NO Gift Policy during New year and other festivals by publicizing through public media, which are FACEBOOK Thai CAC and the company website at <a href="http://www.mama.co.th">www.mama.co.th</a> .

The Company has prepared guidelines for accepting the gifts / souvenirs and managing the gifts / souvenirs according to traditional practices during the festivals so that the executives and employees comply with the anti-corruption policy correctly by communication via circular letter and announcement for information throughout the organization. However, the Company expressed its intention to conform with regulatory agencies and government organizations to announce a request for cooperation of the executives and employees in refraining from accepting the gifts. Written notice was also sent to partner companies and persons related to the Company to request cooperation in refraining from giving the gifts to the Company's executives and employees for all festivals as well. Besides, there was communication, publicity via information system inside and outside the organization. Announcement on the Company's website at [www.mama.co.th](http://www.mama.co.th) was aimed at promoting awareness and creating a norm for good corporate governance.



For whistleblowing and notifying the complaints, the Company has provided the complaint receivers in all workplaces of the Company. Many channels for complaints are also available such as directly verbally, making a letter, notification via E-mail to the complaint receiver directly, comment box and registered mail as shown in detailed information disseminated by the Company throughout the organization and on the Company's website at [www.mama.co.th](http://www.mama.co.th). In this regard, the Company has clearly established measures to protect the informers or whistleblowers for allowing the informers or whistleblowers to be confident of receiving fairness and safety.

**Safety and hygienic workplace :** The Company recognizes to improve safety an hygienic working environment for our employees, thus establishing the rule, procedure, working standard, and safety evaluation process in order to protect any loss to life or property of our staff, partners, and any related parties.

The record of occupational accident being found in the Company in 2019 stood at 0.99 cases/100 employees/year according to TCIR Standard (Total Case Incident Rate or average number of accident in the workplace occurring to 100 employees in 1 year), hereby below the benchmark of 1.0 for the standard of safety organization.

#### **4. Information Disclosures and Transparency**

The Board of Directors establishes the policy to disclose accurate, complete and timely information of the Company, both financial and non-financial information, to ensure that the stakeholders and investors can easily obtain equitable information. The Company commits to provides any important information as required by the relevant laws and regulations as follows,

- (1) Information to be disclosed by book closing period, e.g., 3 Quarterly Financial Statements, Annual Financial Statement including Management Discussion and Analysis, Form to report annual registration statement(Form 56-1) and annual report(Form 56-2)
- (2) Information to be disclosed by occurrence of events, e.g. purchasing / selling of asset, related party transactions, investment plan, dividend payment, approval of granting financial assistance

The Company disseminates such information via SET community portal of the Stock Exchange of Thailand, and discloses information on the website <http://www.mama.co.th> in both Thai and English version.

#### **To maintain reliability of financial information and information disclosure**

■ The Board of Directors performs systematic financial reporting and information disclosure by specifying authorized persons to handle important information related to financial statement and financial report, i.e. Accounting Manager(to control accounting information), Finance and Investment Manager(to be top supervisor on finance and accounting), Internal Audit Manager(to be responsible for information disclosure), and any other persons as assigned by the Board such as Managing Director, Investor Relation staff, and Company's Secretary(the aforesaid persons are qualified, knowledgeable, and suitable with the duties as per detail in the Section of Management Team Details)


■ The Board of Director organizes the Board's meeting on monthly basis including the agenda of monthly operating performance to follow up and analyze continuous Company's performance, as well as to monitor financial and liquidity status of the Company. On this regards, the Company has maintained good liquidity ratio, strong debt service coverage ratio, and has no long-term debt obligation requiring early repayment.

■ The Board of Directors discloses the report of responsibility of the Board concerning to the correct financial statements in the Opinion to the Financial Statement of the Company as of Dec 31, 2019 in compliance with the Code of Best Practices for Directors of listed companies as prescribed by the Stock Exchange of Thailand. Such management report on preparing financial statement is disclosed together with the report of external auditor in the annual report to express responsibility of the Company to provide accurate, complete and transparent financial information; thus enhancing the reliability of our financial reports for all stakeholders.



■ In 2019, the Company has prepared the correct and transparent financial statement according to the financial reporting standard, as audited by the certified public accountant in the Unqualified Auditor' Report stating that the Company's financial statements present fairly, in all material respects, the financial position of the Company in accordance with the generally accepted accounting principles (GAAP). On this regards, the Company has never been accused by the Security and Exchange Commission of Thailand or the Stock Exchange of Thailand on the matter of information disclosure which does not comply with the regulatory requirement, or never been ordered to correct the financial statement. The Company has disclosed the Quarterly and Annually Financial Statement including Management Discussion and Analysis prior to the ordinary schedule, thus providing continuous information of operating performance for the shareholders and investors.

In addition, the Company, in 2019, has disclosed the other information to the shareholders to represent our transparency as following,

- (1) To inform the organization structure, management policy, directory performance of the Board and Sub-committee in the past year, e.g., number of total meeting for the whole year and attendance record for each individual Director, and the guideline to determine remuneration for our Directors and top executives.
  - (2) To inform business operation of the Company and our subsidiaries
  - (3) To inform the Code of Conduct to control the transaction which may cause conflict of interests in a scrutinizing manner for best benefit of the Company and the shareholders. The connected transaction is needed to be considered and approved by the Board of Directors. The normal business transactions between the Company or Subsidiaries with Executive Directors or their related persons are allowed to be conducted with prior approval of Management of the Company, and must have been reported to the Board of Directors on quarterly basis. On this regard, the Audit Committee has already reviewed the connected transaction of the Company. Additionally, the Company will disclose information via the communication channel of the SET for the additional connected transaction to be approved by the Board of Directors and having significant amount.
  - (4) Disclose the acquisition of the assets and the related transaction in 2019 according to the Board of director meeting No. 6/2019 on 19 June 2019 which approved the company to purchase ordinary shares in President Inter Food Company Limited, 153,000 shares, 60 baht per share, totaling to 9,180,000 baht from Saha Pathana Inter-Holding Public Company Limited who is the major shareholder of the company (related party), so the shareholding ratio of the company was increased to 59.67 percent of the registered capital (Previously the company the shareholding ratio of the company was 8.67 percent). As a result, President Inter Food Company Limited becomes a subsidiary of the company. The expected benefit of this transaction is the return in the form of cash dividend.
  - (5) To inform business practice of the Company in compliance with the good corporate governance, business ethic, and code of conduct, as been disclosed in the Company's website [www.mama.co.th](http://www.mama.co.th). The Company, in 2019, has reported the Company's business operation according to the policy of good corporate governance in compliance with Corporate Governance Code for listed Companies 2017 specified by the Security and Exchange Commission and to be disclosed in the Form 56-1, annual report, and in the Company's website. Corporate Social Responsibility to inform Community Service as prescribed in core business policy of the Company, the Company has also prepared the report of sustainable development in 2019 to be disclosed in the Form 56-1, annual report, and in the Company's website [www.mama.co.th](http://www.mama.co.th).
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- (6) To inform the Risk management policy: The Company establishes Risk Management Committee to monitor and handle such potential risk in a systematic and effective manner, and to formulate the appropriate risk management policy as the guideline to control such potential risks.
- (7) To inform Top Ten major shareholders as of the latest book's closing of the Company.
- (8) To report the number of Company's shares held by each Director (including his/her spouse and child under legal age) as of the latest book's closing of the Company. The Board of Directors has established the policy, effective from 15 Aug 2018, to require the Directors or Executives to report his/her changing in security's holding or any forward transaction (Form 59) by submitting such report within 3 working days via the electronic information channel as specified by the Security and Exchange Commission. In addition, the Company has never received warning of any malpractice from the Security and Exchange Commission in 2019.
- (9) Report of Directors and Executives' conflict of interest: The Directors/Executives have to report potential conflict of interest for their own or related persons' benefits within 1 month after assuming the position of Director/Executive. When having any changes in information, the Directors/Executives have to submit the report of Directors and Executives' conflict of interest to the Company Secretary within 1 month after such change. The Company Secretary shall send the copy of such report to Chairman of the Board and Chairman of Audit Committee in no longer than 7 business days after receiving information.
- (10) Development of Directors, Executives, and Employees to represent the Company's intention to encourage personnel development in all internal units. The Company has developed both internal and external training program to be suitable with each individual unit continuously, as per details in the yearly training under the section of the development policy for Staffs, Directors, and Executives.
- (11) Whistle Blowing Policy to represent the policy to open for the shareholder or the other stakeholders to express their opinions or submit their claims against the actions of the Company or the action of our staff/any persons acting on behalf of the Company that seemed to be illegal or related to paying or receiving any bribes either directly or indirectly, or related to any violation of the rule or business ethic of the Company by sending such complaint of unfair practice to the Company via multiple publicized communication channels. The Company shall keep aforementioned complaints as the confidential information, and take into account of the safety of the whistleblower, except to the disclosure as required by the law. On this regard, the Company performs business operation transparently, openly, and fairly in compliance with "Anti-corruption Policy" as disclosed in the Company's website ([www.mama.co.th](http://www.mama.co.th))
- (12) The result of open opportunity for the shareholders to propose agenda and/or candidates to be elected as directors in the Company's as been given in the General Shareholders' Meeting for the year 2019.
- (13) Communication with the shareholders and investors to represent the policy to open for the shareholders and investors to obtain important information for the clear understanding of business operation of the Company. The Company has appointed Investor Relation as the representative of the Company to communicate with the shareholders, and to facilitate the investors and security analyst to access information of the Company on fairly basis via the communication as below, Investor Relation: Mr. Wasan Boonsampankit, Manager of Finance & Investment

Tel numbe : 02-3744730 ext 1125

E-mail : [wasan.b@mama.co.th](mailto:wasan.b@mama.co.th)





The Company also disclosed the names of persons and his/her communication channel in the Investor Relations on the Company's website [www.mama.co.th](http://www.mama.co.th).

In 2019, the Company has coordinated with the other companies in the Group and with the Stock Exchange of Thailand to organize the event of "11th Annual 2019 Analyst and Investors Meeting with Saha Group" on June 28, 2019 at BITEC Bangna Exhibition Centre. Dr. Poj Paniangvait, the President, has joined the seminar in this event to open for the shareholders or investors to directly raise any query or to request any information concerning to business of the Company ("TFMAMA"). This event was participated by lots of interested analyst, investors, and reporters, as been disclosed communication channel of the Stock Exchange of Thailand and the Company's website [www.mama.co.th](http://www.mama.co.th).

#### 5. **Responsibilities of the Board of Directors**

The Board of Directors is responsible to supervise business operation of the Company to be in compliance with the relevant laws, business objectives, Articles of Association of the Company, resolution of shareholder' meeting, and oversea Managements to perform their duties in an effective manner for best benefit of the Company

##### 5.1 **Structure of the Board of Directors**

At present, the Board of Directors has 15 Directors, consisting of 1 Chairman who serves as Non-Executive Directors and the other 11 Non-Executive Directors, five of which equivalent to one-third of total Directors are Independent Directors. The 3 remaining Directors are Executive Directors, and their profiles are disclosed on Attachment No.1 The Company has specified stricter qualification of Independent Director than qualification as required by the Regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to encourage true independence of such Independent Directors. In addition, the Company has clearly separated authorities and responsibilities between the Board of Directors and the Managements. The Company assigns Ms. Sararath Tangsirimongkol, Account Manager of the Company, to be the Secretary of the Company.

The directorship term of the Board of Directors has been definitely prescribed in the Article of Association of the Company, which stipulates that "At every annual ordinary shareholders' meeting, one third of the Directors, who have remained in office for the longest time, shall retire by rotation. A retiring Director may be eligible for re-election." In addition, the Company discloses information about Director Position in the other companies hold by each Director in Attachment No. 1 of Form 56-1 and in the annual report. At present, there is no Director of the Company who having Director Positions in more than 5 Listed Companies. The Company is confident in the directing performance of the Company because the Board of Directors has fully dedicated his/her time and efforts to the Company, regularly attended the meetings, and provided substantial contribution to the Company.

#### **Balance of Power of Non-Executive Director**

The Company determined the appropriate number of Directors to be no less than 5 persons with the qualifications as required by the Public Company Act as following,

1. Being natural parson
2. Being sui juris (full age)
3. Not being bankrupt, incompetent or quasi-incompetent
4. Never been sentenced by a final judgment to imprisonment for an offense pertaining to property committed in dishonesty
5. Never been dismissed from a government service or state organization or agency for dishonesty on duty
6. No restriction for being the shareholder of the Company





## The Structure of 15 Directors of the Board

- Chairman of the Board (Non-Executive)	1 person
- Non-Executive Directors (the Directors from the other companies in the Group with working experience related to business of the Company)	6 person
- Independent Directors (one being Chairman of Audit Committee, one being Chairman of Corporate Governance and Risk Management Committee, one being Member of Audit Committee, one being Member of Audit Committee/Member of Nomination and Remuneration Committee, one being Director)	5 person
- Executive Directors (one being Chief Executive Officer, one being President, one being Executive Directors)	3 person

The Board of Directors consists of 5 Independent Directors, accounting for 33.33% of total Directors. Three of Independent Directors perform duty as Audit Committee as required by the Stock Exchange of Thailand. Non-Executive Directors total to 46.37% of total Directors.

### The qualifications of Independent Director

All 5 Independent Directors of the Company are qualified to perform duty as the Independent Directors as required by the regulation of the Company. The Independent Director holds the share not exceeding 0.05% (under the criteria), and one Independent Director perform Director Position in the other listed companies (totaling to only 4 companies). The qualifications of Independent Director are disclosed under the Nomination and Appointment of Director and Top Executive.

The Board of Director has clearly established the scope of duty and responsibility of each Committee, and has appointed the Executive Committee to direct business operation of the Company in order to meet business objectives in compliance with business policy of the Board of Directors.

The Executive Committee, as the Management of the Company, shall be responsible to manage business operation of the Company as assigned by the Board of Directors, and shall perform duty with prudence and integrity in the same business manner as normal reasonable person shall perform under the similar situation upon the ordinary negotiating power without taking any advantage of having Executive Position.

### Authority of Executive Committee

1. To appoint, dismiss, rotate, evaluate performance, and determine the remuneration or other benefits for the employees of different levels.
2. To appoint and dismiss a working group to perform management function of the Company.
3. To issue the regulation and notification regarding to the operation and to empower a Member of the Executive Committee and/or an employee at the management level to be the authorized person to sign his/her name to grant the request to use the asset of the Company.
4. To approve the lending to the other company which has the business relationship as the shareholder of the Company, or to the other company which is the trading partner of the Company, or to the other company when the amount of money not exceeding Baht 50 million.
5. To approve to guarantee the credit line of the other company which has the business relationship as the shareholder of the Company, or of the other company which is the trading partner of the Company, or of the other company when the amount of money not exceeding Baht 50 million.
6. To approve to enter in the legal act which is non-financial transaction when the related amount of money not exceeding Baht 50 million.
7. To approve to agree or cancel the credit line when the related amount of money not exceeding Baht 50 million.

8. To approve to invest in or unwind the purchase of common stock and/or other securities when the related amount of money not exceeding Baht 50 million.
9. To approve to invest in or procure the fixed asset when the related amount of money not exceeding Baht 50 million.
10. To approve to sell or transfer the fixed asset when the related amount of money not exceeding Baht 50 million.
11. To approve to recondition, destroy, liquidate the fixed asset or intangible asset which has been out of service, lost, damaging, obsolete, or in unusable conditions when the collective book value not exceeding Baht 50 million.
12. To approve to reappraise, destroy the raw material and/or inventory which has been damaging or obsolete when the depreciation in book value of such matter not exceeding Baht 50 million.
13. To approve to compromise or to solve the dispute by the arbitrator panel, to handle complaint, legal action and/or to follow up the prosecution on behalf of the Company for an unordinary business matter when the value of the case not exceeding Baht 2 million and/or for an ordinary business matter when the value of the case not exceeding Baht 50 million.

When necessary to perform urgent operation, the Managing Director is empowered to approve such operation, and propose to Board of Director for acknowledgement.

14. The authority of the Executive Committee with regard to the acquisition or disposal of assets, and to the report of connected transaction shall comply with the Notification of the Capital Market Supervisory Board
15. To empower the executive or any person to perform duty on behalf of the Committee.
16. To be authorized to invite the management, executive and involved staff to clarify, give opinion, attend the meeting or submit the documents as deemed necessary.
17. To consult the expert or the advisor of the Company (if any) or to hire the external expert or advisor at the cost of the Company's expense when necessary.
18. To issue any other regulations regarding to the operation as deemed appropriate.

#### **Duties and Responsibilities of Executive Committee**

1. To propose the annual business goals, policies, plans, and budget to the Board of Directors.
2. To be responsible to manage the business operation in accordance with the directions, goals, and policies of the Company.
3. To be responsible to strengthen the competitiveness of the Company, and to support ongoing innovation development.
4. To be responsible to conduct the operation of the Company in compliance with the laws, objectives, Articles of Association, resolutions of the Board and the shareholders' meeting, and any other related regulations.
5. The Executive Committee may allocate the whole responsibilities to each individual Member. In this regard, each Member must report his/her own operational result to the meeting of the Executive Committee for acknowledgement.
6. To follow up the preparation of the financial statements of the Company to be audited and/or certified by the auditor and to propose the financial statements to the Audit Committee and the Board of Directors subsequently.
7. To consider the specific matters before submission to the Board of Directors for their consideration or approval.
8. To review and amend the Charter of the Executive Committee and propose for approval to the Board of Directors.
9. To perform any other tasks as assigned by the Board of Directors.





The Executive Committee shall hold the meeting in every week, and the meeting schedule for the year will be send to the Executive in advance to be able to monitor operation performance in compliance with the business objective of the Company. The Executive Committee has conducted 49 meeting in 2019 (January- December 2019)

#### **Nomination Procedure of Director and Top Executive**

The Nomination and Remuneration Committee shall select and nominate the qualified persons to be the Director and Top Executive of the Company, taking into account of knowledge, ability, experience, expertise from various backgrounds, leadership, vision, ethic, transparent working, and without prohibited qualifications as per Public Company Act. The Nomination and Remuneration Committee will propose the nominated person to the shareholders' meeting for approval. In case of vacating Director during the year, the Nomination and Remuneration Committee shall select appropriate person to propose to the Board of Directors, and the substituting Director will hold office only for the remaining term of the vacating Member.

For Independent Director, the Nomination and Remuneration Committee shall select the qualified persons to be suitable with knowledge, not being a staff or employee receiving regular salaries from the Company or any other companies in the Group, not involving in regular management, being independent from major shareholders, holding shares of the Company not exceeding 1% of total voting shares, capability to protect benefit of shareholders, qualifications as required by the Securities and Exchange Commission to propose to the Board of Directors and shareholders' meeting ( as per detail in the Nomination and Appointment of Director and Top Executive)

#### **The number of listed companies on which the Director having director position, Age of Director, Number of terms of being Director**

The Board of directors has considered the suitability of number of listed companies on which the Director having director position and number of consecutive terms of being Director. Each individual Director recognizes his/her responsibility upon business operation of the Company, appropriate time allocation of being Director in the other listed companies, and compliance with Good Corporate Governance Practice, thus the Director of the Company shall have Director Position in the listed companies totaling not more than 4 listed companies. The information of having Director position in the listed companies of the Directors as of Dec 31, 2019 is detailed as following,

No.	Board of Directors		Number of listed companies having Director Position
1	Mr. Boonsithi	Chokwatana	2 companies
2	Mr. Pipat	Paniangvait	2 companies
3	Mr. Suchai	Ratanajajaroen	-
4	Dr. Poj	Paniangvait	-
5	Mr. Kamthorn	Tatiyakavee	-
6	Mr. Apichart	Thammanomai	1 company
7	Mr. Boonchai	Chokwatana	4 companies
8	Mr. Vathit	Chokwatana	1 company
9	Miss Pojjana	Paniangvait	-
10	Mrs. Orathai	Thongmeearkom	-
11	Dr. Kulpatra	Sirodom	4 companies
12	Thanpuying Angkab	Punyashthiti	-
13	Mr. Chaiwat	Maraprygsavan	-
14	Prof. Dr. Suwimon	Keeratipibul	1 company
15	Mrs. Tongurai	Limpiti	1 company



The Company discloses information about Director Position in the other listed companies hold by each Director in Attachment No. 1 of Form 56-1. According to information of 15 Directors in 2019, 2 Directors have Director Positions in maximum number of 4 listed companies, and the President of the Company do not have Director Position in the other listed companies. Therefore, the Company is confident in the directing performance of the Company because each individual Director has fully dedicated his/her time and efforts to the Company, regularly attended the meetings, and provided substantial contribution to the Company for the time being.

#### **Having Director Position in the other companies of the Directors and Executives**

The Board of Directors shall consider the business type of the company on which the Director having director position, and the necessity of having representative of the Company to involve in management. If necessary, the Company will send the person with suitable knowledge, ability, expertise in such business operation to be the Director in such company.

#### **Merging or separation of the positions**

The Company has a policy to separate the duties and responsibilities of the Chairman of the Board of Directors, the Chief Executive Officer and the President that must be people with appropriate knowledge, capabilities, experience and qualifications and must not be the same persons for a balance of power. The regulations stipulate and separate the authority of the Board of Directors and the management department. There is written Charter for each committee to clearly separate the duties of supervision and work management from each other for verifiability and transparent management.

The Chairman of the Board is not an executive and is not the same person as the Chief Executive Officer. The Chairman is independent from the management department with divided duties to set the policies of supervision and routine management clearly separated from each other. The Chairman of the Board of Directors acts to chair the Board of Directors meeting, takes responsibility as leader of the Board of Directors for supervising and monitoring the works of the Board of Directors and Sub-committees. As for voting in the case of equal votes, the Chairman of the Board of Directors must have an additional vote as the deciding vote. The responsibilities include convening the meeting of the Board of Directors or probably assigning another person to act instead, chairing the shareholders' meeting and performing any other acts according to the resolutions of the Board of Directors meeting.

The Chief Executive Officer is the supreme executive in the management department to oversee the administration of the Company in accordance with the vision, mission, corporate values and policies of the Board of Directors with the monitoring of the operations of the management department. The Executive Committee meeting must be held every week to report progress of each department's operating results and the monthly business profits of the Company every month. There is the decentralization of power to the management group in each job position by stipulating the roles, responsibilities and financial amounts approved.

President is not the same person as the Chief Executive Officer, which is considered as the senior executive in the management department and is charged with formulating the strategies for managing the works and determining business investment policies systematically, including formulating the strategies to manage and control the overall risks of the Company, analyzing, making decisions and presenting the policies, business plans to the Board of Directors for approval, laying down the marketing strategies and creating business opportunities as well as customer management and long-term engagement with customers, formulating the personnel strategies and supporting personnel development in a systematic manner, monitoring, controlling work management in various departments and formulating the policy to create a sustainable corporate culture for the Company, supporting and promoting new innovations for organizational management.





### Company Secretary

The Company has appointed Miss Sararath Tangsirimongkol, Manager of Accounting Dept and having suitable knowledge and experience, to be the Company Secretary of the Company to support business operation in an effective manner and in compliance with Good Corporate Governance (as per details in Section Company Secretary)

### 5.2 Sub-committees

For shareholders to be confident in the Company's operations with transparency, the persons to screen, review and provide advice carefully, the Board of Directors has appointed various Sub-committees so as to perform the duties of responsibility and report the results to the Board of Directors. At present, the Sub-committees consist of the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance and Risk Management Committee.

(1) The Audit Committee is composed of 3 independent directors with each tenure of 1 year. The authority and responsibilities are based on the scope of authority and duties pursuant to the Audit Committee Charter. Moreover, a meeting must be held at least 3 months per time and additional meetings may be convened as necessary.

The Company has not specified the number of longest consecutive terms in office of the Audit Committee, depending on consideration of the Nomination and Remuneration Committee and the Board of Directors by looking at the working history and the works in the previous year. In 2019 (January - December 2019), there were 5 meetings.

(2) The Nomination and Remuneration Committee consists of 3 members. There are 1 independent director, 1 director who is the highest level executive (Chief Executive Officer) and 1 non-executive director acting as the Chairman of the Nomination and Remuneration Committee with each tenure of office for 1 year. The authority and responsibilities are based on the scope of authority and duties pursuant to the Nomination and Remuneration Committee Charter. The meetings must be held at least 2 times a year and additional meetings may be convened as necessary. In 2019 (January-December 2019), there were 2 meetings.

(3) The Corporate Governance and Risk Management Committee consists of 6 directors who have knowledge and understanding of the Company's business with each tenure of 1 year. The authority and responsibilities are based on the scope of authority, duties pursuant to the Corporate Governance and Risk Management Committee Charter. Furthermore, additional meetings may be convened as necessary. In 2019 (January - December 2019), there were 4 meetings.

### 5.3 Roles and responsibilities of the Board of Directors

The Board of Directors consists of the persons with diverse knowledge, abilities and experience, specific capabilities beneficial to the Company, understanding of the roles, responsibilities, leadership, determination of clear vision of the Company, freedom to express opinions and make decisions, supervision of the Company's business in accordance with the specified objectives and goals to ensure maximum benefits for the Company and shareholders.

The Board of Directors' duties and responsibilities include determining the direction, goals and business policies of the Company, approving the annual plans and budgets, including supervising the operations of the management department in compliance with the prescribed laws, policies and plans effectively and efficiently and encouraging the establishment of good corporate governance policy, written morality and business ethics to be used by the directors, executives and employees as practice guidelines for conducting business and monitoring to ensure strict compliance so as to add value to the business and shareholders sustainably.

The Board of Directors has appointed the Nomination and Remuneration Committee, deals with the process of selecting the persons to be directors transparently. The Company also allows the shareholders to have the right to appoint the directors. When there are the new directors, the Company has provided an orientation

session for new directors with a briefing about the characteristics and guidelines for business operations of the Company. Also, the important and necessary information documents for the performance of duties of directors are given, including listed company director manual, roles of listed company directors and observations on the duties of listed company directors by the Thai Institute of Directors (IOD). For the roles, duties and responsibilities of the Board of Directors and the management department, the Company has clearly separated the structure and the performance of duties.

The power of attorney has been created, which specifies the clear scope for executives. Also, the operational power level in each field has been clearly specified, including regularly communicating such roles, duties and responsibilities to relevant persons.

### 5.3.1 Leadership and vision

The Board of Directors focuses on recognizing the roles and responsibilities as organizational leader in order to safeguard the interests of shareholders and stakeholders by setting the strategies and business directions both at present and in the long term, determining the audit process and supervising the business operations of the Company to be transparent so as to create added value for the organization toward sustainability.


In accordance with the Board of Directors meeting No. 3/2020 on 18 March 2020, the Board of Work performances has reviewed the Vision, Mission, and Strategies of the company and sees that it is appropriate to set the guideline for business operation for sustainable and stable growth, as follows:

- |                |  |
|----------------|--|
| <b>Vision</b>  | “To be a world leading food producer and brand name that are well-accepted and recognized by consumers of all household for our safe and international standard products under creative and innovative management with responsibilities to social and environment for the long-term sustainability   |
| <b>Mission</b> | <ol style="list-style-type: none"> <li>1. Maximize the consumer’s benefit with safe, quality and nutritious convenient food products at reasonable price.</li> <li>2. Develop capabilities of our human resources leading the company to be learning organization for everyone.</li> <li>3. To enhance production efficiency with modern technology, and support research and development to initiate foods innovation as well as effective management system.</li> <li>4. Search for marketing opportunity and channel for continuously growth of our business around the world.</li> <li>5. Build trust among stakeholders with emphasis on social responsibility as well as protections of natural resource and environment using good governance for sustainable development.</li> </ol> |

#### Core Value : POWERS of “TF”

- Participation
- Organization that Learns
- World Class
- Ethics
- Responsibility
- Sustainability





■ The Company has a policy to organize an annual meeting for communicating the goals, strategies for business operations. The Chief Executive Officer of the Company informs the Executive Committee and the supervisors of all departments about the policies and guidelines for working to be in the same direction and be able to achieve the goals of the Company together. In 2019, the Company organized the Budget meeting for the year 2019 on 17 September 2018 and the Budget meeting of the year 2019 on 27 November 2019.

■ The Company has a policy to organize a staff meeting every month by arranging for high-level executives to meet and communicate with employees throughout the organization in order to notify the policies and various types of information on the Company's business operations to know and put into practice in the same direction, including encouraging all employees to participate in driving the Company's business operations for sustainable growth. For the year 2019, the Company held a total of 12 monthly staff meetings.

#### **5.3.2 Good Corporate Governance**

The Board of Directors recognizes the importance and benefit of good corporate governance, thus establishing Corporate Governance Policy, Business Ethic, Code of Conduct for Directors, Executives, and Staffs in written document. The Board of Directors has approved Good Corporate Governance Policy in the Board of Directors' meeting No. 3/2020 on 18 March 2020 to be the operational guideline for the Directors, Executives, and all Staffs to perform duties with transparency, integrity, and ethic.

#### **5.3.3 Conflict of Interest**

The Board of Directors recognizes the importance of control system to handle conflict of interest and to perform connected transaction with prudent, fair, transparent treatment, thus including the procedure to handle conflict of interest in the Corporate Governance Policy. When performing connected transaction, the Director with related interest shall not take any part in voting procedure, and the Company shall disclose complete information as required by the Securities Exchange Commission and the Stock Exchange of Thailand. In this regard, the Company has disclosed the information in Thai and English via communication channel of SET and on the Company's website([www.mama.co.th](http://www.mama.co.th)) In addition, the information of connected transaction has been disclosed in the annual report under the Section of Connected Transaction as displayed in the Notes to Financial Statement and in annual registration statement(Form 56-1)

The Audit Committee is of the opinion in the Report of the Audit Committee in 2019 that the Company has disclosed adequate information of Connected Transactions which may cause conflict of interest.

#### **5.3.4 Internal Control and Risk Management**

The Board of Directors recognizes the importance of control system to monitor business operation, to prepare financial report, and to comply with relevant rules, regulation, and policy. To encourage effective control system, the Company set up Internal Audit Dept to be independent unit to monitor, evaluate, provide recommendation to improve effectiveness of risk management, internal control, internal audit according to International Standard for the Professional Process of Internal Auditing. In this regard, Internal Audit Dept shall report directly to Audit Committee.

In 2019, Miss Ariya Tangcheevinsirikul has been the manager of Internal Audit Dept. to perform internal audit duty, and conduct the meeting with related internal department to discuss the auditing result, search for practical solution, and report to the Audit Committee on regular basis. In addition, Internal Audit Dept has conducted meeting with the external auditor to review the quarterly, and annually financial statement. The Internal Audit has reported that the Company has prepared the financial statement correctly, and performed internal control to be suitable with the nature of business. In this regard, the Audit Committee has already submitted the report to the Board of Directors on the Board's meeting No. 3/2019 for acknowledgement (as per detail in the Section of Internal Control and Risk Management)



### 5.3.5 Risk Management

The Board of Directors shall establish Risk Management to avoid potential risk which may impede business objective, thus appointing Corporate Governance and Risk Management Committee to formulate Risk Management Policy and Framework to encourage effective risk management of the Company. The Risk Management Committee is responsible to monitor significant risk to the Company continuously to be handled in an effective manner. However, every internal unit of the Company shall recognize their own responsibility to control internal risk within the acceptable level. In this regard, Risk Management Committee has submitted the Report of Risk Management Committee to the Board of Directors on regular basis in compliance with COSO Enterprise Risk Management: Integrating with Strategy and Performance 2017(as per detail in the Section of Internal Control and Risk Management)

In 2019, the Audit Committee has reviewed risk management procedure, and is of the opinion that the Company has performed appropriate internal control and risk management to be suitable with the nature of business.

### 5.4 Board of Directors meeting

The Board of Directors of the Company recognizes the importance of the Board's meeting and is responsible to attend the meeting to obtain information and participate in making decision about the operation of the Company. The Board of Directors' meeting is scheduled in advance throughout the year. The meeting is usually held on the third Wednesday of each month. The Secretary of the Company shall send the invitation letter along with the relevant documents including meeting agenda, minutes of the previous meeting, etc. to the Board's Member no less-than 7 days prior to the meeting date.

The Board of Directors may propose the additional agenda to be discussed in the Board's Meeting in an open manner. The Company Secretary is responsible to prepare and keep the certified minute of the Board's meeting to be verifiable. In each agenda of the Board's meeting, the Chairman of the Board will open for all Directors to express their opinions freely. After the meeting, the Secretary of the Company shall prepare the minutes of the Board's meeting and send it to the President and Chief Executive Officer to sign his name to certify the document. Then, the minutes will be proposed to be certified by the Board at next meeting. However, all Directors are allowed to express opinions or correct any details to ascertain the accuracy and completeness of the minutes. The finalized minute of the Meeting will be presented to Chairman of the Board to be certified. The Secretary of the Company is responsible to collect the original document of the certified minutes of the Board's meeting together with the relevant documents at the office of the Company to be easily recalled for future verification.

The minutes of the meeting approved by the meeting will be systematically stored at the Company office and kept in the form of original document, together with attachments to various agendas of the meeting for easy reference search.

In addition, the Board of Directors also has a policy to allow non-executive directors to meet among themselves as necessary and report the meeting results to the Board of Directors meeting for acknowledgment. In 2019, on 18 December 2019, the Company arranged the meeting agenda without executive directors and reported the meeting results to the Board of Directors meeting on 15 January 2020 to enhance the efficiency of management and development of the Company to be able to grow sustainably.

In 2019 (January - December 2019) the Board of Directors has 12 meetings in total. Currently there are 15 members of the Board of Work Performances. There are 8 members who attended all meeting, equaling to 100 percent. There are 6 members who attended the meeting more than 75 percent and There is 1 member who attended the meeting less than 75 percent. The details are are shown in No. 8.1 Number of the attendance of each member of the Board of Directors performances.



## 5.5 Self-assessment of the Board of Directors and Sub-Committee

Each Direction shall evaluate performance of the Board as a whole in a scrutinizing and independent manner by filling out the assessment form as issued by the Stock Exchange of Thailand. Such assessment is aimed at,

- (1) Reviewing performance results and analyzing the problems and difficulty in the past year
- (2) Encouraging effective operation due to explicit acknowledgement of responsibility
- (3) Improving relationship between the Board of Directors and Managements

### Process and criteria for assessment

■ The Nomination and Remuneration Committee arranges a review of the performance evaluation form of the Board of Directors every year for consistency and appropriateness, being updated.

■ The performance evaluation form of the Company includes a total of 4 copies, namely 1 copy of the performance evaluation form for the Board of Directors and 3 copies for 3 sub-committees (Audit Committee, Nomination and Remuneration Committee and Risk Management Committee).

■ The timetable is scheduled for the end of the annual operations. The secretary of each group is responsible for submitting the performance evaluation form to all directors. After the directors have completed the evaluation form, it must be returned to the secretary to collect the scores.

■ Report the average score in each subject of evaluation with a summary of the overall average score. The secretary of each group reports to the meeting of each committee for acknowledgement and records information in the minutes of the meeting.

■ Performance evaluation criteria with the rules for calculating and measuring the scores of the performance evaluation form as follows

- (1) Scoring criteria in the performance evaluation form of each group

Level of opinion	Score
- Agree in the highest level	Getting 5 points
- Agree in high level	Getting 4 points
- Agree in average level	Getting 3 points
- Agree in low level	Getting 2 points
- Agree in the lowest level	Getting 1 points

- (2) Evaluation criteria summarizing the overall average scores of the performance assessment

Criteria	Average score (Percent)
- Excellent	More than 90 percent up
- Good	More than 70 percent up
- Fair	More than 50 percent up
- Improvement recommended	Equal to or less than 50 percent

### 5.5.1 The self-assessment result of the Board of Directors

In the Board's Meeting No. 12/2019 on Dec 18, 2019, the Directors has performed self-assessment in 3 areas as following,

1. Role, Duty, and Responsibility of the Board
2. Independence of the Director
3. Relationship with Management Team and Stakeholders

The assessment result of the Board of Directors as a whole is average at 89.61% or at "Good" level

### 5.5.2 The Individual self-assessment result

In 2019, each director has done the work performance assessment for individual member of the Board of Director. The assessment is divided into 3 aspects as follows:

1. Roles, obligations and responsibility of the directors
2. Duty of the directors
3. Self-development of the directors

Result of the self-assessment of the individual member of the Board of Directors shows the average score of 89.00% which is in a good level

### 5.5.3 The self-assessment result of the Sub-Committee

The Company has conducted self-assessment of the Sub-Committee in annual basis. In 2019, each Member performed self-assessment in 3 areas as following,

1. Role, Duty, and Responsibility of the Board
2. Performance of the Director
3. Self-development of the Director

The assessment result of Sub-Committee is summarized as following,

Sub-Committee	Avg Point	Level
Audit Committee	96.67	Very Good
Nomination and Remuneration Committee	83.75	Good
Corporate Governance and Risk Management Committee	85.56	Good

## 5.6 Remuneration for Directors and Executives

The Nominating and Remuneration Committee is responsible to consider the appropriate amount of remuneration of the Directors and proposes it to the shareholders' meeting for approval. The remuneration for the Directors of the Company is paid at the rate comparable to those paid in the same industry or by the same business-size organization, and shall be appealing enough to attract and retain the quality Directors to work for the Company.

In 2019, the shareholders meeting No. 1/2019 on Apr 24, 2019 has approved the Directors' remuneration at the amount not exceeding Baht 15 million per year, not including the remuneration and welfare to be paid as an ordinary staff of the Company (as per detail in the Section 8.4 Remuneration of Director and Executives)

The remuneration for the Chief Executive Officer of the Company shall be approved by the Board of Directors. The annual review of the Managing Director's remuneration is considered by the Board of Directors as specified in the employment contract. The consideration of remuneration shall reflect overall performance of the Company and the efficiency of the strategic plan of the Company in aspect of finance, customers and stakeholders, internal process, learning and development, social and environment, etc.

The remuneration for the Managements is determined in accordance with the principles and the policy set by the Board of Directors, which shall correspond to the annual performances of the Company and the individual performance.



## 5.7 Development for Directors and Managements

The Company supports and facilitates training and educating for the Directors and the Managements. The Board recognizes the importance of attending the director courses for improving management competency. The Company supports the Directors and the Managements to attend the training course namely Director Accreditation Program(DAP), Director Certification Program(DCP), Audit Committee Program(ACP), Understanding the Fundamental of Financial Statements(UFS) and Finance for Non-Finance Director(FND), as arranged by Thai Institute of Directors(IOD) as well as the other short training courses as deemed appropriate to the operation of the Directors and any other courses which will be arranged by IOD in the future.

Training Record of 15 Directors is summarized as following,

Board of Directors		Program
1.	Mr. Boonsithi Chokwatana	- Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)
2.	Mr. Pipat Paniangvait	- Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 39/2004 Thai Institute of Directors Association (IOD)
3.	Mr. Suchai Ratanajiaroen	- Director Certification Program (DCP) 45/2004 Thai Institute of Directors Association (IOD)
4.	Dr. Poj Paniangvait	- Directors Accreditation Program (DAP) 20/2004 - Director Certification Program (DCP) 72/2006 Thai Institute of Directors Association (IOD)
5.	Mr. Kamthorn Tatiyakavee	- Audit Committee Program (ACP) 12/2006 - Directors Certification Program (DCP) 46/2004 - Directors Accreditation Program (DAP) 3/2003 - IT Governance and Cyber Resilience Program (ITG) 7/2018 Thai Institute of Directors Association (IOD)
6.	Mr. Apichart Thammanomai	- Director Certification Program (DCP) 68/2005 - Director Accreditation Program (DAP) 2003 Thai Institute of Directors Association (IOD)
7.	Mr. Boonchai Chokwatana	- Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)
8.	Mr. Vathit Chokwatana	- Director Accreditation Program (DAP) 75/2008 - Director Certification Program (DCP) 251/2018 Thai Institute of Directors Association (IOD) - Top Executive in Trading and Commercial 21/2015 Capital Market Academy
9.	Miss Pojjana Paniangvait	- Directors Certification Program (DCP 212/2015) - Successful Formulation & Execution the Strategy (SFE 29/2017) - Risk Management Program for Corporation Leaders (RCL 8/2017) Thai Institute of Directors Association (IOD)
10.	Mrs. Orathai Thongmeearkom	- Director Certification Program (DCP) 227/2019 Thai Institute of Directors Association (IOD)



Board of Directors			Program
11.	Dr. Kulpatra	Sirodom	- Director Certification Program (DCP) 1/2000 - Audit Committee Program Thai Institute of Directors Association (IOD)
12.	Thanpuying Angkab	Punyashthiti	- Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)
13.	Mr. Chaiwat	Maraprygsavan	- Director Certification Program (DCP) 105/2008 Thai Institute of Directors Association (IOD)
14.	Prof. Dr. Suwimon	Keeratipibul	- Director Accreditation Program (DAP) 97/2012 Thai Institute of Directors Association (IOD)
15.	Mrs. Tongurai	Limpiti	- Director Certification Program (DCP) 8/2001 - Director Certification Program Update (DCPU) 5/2015 Thai Institute of Directors Association (IOD)

In addition, The Company has supported each individual Director to improve knowledge continuously in order to encourage his/her directing performance to perform duty in the Sub-Committee for best benefit of the Company.

During 2019 the directors have attended the training and seminar to gain knowledge and understanding in the role and responsibility of the directors in the compliance and work management efficiently as follows:

Board of Directors			Program
1.	Mr. Pipat	Paniangvait	Sustainable Innovative Management Program
2.	Dr. Poj	Paniangvait	Total Productive Maintenance Insight Financial Statement Diaganosis Risk Management Corporate Sustainability Development of SET Sustainable Innovative Management Program Individual Development Plan Workshop
3.	Mr.Chaiwat	Maraprygsavan	Business Sustainability management in Digital Era
4.	Miss Pojjana	Paniangvait	Finding Life Purpose & Passion No. 30 Insight Financial Statement Diaganosis Risk Management Corporate Sustainability Development of SET Changing for Growth Sustainable Innovative Management Program Individual Development Plan Workshop
5.	Mrs.Orathai	Thongmeearkom	Director Certification Program (DCP) 277/2019





Apart from that, during 2019 the managements of the company have attended the training and seminar to gain knowledge and understanding in the role and responsibility of the managements in the compliance and work management efficiently as follows:

Program	Number of Directors and Management team (persons)
Risk Management	7
Total Productive Maintenance	5
HR Changing for Growth	1
Corporate Sustainability Development of SET	7
Effeciency Working Place	2
Changing for Growth	3
Matters of the Labor Protection Act 2019	1
Sustainable Innovative Management Program	10
Advance Master of Management Program (AMM) NO.3	1
Cybersecurity Act,Personal Data Protection Act,Computer-Related Crime Act ,EUGDPR	1
Evaluation Tachinque in Technology Disruption Era	1
Insight Financial Statement Diaganosis	6
Advanced Fix Income Strategy Management	1
Finding Life Purpose & Passion No. 30	1
Happy Money, Happy Retirement	2
Other Professional Training : 11 Courses	16

#### Orientation for New Director

The Company has a policy to organize an orientation session for new directors. When the new directors are appointed, the Nomination Committee assigns the management department to coordinate various fields in order to prepare for performing the duties of directors, who can also perform the duties immediately when assuming the position as follows.

1. Arrangements for an introduction to explain detailed information of the Company and the responsibilities of the directors of the Company to hold office and sub-committees (if any), including providing the documents relating to the Charter of directors related, the memorandum of association, the articles of association, good corporate governance manual, annual registration statement (Form 56-1) , annual report and answering the questions to create mutual understanding.

2. Arrangements for meeting the Chairman of the Board of Directors, Board of Directors, Sub-committees, Chief Executive Officer and the President to acknowledge the policies, corporate culture and information about the Company's business operations.

3. The opportunity is provided to visit the factories of the Company for the new directors to have better understanding of the Company's business operations as well as listening to suggestions from you.

In 2019, the general meeting of shareholders No. 2/2019 on 24 April 2019 resolved to elect 5 directors. All directors have been knowledgeable and understood the Company's business and have received information documents related to the duties of directors from the Company already.

### 5.8 Succession Planning

The Board recognizes to establish succession planning, thus reviewing current working environment and improving for future operation continuously. The Company also considered the salary structure of the Company to be suitable with the comparable market rate. The Company will promote potential subordinated employee to receive progressive training to fill up higher-level position from generation to generation. The Company has performed succession planning as following,

- Distribute authority of making decision or ordering payment along with the organization level as per the limit approved by the Board of Directors
- Encourage Junior Executive to work closely with High-level Executives
- Develop suitable career path for potential Junior Executive
- Assign task or project requiring the use of knowledge and capability to develop management skill
- Determine clear level of organization

## 8. Compliance with good corporate governance principles on the matters not yet implemented

Concerning the part that the Company has not yet complied with the principles of good corporate governance for listed companies, the Company will use this as guidelines for further appropriate deployment.

Clause of not having been implemented yet	Reason
1. The Board of Directors has not determined a policy to limit the number of years in holding office of independent directors for up to 9 years.	The Company believes that the Company's independent directors are fully qualified persons according to the definition of independent directors and can perform their duties independently by using knowledge, abilities and experience accumulated to help develop the Company with a good understanding of the Company's business. In 2019, no independent director of the Company had held office for over 9 years.
2. The Board of Directors has not yet evaluated the performance of each individual director.	The evaluation of the works in the form of the entire Board of Directors and the evaluation of the sub-committees' performance can reflect the overall performance, which can be used by each director for self- development in each subject well.
3. The Chairman of the Board of Directors is not an independent director.	The Chairman of the Nomination and Remuneration is not the executive because he is knowledgeable, capable, experienced in and understand the business of the company, as well as performing with responsibility.
4. The Board of Directors consists of more than 5 -12 directors.	The Company's Board of Directors includes 15 members. The composition of the Board of Directors consists of 3 groups: independent directors, non-executive directors and executive directors to counterbalance the administration and conform to the Company's articles of association that require at least 5 directors. The Company has considered the number of directors by taking into account the suitability and consistency with the size of the business.



Grow  
Sustainably  
Together





# Sustainability Report



## Message from the President

Thai President Foods Public Company Limited (“TFMAMA”) places utmost importance to turning out standardized quality products and best satisfying the customers and consumers, as well as meeting the requirements and expectations of all the organization’s stakeholders, all of whom have constituted a major engine driving the organization towards strong and sustainable growth throughout its history.

In 2019, the Company still has relentless determination to do business with responsibility and to keep adding value in order to bring about sustainability for all its stakeholders, in accordance with its tagline “ MAMA PRESENTING DELICIOUS NOODLES FOR OVER 48 YEARS ”. In running the business, the Company pursued sustainability development objectives in the operations of various units. Over 15 new product items were developed to offer alternatives and to respond to a variety of consumer demands. To improve the production systems, the focus was still on maintaining international standards. Clean energy initiatives were launched by installing solar rooftop systems for use in factories. Measures were taken to promote conservation of the environment, prevent pollution and minimize environmental impacts. The Total Productive Maintenance (TPM) Project was introduced to improve long-term efficiency of machinery. An innovative move was the development and study of the use of robots as a supplement in the production processes. Organization development activities were based on adherence to good corporate governance, with importance placed on efficient and transparent operation. The TF-POWERS values were instilled among employees at all levels to ensure their understanding and proper execution in accordance with the organization’s concept.

**Anti-corruption activities** In 2019, the Company’s membership in the Private Sector Collective Action Coalition Against Corruption (CAC) was renewed for the first time for a three-year period in recognition of its determination to operate the business based on management with integrity in accordance with the good corporate governance principles. As a further step, the Company applied to be a CAC Change Agent, inviting trading partners to make their declaration of intent under the CAC SME Certification Program. The move was made to make a further contribution to enhancing the country’s transparency and sustainability.

With strong commitment to “sustainable development” based on keeping economic, social and environmental balances, the Company was given the Thailand Sustainability Investment (THSI) 2019 Award by the Stock Exchange of Thailand and the Sustainability Disclosure Acknowledgement Award by Thaipat Institute. These awards serve to assure the stakeholders that the Company’s processes have been consistently based on care for the environment and society.

Finally, on behalf of the Director, Management and staff members, I would like to thank the shareholders, trading partners, as well as all the stakeholders, for consistently supporting the Company. We assure you that we will continue to do business with full responsibility for the economy, society and the environment, and are prepared to achieve growth through value adding together with all the stakeholders for endless strong and sustainable business growth.

Dr. Poj Paniangvait  
President



## Sustainable business growth with sustainable environment and society

Thai President Foods Public Company Limited operates business with transparency and accountability, business ethics, respect for human rights, compliance and good corporate governance. It bears in mind the interests of shareholders, employees, trading partners, customers, communities and all other groups of stakeholders in order to join the efforts to achieve strong and sustainable growth of the business.

### Vision, Mission and Core Values

**Vision** “ To be a world leading food producer and brand name that are well-accepted and recognized by consumers of all household for our safe and international standard products under creative and innovative management with responsibilities to social and environment for the long-term sustainability”

**Missions**

1. Maximize the consumer's benefit with safe, quality and nutritious convenient food products at reasonable price.
2. Develop capabilities of our human resources leading the company to be learning organization for everyone.
3. To enhance production efficiency with modern technology and support research and development to initiate food innovation as well as effective management systems based on the Big data information.
4. Search for marketing opportunity and channel for continuously growth of our business around the world.
5. Build trust among stakeholders with emphasis on social responsibility as well as protections of natural resource and environment using good governance for sustainable development.

### Core Values : POWERS of TF

Participation

Organization that learns

World class

Ethics

Responsibility

Sustainability



## Overall policy

The Board of Directors recognizes and respects the rights of all stakeholders based on legal obligations and agreements with the Company. To ensure that these rights are protected and for fair and equal treatment, a “Social Responsibility Policy” has been announced for use as guidelines for treatment of the stakeholders of each category. The policy also covers the communities, society and the environment for sustainability, anti-fraud and anti-corruption measures, non-infringement of intellectual property and respect for human rights.

### Social Responsibility Policy

- Being determined to operate with responsibility for various impacts of the business, upholding transparency, accountability, ethics, respect for human rights and benefits of the stakeholders.
- Being determined to produce instant foods which are of good quality and safe for consumers, bearing in mind the impacts on the communities and the environment and complying to customers' requirements, laws and other relevant obligations, as well as continuing to improve social responsibility on a sustainable basis.



### 2019 Success Awards

1. The Company was included on the Thailand Sustainability Investment (THSI) 2019 List of the Stock Exchange of Thailand
2. The Sustainability Disclosure Acknowledgement Award was granted to the Company by the Thaipat Institute in recognition of its disclosure of sustainability information to the public and stakeholders.
3. A certificate was given to the Company for renewal of its membership in the Private Sector Collective Action Coalition Against Corruption (CAC) No. 1 quarterly 1/2019.
4. The Company was certified under the Thai Labor Standard (TLS 8001-2010) basic level, by the Department of Labour Protection and Welfare of the Ministry of Labour as a business organization operating with social responsibility regarding labor treatment, in conformity with legal standards in relation to labor basic rights. The certification was valid from February 2018 to February 2020.
5. The Company was awarded certification for the “Standard on Prevention and Solution to Drug Problems in an Establishment (SDE)” in recognition of its well-defined policy towards prevention and solution to drug problems.
6. Two Innovation Awards were received in the 2019 (15th) Sahapat Group Innovation Contest: Honorable Mentions in the product category for “Cup Instant Rice Soup – MAMA Cup Instant Rice Soup Minced Pork with Garlic and Pepper Flavor and “MAMA Handi Rice Instant Fried Rice with four flavors.
7. The Marketer No.1 Brand Thailand 2018-2019 was awarded to MAMA products as Thailand's No.1 products in the category of instant noodles. The popular brand MAMA has received the award for eight consecutive years since its inception.

8. The Thailand's Most Admired Brand 19 Award was presented to the Company for the instant noodles category. The award resulted from research conducted by the BrandAge magazine in cooperation with the country's leading educational institutes. MAMA products have won this award since the first year of the research and this was the 19th year the award was given to the Company.

## Preparation of the Report

### Approach taken for preparation of the Sustainability Report

Thai President Foods Public Company Limited has prepared the 2019 Sustainability Report to disclose key points of its policy, operating results, management and the approach adopted for sustainable development covering corporate governance, economic, social and environmental aspects. The reporting period is from January 1 to December 31, 2019.

This report has been prepared with reference made to the Global Reporting Initiatives (GRI), GRI Standard version, which are reporting guidelines internationally accepted. It is made part of the Company's Annual Registration Statement (Form 56-1) and Annual Report. It is also publicized on the Company website [www.mama.co.th](http://www.mama.co.th).

### Scope of sustainability reporting

This report contains disclosures of 2019 operating results, covering the Company's operations at the head office in Bangkok, the five factories (in Chonburi, Rayong, Lamphun and two in Ratchaburi Provinces).

### Inquiries

The Company is committed to developing its sustainability reporting and disclosures of management information and operating results for better future quality. Should you have inquiries and recommendations, please contact the head office of the Thai President Foods Public Company Limited, telephone number 662 374 4730 ext 1907.

### Engaging the stakeholders

The Company has classified stakeholders related to it as a result of its internal and external activities into nine groups; namely, employees, communities, customers, government agencies, distributors, banks, raw material suppliers, contractors and shareholders. It attaches importance to stakeholder engagement through a variety of activities and channels (e.g. receiving of opinions and recommendations, meetings and conversations on various occasions) on a continuous basis. The objective is to acknowledge feedback and expectations for use in improving its operations for greater efficiency of the operations to serve sustainability purposes.





Stakeholder	Sustainability issues	Communication channels and engagement
1. Employees	<ul style="list-style-type: none"> <li>Fair employment and treatment with no discrimination</li> <li>Fair remuneration and welfare with no discrimination, reflecting the cost of living</li> <li>Safe working condition in good and hygienic environment</li> <li>Knowledge development and career advancement</li> <li>Respect for human rights</li> <li>Encouragement of participation in determining the directions for Company operation and development</li> </ul>	<ul style="list-style-type: none"> <li>Group discussions</li> <li>Announcement and information dissemination on the Company's Intranet</li> <li>Staff survey and channels for opinion reception</li> <li>Opportunities for employees to play a part in the provision of welfare and management of workplace safety, as well as other matters</li> <li>Company activities</li> </ul>
2. Communities	<ul style="list-style-type: none"> <li>Mutual support</li> <li>Joint community development efforts; vocation, health, knowledge and cultural promotion</li> <li>Waste and air pollution management</li> <li>Environmental care and protection</li> </ul>	<ul style="list-style-type: none"> <li>Dialogues and meetings</li> <li>Company website</li> <li>Meeting community members on various occasions</li> <li>Maintaining communication and implementation of community development projects jointly by the Company and communities</li> </ul>
3. Customers	<ul style="list-style-type: none"> <li>Quality safe goods delivered timely</li> <li>Provision of accurate, truthful and useful information to customers</li> <li>Having in place a procedure for receiving and handling complaints</li> </ul>	<ul style="list-style-type: none"> <li>Having in place a system and procedure to lodge complaints regarding product quality and safety</li> <li>Company website</li> <li>Occasional visits</li> </ul>
4. Government agencies	<ul style="list-style-type: none"> <li>Compliance to laws</li> <li>Fostering good relationships</li> </ul>	<ul style="list-style-type: none"> <li>Strict compliance and reporting</li> <li>Company website</li> <li>Paying calls on public sector agencies on occasional basis</li> </ul>
5. Distributors	<ul style="list-style-type: none"> <li>Fair and equitable treatment</li> <li>Timely delivery of safe products with good quality as agreed</li> </ul>	<ul style="list-style-type: none"> <li>Monthly meetings</li> <li>Company website</li> <li>Group discussions</li> </ul>
6. Banks	<ul style="list-style-type: none"> <li>Conforming to agreements made in a transparent and accountable manner</li> </ul>	<ul style="list-style-type: none"> <li>Paying occasional visits</li> <li>Company website</li> </ul>
7. Raw material suppliers	<ul style="list-style-type: none"> <li>Adhering to trading terms and conditions; honest and fair competition</li> <li>Exchanges of knowledge and joint development undertakings; conducting business fairly within the legal framework</li> </ul>	<ul style="list-style-type: none"> <li>Group discussions</li> <li>Company website</li> <li>Annual report</li> </ul>

Stakeholder	Sustainability issues	Communication channels and engagement
8. Contractors	<ul style="list-style-type: none"> <li>Ensuring proper hiring</li> <li>Ensuring safe working condition</li> <li>Giving equal rights</li> </ul>	<ul style="list-style-type: none"> <li>Having in place transparent and accountable processes of contractor selection and evaluation</li> <li>Group discussions</li> <li>Company website</li> </ul>
9. Shareholder	<ul style="list-style-type: none"> <li>Shareholders' right</li> <li>Equitable treatment of shareholders</li> <li>Reporting operating results accurately, completely and timely.</li> <li>Regular dividend payouts and continuing company growth</li> <li>Having transparent management and offering opportunities for participation</li> </ul>	<ul style="list-style-type: none"> <li>Convening Annual General Meetings of Shareholders to offer an opportunity for shareholders to express their opinions and make recommendations</li> <li>Company website</li> <li>Dissemination of Annual Reports, Form 56-1 and other reports</li> </ul>

#### Supply Chain for manufacturing noodles and semi-finished food



## Sustainable business operation

### 1. Operating business with fairness

The Company conducts business fairly, treating trading partners equitably in accordance with trading terms and conditions within the framework of honest and fair competition with mutual benefits in mind. It does not demand or agree to accept any assets or benefits beyond the trading agreements. It has adopted an anti-corruption stance and non-infringement of intellectual property and promotes social responsibility.

### 2. Anti-corruption

The Company is managed according to good corporate governance principles with proper delegation of duties and responsibilities. It has prescribed regulations in support of implementation of good corporate governance policies. It follows the eight corporate governance principles, business ethics, and the Code of Conduct of the directors, executives and employees in order to bring about fair and transparent competition, compliance to laws and anti-corruption determination.

### 3. Respect for human rights

The Company respects human dignity and human basic rights and provides equal treatment with no discrimination or support for any activities violating human rights. It imposes no restrictions on freedom or diversity of beliefs, gender, race, religion, politics, or any other matters and refrains from expressing opinions which might lead to conflicts or divisiveness.

### 4. Fair treatment of labor

The Company treats employees equitably and fairly with no discrimination. It promotes equal employment opportunities, with no discrimination based on gender, skin color, race, religion, age, disability or any other characteristics not related to work performance. It remunerates employees fairly, at levels commensurate with skills, competence, responsibility and performance. It provides welfare, facilities and workplace safety and hygiene. It encourages and supports training and knowledge development, offering career advancement in accordance with individual employees' potential. It also encourages employees to play a part in determining the direction of Company operations and in its CSR endeavors.

### 5. Responsibility for consumers

The Company is committed to producing quality goods which meet international standards, are safe for consumers and are environmentally friendly. It relentlessly looks for innovations to add value to its goods and services, adhering to honesty, integrity and non-infringement of customers' rights. It also provides information necessary for decision making without withholding or distortion. It keeps customers confidential information, not dishonestly using it for own benefits or for the benefits of related parties.





#### 6. Care for the environment

The Company conducts business in compliance with laws, regulations and policies related to the environment, bearing in mind the impacts on natural resources and the environment. It reviews and assesses its operations periodically, utilizing resources economically. It takes treatment and rehabilitation measures as well as replacement, and monitors and prevents undesirable impacts on natural resources and the environment. It has fostered organizational culture and awareness among employees at all levels to instill a sense of cooperation and responsibility in managing the environment and economical utilization of resources. It also has in place a system to select trading partners in the supply chain based on their environmentally friendly ways of doing business.

#### 7. Development and sharing of innovations resulting from operations with responsibility for society, the environment and stakeholders.

The Company encourages development of innovations in order to create value for goods and services and promotes participation in innovation development for balances and value of communities, society and the environment.

#### 8. Participation in community and social development

In conducting business, the Company bears in mind its duties and responsibilities for communities and society. It instills awareness of responsibilities for communities and society within the Company and among all employees. It requires that measures be in place to prevent and mitigate impacts of Company operations on communities and society. Activities are also conducted for the benefit of communities and society at large.

### Identification of material aspects

The Company made assessment of sustainability material topics by applying principles of Global Reporting Initiative standards. Prioritization of topics is based on significance for the Company and for the stakeholders. Topics with considerable importance for the Company and the stakeholders are disclosed in this report.





## Validation and endorsement

Prioritization of the material topics has been validated and approved by Company top management.

## Sustainability framework

The Company has identified significant issues affecting the stakeholders and impacting the organization's success and sustainability in economic, environmental and social aspects as follows:

Aspect	Significant sustainability issues	Contents covered in the Report
Economic	1. Good corporate governance	<ul style="list-style-type: none"> <li>• Good corporate governance principles</li> <li>• Risk management</li> <li>• Compliance to relevant laws and regulations</li> </ul>
	2. Business conduct	<ul style="list-style-type: none"> <li>• Economic aspects of operating results</li> </ul>
Environmental	1. Environmental management	<ul style="list-style-type: none"> <li>• Good factory management</li> <li>• Pollution prevention</li> <li>• Environmental management systems</li> <li>• Climate change</li> </ul>
Social	1. Fair procurement	<ul style="list-style-type: none"> <li>• Working with partners</li> </ul>
	2. Anti-corruption	<ul style="list-style-type: none"> <li>• Anti-corruption</li> </ul>
	3. Fair labor treatment and respect for human rights	<ul style="list-style-type: none"> <li>• Employee recruitment and selection</li> <li>• Taking good care of employees</li> <li>• Personnel development</li> <li>• Workplace safety, occupational health and condition</li> <li>• Respect for human rights</li> </ul>
	4. Food quality and safety	<ul style="list-style-type: none"> <li>• Responsibility for consumers</li> <li>• Company innovations</li> </ul>
	5. Community and social development	<ul style="list-style-type: none"> <li>• Participation in community and social development activities</li> </ul>



## Risk Management

### Risk Management Policy

Thai President Foods Public Company Limited is determined to implement Risk Management System for the whole organization in an integrated manner to be in line with our Vision and Mission. The Company shall monitor, evaluate and manage any potential risks in a systematic way to be able to achieve corporate target effectively.



The Company has specified a risk management framework to align it with the organization's vision and missions for clarity and appropriateness in setting strategic goals.

In 2019, the risk management framework was executed to manage risks as assessed by the various units in order to reduce them to tolerable levels. Supervision and management of risks rest with the units doing the assessment based on the risk factors potentially affecting the ability to attain the organization's objectives and goals. The following outlines the assessment of the risk factors:

#### Internal risk assessment results

##### 1. Strategic risks

Strategic risks affecting the operations for achievement of the Company's goals. Assessment of risks on domestic and foreign sales, as well as risks associated with innovations, new technologies and product development has been executed.

##### 2. Operational risks

Operational risks can potentially affect the efficiency of the work processes and attainment of the organization's key objectives.

- Risks arising out of customer complaints regarding food quality and safety based on international standards.

- Risks associated with retaining and developing human resources with good potential to accommodate business expansion, in terms of, for example, expressed competencies of personnel, preparation of personnel to replace retired employees and finding successors for key positions.
- Risks concerning maintaining and controlling production as planned.
- Risks in controlling the costs of materials and raw materials.

### 3. Financial risks

Exchange rate fluctuation is assessed as it can potentially affect the Company's operating results caused by foreign exchange gains or losses.

### 4. Compliance risks

Assessment of risks associated with food laws in the trading partner countries which may affect the organization's reputation and image.





### 5. Environmental risks

The Company conducts assessment of risks associated with climate change; e.g., drought, which is a key factor potentially affecting the business in terms of raw material shortages or insufficiency as well as rising costs.

### Management of risks in the organization

1. The organization's risk appetite is determined and deviation from risk tolerance is assessed.
2. The likelihood and impact of major risks are assessed. In assessing the likelihood, the frequencies of past events and forecast of future events are considered. Impacts of events may or may not be in monetary form (e.g., public views and achievements).

IMPACT	5 Extremely High	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Moderate	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Very Low	1	2	3	4	5
		1 Very Low (Difficult)	2 Low (Less)	3 Moderate (potential)	4 High (Very possible)	5 Extremely High (sure)
LIKELIHOOD						

	<b>E</b>	Extremely High	Extremely High (20-25)	Unacceptable : Well Management plan needed
	<b>H</b>	High	High (8-16)	Unacceptable : Management plan needed
	<b>M</b>	Moderate	Moderate (3-6)	May Acceptable : Monitor closely
	<b>L</b>	Low	Low (1-2)	Acceptable : No action needed

3. Inherent risks and residual risks are assessed. Risk monitoring is conducted using Key Risk Indicators (KRI's) and trigger points. The Company also has in place a risk management plan and operating procedures for monitoring risks with greater accuracy, and continuous and effective monitoring of risk management results.
4. There is a Business Continuity Plan to deal with major risks which would have significant impacts on the operation in crisis.

#### **Corporate risk factors**

The factors which may affect the Company are, for examples, social, economic, political, technological and environmental ones. In certain circumstances, changes of such factors are inevitable. Measures have been taken to ensure that the Company is in a position to attain its objectives despite such changes, as follows:

##### **1. Risks affecting the environment**

As the Company attaches utmost importance to the environment, a unit has been specifically established and tasked with controlling, taking care of and assessing environmental impacts. Waste is segregated properly in accordance with the environmental management system. Standard waste water treatment systems are in place. The Company uses natural gas (NG) to generate steam in place of fuel oil to reduce environmental impacts; coal is used as fuel with an efficient air pollution control system; and air quality is constantly measured to ensure that legal standards are attained.

##### **2. Risks from product quality and safety**

The Company recognizes the importance of producing consistently good quality safe goods and has made this one of its primary missions. As a food producer, the Company bears in mind the extreme importance of cleanliness and safety in production processes which have been upgraded and granted international certifications such as GMP, HACCP and BRC. Care is taken at every step, from material sourcing to transportation of finished products for consumer safety. The Company also invests in research and development with regard to the production process and machinery to ensure consistency and precision. Channels have been put in place to receive customer complaints in order to acknowledge problems and to make clarifications. These measures are aimed at inducing customer confidence and satisfaction with the Company's products.

##### **3. Risks from change in consumer behavior**

Economic, social value, communication and technological changes cause rapid changes in demands for consumer goods that may affect the Company's growth. Consequently, the Company needs to develop products to match such changes. It conducts studies of consumer behavior and satisfaction, both domestically and abroad, in order to be able to develop and adapt products to suit market demands and to satisfy customers in order to mitigate these risks.

##### **4. Risk of Distribution Channel**

Risk of Dependency to Major Distributor of Instant Noodles, Semi-finished Foods, and Biscuit Product Domestic Sales of Instant Noodles and Biscuit Product of the Company, both of which was accounted to be the major proportion of total Sales, was sold to Saha Pathanapibul PLC., (SPC), which was the large distributors of consumer products in the country, as high as more than half of total domestic sales of the Company. However, SPC is major shareholder of the Company and has established business relationship with the Company for a long time, thus ensuring to carry on business volume with the Company. However in order to reduce the risk of dependency to major domestic distributor, the Company has put effort to increase exporting proportion, and established the working panel to expand the other distribution through our Subsidiaries.



## 5. Risks from dependence on a small number of suppliers

As the majority of raw materials used in the production are agricultural produce (e.g. wheat flour and palm oil), the Company can source them domestically or from foreign countries, such as Australia, Malaysia and Japan. Therefore, there are no problems or raw material shortages. Besides, the fact that the Company has a large number of suppliers of raw materials and materials, procurement risks in the event of losing certain trading partners are reduced. The Company also have full freedom in price negotiation and quality selection. In addition, no distributors have sales volumes greater than 30% of total sales (for main raw materials used in large quantities such as wheat flour and oil palm). Contracts are signed in advance with some distributors to reduce risks in terms of prices and delivery quantities. The contracts, made quarterly or annually, specify the amounts, prices and delivery time. According to the raw material cost structure, no raw material items are used in excess of 50%.

Apart from the risks cited above, the Company may be exposed to other unidentified risks which may affect its operations due to changes in internal and external factors occurring after the Company's risk assessment.

### Emerging risks

The Company constantly monitors the business environment in recognition of its importance as it can vary with the global circumstance anytime, in order to be prepared to adjust its strategic plan and steer in the appropriate direction suiting the changing situation.

As EU countries have enacted laws banning the use of oil palm as raw material for fuel production, and there are emerging campaigns among the EU populations against oil palm consumption, major oil palm exporters, such as Indonesia and Malaysia, can export lower quantities of oil palm to EU countries, resulting in excess supplies, which have to be diverted to other trading partner countries at lower prices, and thus the fall of oil palm prices in Thailand.

If this situation persists, oil palm planters may turn to other crops yielding higher prices. This may lead to instability of the part of food industries using oil palm as a major raw material.

The Company has therefore mapped out a business plan based on a study on the use of rice bran oil which does not affect the quality of the products, and has started to export palm oil free instant noodles to some Scandinavian countries. In addition, research has also been conducted on using hot air in cooking noodles in place of frying in palm oil, as an additional choice for consumers.



## Compliance to relevant laws and regulations

Importance has always been attached to conducting business in compliance to relevant laws and regulations. Processes have been adjusted to comply with legal requirements in the belief that proper and legal operations in compliance to domestic and foreign legal and regulatory requirements will lead to credibility and acceptance. All executives and employees have to strictly abide by laws, regulations and policies in their business operations to avoid repercussions on management and to earn credibility and acceptance. The specified work plan calls for periodic reviews of the compliance supervision.

### Actions for compliance to laws and regulations

Assigned officials of the Company have a duty to collate and itemize laws and regulations relevant to Company operations in the Company Registration of Laws and Regulations so that details of the legal and regulatory requirements are summarized and provided to the various units to ensure strict compliance.

Updating of relevant laws and regulations is required to be executed on a periodic and regular basis. The Company has assigned officials in charge of verification with law-issuing bodies and monitor changes on websites of service providers. Old prescriptions will be replaced by new ones and the Registration is constantly updated.

### Audit

To ensure that the Company operates business in compliance to relevant laws and regulations, it requires that the operation be subject to regular auditing by Internal and External Auditors in accordance with the Audit Plan.

#### Internal audit

Auditing is of utmost importance to the Company as it reveals whether the status and efficiency of Company operation are as specified. The Company has an internal audit function to monitor and assess its conformity with legal and regulatory requirements. In case discrepancies are detected, relevant departments will be notified for immediate correction.

#### External audit

The Company is audited for compliance to laws and regulations by relevant government agencies on a regular basis. In addition, auditing is constantly performed by various certification bodies, such as those for ISO 9000, ISO 14000, GMP, HACCP and BRC.

### Compliance

As a result of acting in conformity with relevant laws and requirements of the government sector and other agencies related to the Company business, the Company in 2019 was a compliant organization.



## Economic aspects

### Overview of the operation

Item	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Total revenue (Million Baht)	24,735	22,884	14,589	13,252
Net profit (Million Baht)	3,943	3,404	2,935	2,582
Earnings per share (Baht)	11.96	10.33	8.90	7.83

### 1. Operating business with fairness

The Company conducts business fairly, treating trading partners equitably within the framework of honest and fair competition with mutual interest in mind. It has adopted an anti-corruption and non-infringement of intellectual property stance.

- **Working with trading partners**


The Company honors trading conditions and agreements. It does not demand or agree to accept any assets or benefits beyond the trading agreements. It promotes free, honest and fair competition, treating trading partners equitably on the basis of fair competition with mutual respect and good relationships. The Company pays occasional visits to the partners' premises in order to assess their operational potential. It also notifies trading partners of required behaviors in accordance with the rules for working together. Importance is attached to procurement procedures as they are vital to the control of the quality of raw materials and materials as well as costs. Emphasis is therefore placed on transparency and accountability and maximum Company benefits. Over the past period, there were no cases where the Company failed to honor its commitments with trading partners. Work procedures have also been adjusted to suit sustainable raw material sourcing standards; e.g., the Unilever Responsible Sourcing Audit (URSA) for integration of human right risks with the states supplying main commodities and raw materials, in order to pursue the Responsible Business Partner Policy.



#### Management of trading partners

To ensure that the Company's trading partners operate in a way that meets the specified standards, and are capable of responding to greater demands for goods and attaining the objective of maintaining the quality of goods and good relationships with the trading partners as well as to instill awareness of the Company's sustainability standpoint, the Company has taken the following actions:

1. Establishment of criteria for recruiting and selecting new vendors based on food quality and safety, operating standards and responsibility for society and labor.

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2. Assessment and review of vendors to encourage them to maintain or improve their quality, which will in turn contribute to their sustainable and solid growth.
  3. Making fair sales and purchase agreements or hiring agreements with trading partners.

#### Supply chain management

In doing business, the Company adheres to good corporate governance principles, fairness, transparency and compliance, and recognizes every stakeholder group. Vendors and service providers are a stakeholder groups to whom the Company attaches importance. Hence:

1. The good corporate governance principles and the policies towards occupational health and safety, the environment and society which the Directors, Executives, employees as well as trading partners are expected to conform strictly with and to practice are communicated.
2. Equitable, accurate, clear and complete information is provided to vendors/service providers with no discrimination.
3. Partnership is based on good relationships, morality and ethics, transparency and mutual respect so that the same business direction is shared and both parties can grow together in a sustainable and secure way.
4. The Company promotes and encourages procurement of environmentally friendly raw materials, supplies and services.
5. Procedures have been established to examine and assess trading partners, using Vendor Visit Check Sheets / Supplier Self Audit Forms for potential determination and risk assessment in various areas. Remedial plans are mapped out, followed by post-remedy evaluation based on the quantity, quality and safety of production and delivery in accordance with Company requirements and in compliance to requirements of labor laws, environmental laws and relevant management standards, such as ISO 9001, ISO 1400, GMP, HACCP and BRC.
6. The anti-corruption policy is communicated suppliers/service providers. The Company also promotes knowledge and understanding regarding execution of the anti-corruption policy and the do's and don'ts under the policy, particularly those concerning taking and giving gifts, property or any other benefits, as well as whistleblowing and complaints. These are made known in writing to suppliers/service providers. The policy and the do's and don'ts are also disseminated through the Company website [www.mama.co.th](http://www.mama.co.th). Major trading partners are also invited to join the Company's TFMAMA alliance by making a declaration of their intent and determination to counter all forms of corruption in order to do business together in a transparent manner which will serve as the basis for secure and sustainable business.

## 2. Anti-corruption

The Board of Directors of the Company recognizes the importance of operating the business under the good corporate governance principles and business ethics. The Board is determined to run the business with fairness, integrity, transparency and accountability in order for the Company to be managed efficiently and earn trust from all stakeholders. The Company's view is that frauds will undermine business competitiveness and obstruct development of the organization and the country. An anti-corruption clause has therefore been included in the Corporate Governance Policy. The Board, on October 16, 2017, approved the Anti-Corruption Policy and Actions to Execute the Anti-Corruption Policy Number 1, which was reviewed and revised for the second time on June 19, 2019. a written provision was included, saying "The Directors, executives and employees are prohibited from accepting or supporting any form of corruption, either directly or indirectly". The Anti-Corruption Policy is subject to annual reviews.





On February 18, 2014, the Thai President Foods Public Company Limited joined, for the first time, the declaration of intent to be a member of the Private Sector Collective Action Coalition Against Corruption, and its membership was certified on July 22, 2016. (The certification had been valid before the amalgamation which took place on October 16, 2017.)

After making the Anti-Corruption Policy, the Company, in a move to promote understanding of how the the Anti-Corruption Policy Number 1 is to be executed, made a requirement that the Policy be communicated to the Directors, executives and employees through various channels, including company induction programs, training and seminars, bulletin boards, a QR code and the Company Intranet.

2019 still saw the Company's firm commitment to executing the Anti-Corruption Policy. The Company's membership in the Private Sector Collective Action Coalition Against Corruption was renewed for the first time in Q1/2019.

As for activities in 2019, anti-corruption knowledge continued to be imparted to the Board of Directors, Management and employees. The move was also extended to cover external trading partners. On November 27, 2019, the Company applied to be a CAC Change Agent in order to invite SME trading partners to make a declaration of their intent under the CAC SME Certification Program in order to enhance the country's transparency and sustainability. In addition, on December 25, the "No Gift Policy" was announced for the second consecutive year to demonstrate the intent and join the no-gift campaign on the New Year and other festivals. The policy was publicized on Thai CAC's Facebook and Company website [www.mama.co.th](http://www.mama.co.th)

### 3. Respect for human rights

The Company respects the human rights of all employees. They are treated and honored equally in terms of personal safety and workplace rights, with no abuses or bullying in any form. Over the part period, there were no records or court cases in which the Company was involved in violation of human rights. A system is also in place for reviews of rules and regulations pertaining to workplace security which does not violate human rights of employees or other related individuals (e.g., installation of closed-circuit TV's and vehicle search before factory exiting).

The company also offers opportunities for employees to make recommendations regarding welfare, workplace condition and occupational safety and health, though their representatives who are members of the Welfare Committee and the Occupational Safety and Health Committee.

Employment equality is also recognized. There is no discrimination and handicapped 32 persons are employed. As a result of complying with the laws and observing business ethics as well as the Company's practice guidelines for human rights, during 2019, there were no complaints or incidents related to human right violation or discrimination.

#### Employee Data

Data	2019		2018	
	Number (persons)	Percentage	Number (persons)	Percentage
Total Employees	5,714	100.00	5,379	100.00
Employees classified by gender	5,714	100.00	5,379	100.00
• Male	2,165	37.89	2,063	38.35
• Female	3,549	62.11	3,316	61.65
Employees classified by level	5,714	100.00	5,379	100.00
• Top Management	1	0.02	1	0.02
• High Level Managers	8	0.14	8	0.15
• Intermediate Managers	16	0.28	16	0.30
• Supervisors	190	3.33	187	3.48
• Monthly-basis Employees	826	14.46	810	15.06
• Daily-basis Employees	4,673	81.78	4,357	81.00
Employees classified by age group	5,714	100.00	5,379	100.00
• 18-20 years	218	3.82	183	3.41
• 20-25 years	1,241	21.72	1,122	20.86
• 25-30 years	1,015	17.76	780	14.50
• 30-40 years	1,496	26.18	1,525	28.35
• Over 40 years	1,744	30.52	1,769	32.88
Employees classified by age range	1,310	100.00	1,540	100.00
• 18-20 years	174	13.28	315	20.45
• 20-25 years	535	40.84	681	44.22
• 25-30 years	264	20.15	228	14.81
• 30-40 years	263	20.08	278	18.05
• Over 40 years	74	5.65	38	2.47
New hires classified by gender	1,310	100.00	1,540	100.00
• Male	501	38.24	580	37.66
• Female	809	61.76	960	62.34
Turnover classified by age group	2,036	100.00	1,637	100.00
• 18-20 years	132	6.48	162	9.90
• 20-25 years	764	37.52	655	40.01
• 25-30 years	440	21.61	323	19.73
• 30-40 years	526	25.83	360	21.99
• Over 40 years	174	8.55	137	8.37

Data	2019		2018	
	Number (persons)	Percentage	Number (persons)	Percentage
Turnover by classified by gender	2,051	100.00	1,637	100.00
• 18-20 years	687	33.50	590	36.04
• 20-25 years	1,364	66.50	1,047	63.96
Returning to work after maternity leave				
• Employees taking maternity leave	81	100.00	105	100.00
• Employees Returning to work after maternity leave	78	96.30	84	80.00

#### 4. Fair treatment of labor

Human resources are viewed by the Company as an important factor of the business which is instrumental in creating value added and increasing production. Importance is therefore attached to taking care of employees and treating them fairly, making them happy at work by maintaining a good work-life balance and creating good mutual understanding among them and between them and the Company – a foundation for good labor relations.

##### • Employee recruitment and selection

As recruitment and hiring employees are seen as very important, the Company adopts the basis of fairness and equality, with no discrimination against the gender, race or religion. Fair performance appraisals with no discrimination are practiced, applying Key Performance Indicators (KPI's) for use in determining remunerations. Salary adjustment and bonuses are used to boost morale and for career advancement.

##### Employee participation

Employees are allowed to share their opinions through their representatives in the Welfare Committee and the Occupational Safety, Health and Environment Committee. They can also express their opinions and make recommendations through various channels such as opinion boxes and the complaint takers. Their opinions and recommendations are used in adjusting their welfare to appropriate levels.

On November 17, 2019, there was an election of the three-member Safety Committee and the five-member Welfare Committee, with two teams, each comprising eight members running in the election.





- **Care for employees**

#### Health promotion

The Company takes good care of employees' health, providing welfare and organizing health-related activities for them in order to promote their physical, mental and emotional health. Examples are after-work exercising, annual check-ups, healthy canteen activities, training in drug and cigarette dangers and random drug testing. Several health-related activities were conducted during 2019 for employees throughout the Company, including check-ups by a private hospital on November 15, 2019.



#### Savings promotion

In recognition of the importance and usefulness of savings, the Company encourages its employees to be aware of financial planning, including saving up for their retirement. A special lecture was given on this topic to impart knowledge to them.

- A speaker from the Stock Exchange of Thailand was invited to give a special lecture on savings on December 12, 2019.



- **Personnel development**

One of the missions of the Thai President Foods is to develop its personnel to make them knowledgeable and skillful in their operation in order to upgrade their efficiency and make the Company a learning organization for everyone. Employees are recognized as the Company's most valuable asset. The Plan for Development of Human Resources and Instilling Core Values in Harmony with the Business Strategies calls for the following personnel development strategies:

- Human Resources Management System Specification of the structure and levels of management, job descriptions, and manpower planning of each unit, and promotion of the Company's core values
  - "TF-POWERS" - which are considered core competencies for all employees.
- Leadership competencies have been prescribed for all managerial levels to develop the skills of managers and employees as follows:
  1. Setting direction
  2. Delivering results
  3. Driving change & innovation
  4. Leading a winning team
  5. Engaging stakeholders



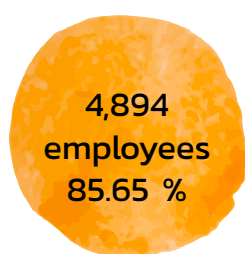
During 2019, the Company organized a leadership competency improvement session on a topic “Changing for Growth”, designed to prepare the managers for the age of digital disruption and to adapt to the rapidly changing environment. The course also covered coordination within the organization along a shared path for efficiency and team leading capability improvement.

- In order to ensure preparedness for succession of incumbents of important positions, a succession plan has been mapped out and potential successors prepared.

In addition, an annual training plan was prepared for employees in all positions and for those in certain designated positions, as well as for professional training. Refresher training is also provided for all levels on a yearly basis.

#### Training in 2019

All trained employees



Number of courses



Average training hours  
per employee per year



- **Workplace safety, occupational health and condition**

#### **Company Policy of product Quality, food Safety, Occupational Health and Environmental**

Thai President Foods Public Company Limited is committed to produce high quality products that are safe, comply with related laws and regulations and meet customer's specifications. Our activities shall take environmental, occupational health and safety of all stakeholders into consideration to bring the most satisfaction to our customers. Each and every person in the organization is responsible for the continual improvement of product quality and sustainability.

Employees are considered valuable assets. The Company therefore attaches importance to safety, occupational health and the working environment. In order to improve the quality of their work life, the Company has been consistently conforming to the TIS 18001 and the OHSAS18001, which govern management of occupational health and safety in its production processes, which have also been developed on an on-going basis. The following policies, standards, operating procedures and activities have been set forth.

### Safety

The Company attaches importance to workplace safety and condition, as well as impact on employees' health. It has specified regulations, work procedures and work standards to ensure safety, and safety is regularly monitored and assessed in order to prevent and minimize damage to life and property of the Company, employees, trading partners and all related parties.

During 2019, the Company's injuries calculated based on total case incident rate (TCIR), which is the number of work-related injuries per 100 full-time workers during a one-year period, was 0.99 injuries/100 employees / year, which was lower than the rate of 1.0 injuries/100 employees/year of organizations (or lower) with good safety standard.

### Occupational health

As taking care of employees' health is deemed important, the Company has taken steps in this regard, starting from instilling knowledge and care for good health among them by:

- Posting on billboards and sending by email information about illnesses from which employees frequently suffer or current epidemics for employees to become aware and take proper precautions.
- Inviting doctors to make presentations on diseases. On June 12, 2019, there was a presentation on "Managing work stress".
- Arrangements were made for on-premise blind massage on Fridays.



### Workplace condition

Workplace conditions are subject to monitoring, consisting of measurement of heat, noise, lighting, air quality and chemicals, including dust generated from working activities. The purpose is to ensure that employees operate in a suitable environment, safe from impacts on their safety and health.

### Safety promotion

The Company places emphasis on building on employees' potential through training activities organized to suit their job requirements and are applicable to their jobs. It also bears in mind their safety and good health. Examples are training courses in Supervising Skills, 5S for Productivity Improvement, Basic Fire Training, Fire Drilling and the Use of Necessary Equipment. A good working conditions are created. Love and a sense of unity are promoted among employees through joint relationship-strengthening activities as well as helpfulness among them like they are in the same family.



## 5. Responsibilities for consumers

The business of the Company is based on ethics and morality. With no infringement of intellectual property, the Company is determined to create food innovations through the use of technologies and modern machinery in the production processes. At the same time, human resources are developed for enhancement of knowledge and expertise to respond to market and customer requirements. The Company also strictly upholds business ethics concerning protecting privacy and confidential information of customers at all levels.

### Responsibility for food quality and safety

Quality management starts from product R&D based on customer requirements and legal and regulatory requirements of the country in question, the results of which are used in product design. After completion of prototype development, every step of the production process is under meticulous care, from selection of quality raw materials, raw material cleaning, raw material contamination control, production, packaging, and transportation. Control of quality, cleanliness and safety is considered important to arriving at food products with best quality and maximum safety – which is the heart of the business. The company also maintains international standard certifications, such as:

1. Quality management system (ISO 9001 : 2008)
2. Good Manufacturing Practice : GMP
3. Hazard Analysis and Critical Control Point : HACCP)
4. British Retail Consortium (BRC) from which The Company received traceable certification and is regularly audited for food quality and safety.

In consideration of consumers' opportunities and physical protection, the Company has procured product liability insurance with domestic and international coverage on a continuous yearly basis.

### Responsibility for marketing communication/promotion of nutritional knowledge

- The focus of the Company's marketing communication, advertising and public relations is on provision of accurate, complete and truthful information.
- The Company's labelling is in accordance with international practice as required by the Office of the Consumer Protection Board (OCPB) and the requirements of the country to which the products are exported to ensure that consumers are provided with accurate information.
- Accurate information is displayed on the labels, such as nutrition fact or the guideline daily amount (GDA) or information specific to rice products (e.g., Gluten Free, Low Fat, Low Calories or No preservatives). Such displayed information resulted from scientific testing by standardized laboratories certified by the Food and Drug Administration of the Ministry of Public Health.
- Labels of products containing allergens, however small the amounts are, display accurate, clear and sufficient information to assist consumers in making comparisons and buying decisions. Measures are also in place to verify and prevent allergen contamination.
- The Company provides a space showing telephone numbers of the Customer Relation Department for domestic toll-free calls or regular calls from abroad for consumers to make inquiries regarding products and to facilitate their notification to the Company of product problems found. Officials of the Department have been trained in correct procedure for providing service with proper etiquette in a friendly manner.
- The labels also display manufacturer information and the company website as additional channels for contact and inquiries.



### Educating consumers in healthy food consumption

Presently, sugar, fat and salt (sodium) are consumed in excessive amounts, causing health problems. One reason is because the majority of consumers do not understand or pay attention to nutritional facts indicated on the packages, which contain information about the amounts of substances which will be intakes from each food. The Ministry of Public Health issued “Notification Number 373 (B.E.2559) re: Display of Nutrition Symbols on Labels” to help consumers in their making food buying decisions to have good nutrition balances.

The Company recognizes the role it should play in the promotion of good nutrition among consumers. Presently, 23 of its products – instant noodles, instant rice vermicelli, instant broad rice noodles, porridge and boiled rice – display “Healthier Choice” nutrition symbols for quick communication with consumers making a decision to buy food with nutrition values of their choice.



On September 13, 2019, the Company was awarded a certificate for its “voluntary reduction of salt or sodium in food products” by the Food and Drug Administration, as part of the “Eat Wisely, Eat Less Sodium” event held to bring about awareness of the need to cut down salt or sodium consumption and the importance of balanced diets for healthy living.



- **Complaint handling procedure and complaint logging systems**

The Company provides various channels to receive comments, criticisms and complaints from customers or consumers and responds to complaints in a speedy and efficient manner. Customer relation services are provided through the Company website [www.mama.co.th](http://www.mama.co.th). and the Call Center: 662-374 7955.

In 2019, there were no records of significant customer complaints. General complaints were used for analyses to identify causes and deficiencies in order to take company-wide measures to resolve them and prevent them from recurring.



## 6. Care for the Environment

### • Good factory management

The focus is on taking care and checking of the factory to ensure that it is in good order and well maintained.

- Regular checking and maintenance of machinery and equipment
- Prevention of accidents which may be caused by the equipment, ensuring appropriate conditions of the lighting systems.
- Cleaning service to get rid of dust and dirt, including cleaning of the ventilation system.
- Keeping materials, equipment and goods in good order for convenience.
- Proper segregation and collection of waste.

### • Pollution prevention

Impact assessment covers the whole product life cycle, from acquisition of raw materials, the use of raw materials, waste generation, to finished products. Appropriate work procedures are put in place, measures taken and projects implemented to minimize or prevent impacts on the environment.

### • Environmental Management System

The Company recognizes its responsibility for the environment and attaches importance to it, strictly complying with relevant laws and regulations issued by relevant agencies. Importance is also attached to conservation of the environment at every stage of its operation, adhering to ISO-14001. Employees at every level are trained and retrained in proper care of the environment.

Fully aware of the impacts on the environment of the production processes which may potentially cause damage to communities and the business, the Company has taken measures to treat waste before it is discharged to the environment. Risks associated are constantly prevented and monitored. Examples are setting targets for production waste control, recycling of waste water for use in the factory, treatment of exhaust air from fuel combustion before it is discharged to atmosphere, measures for prevention of leakages of chemicals and fuel oil, and ordering coals packaged in big bags to reduce floating of coal dust.



Such measures, coupled with the Company's determination to develop its factories to international standards, resulted in certifications by several international standard certification bodies, such as ISO 14001 and carbon footprint labelling certification.

#### Natural resources conservation

Conservation has been made part of the Company's natural resources utilization management policy, along with utilization for maximum benefits. Natural resources conservation is therefore part of the Company's operation in compliance with requirements of relevant laws and regulations. Actions will continue to be taken in an appropriate manner to improve efficiency in energy utilization. Appropriate technologies and good practices will be employed for this purpose. Energy conservation is considered a responsibility of the proprietor, executives and employees at all levels who are expected to render cooperation in execution of this policy.

During 2019, the Company set a target for energy utilization for each product for use as a guideline in controlling energy consumption. Energy conservation measures were prescribed for each unit, with emphasis placed on achieving the energy consumption targets together, from the organization level, down to the production unit level. Projects were also launched to reduce energy consumption as follows:

- **Clean energy project**

Recognizing the importance of environmental conservation, pollution prevention and environmental impact minimizing, the Company launched an alternative energy "Clean Energy" project as a contribution to the support for achievement of the 13th SDG goal, Climate Action. Investment was made in early 2019 in a 996.60 kWp solar rooftop energy project for use in the factory in Ratchaburi Province. The project is expected to reduce CO<sub>2</sub> emission by 840 tons per year, in addition to reduction in electricity cost. It can also reduce radiation of heat into the building, lowering the temperature by 1-2 degrees Celsius.



- **Machinery Improvement Project**

- The use of solar collectors in the boiler's heating process for steam production to cut down fuel consumption.
- Constant monitoring and maintenance of the steam distribution system and steam trap insulation jackets
- Constant inspection and maintenance of water faucets and pipes
- Controlling scheduled condensate recovery





#### • The Project to Promote and Instill Energy Conservation Awareness

- Energy conservation campaigns; e.g., switching off air-conditioners 15 minutes before lunchtime and getting off work, and keeping the temperature around 25-26° C.
- Training/campaigns for employees at all levels to recognize the significance of energy conservation
- Organizing the SHEE Day activities to promote awareness of the importance of occupational health and safety and conservation of energy and the environment.

#### • The Total Productive Maintenance (TPM) Project

Recognizing the usefulness of systematic machinery maintenance management which can lead to maximum efficiency and prolonged use, as well as operators' safety, the Company in 2019 initiated the Total Productive Maintenance (TPM) Project. Focusing on participation of all parties in the organization, this management system allows operators to take care of the maintenance work themselves and reduces waste which, in turn, improves overall efficiency of the machinery. It also offers concrete measurement indicators. TPM Model Line activities under the project were commenced in March at all the five factories to offer know-how in machinery maintenance to the operators. The next step is to roll out TPM activities to all production lines. The Company expects that, in the long run, the project will contribute to improvement of the production efficiency.



#### Management of water pollution

Importance is attached to control of water pollution. All wastewater generated in the production processes goes to the factory's wastewater treatment system. The Company uses the activated sludge process (AS) in treating all wastewater from the factories to standard quality as specified by the Ministry of Industry. Treated wastewater is randomly tested by privately run laboratories authorized by the Department of Industrial Works on a monthly basis.

To reduce the use of limited underground water resource, the Company also promotes the use of treated water with plants in green areas of the factories and for cleaning roads/rainwater drainage in factory areas.

Unused treated water is pump into natural wastewater swamps with large capacity within the factory vicinity.

#### Management of industrial waste

Garbage and useless materials produced in the Company's operations are collected and disposed of properly to prevent contamination in the environment. They are sent to private companies authorized by the Department of Industrial Works for proper disposal.

#### • Climate change

The Company arranged for assessment of the organization context in connection with environmental management concerning climate change in relation to acquisition of agricultural produce raw materials and actions taken to prevent climate change impacts. The Company also has in place systems to prevent and control gas emissions, including multi cyclone dust collectors and wet scrubbers, which are efficient systems capable of eliminating 90-95% of dust and pollution gases. Regular monitoring of the air quality reveals test results all meeting set standards.

There was also a project to assess product glasshouse gas emission (product carbon footprint), using an analysis endorsed by the Thailand Greenhouse Gas Management Organization (Public Organization). The objective was to analyze and monitor all stages of greenhouse gas emissions throughout the production process, from acquisition of raw materials to disposal. This will lead to awareness which will in turn lead to developing production processes without impacts on the environment and climate change.

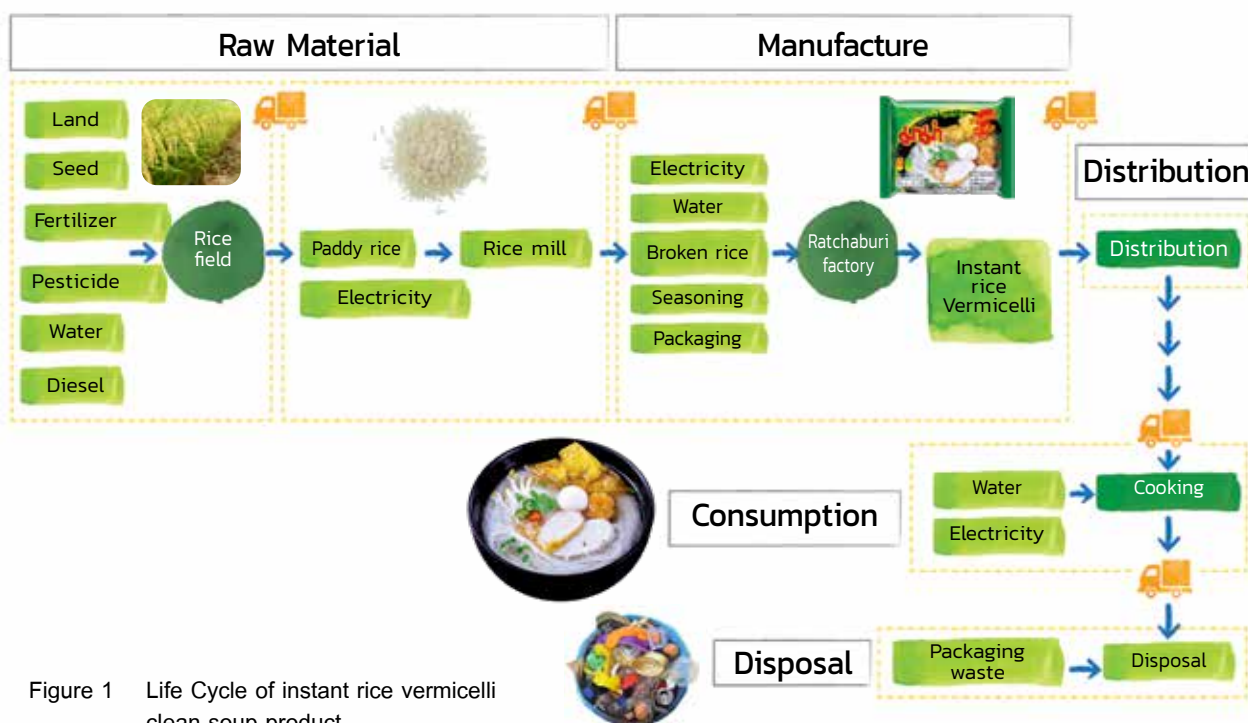


Figure 1 Life Cycle of instant rice vermicelli clean soup product



And on September 19, 2019, the Company received a certificate for participation in the “Carbon Footprint & Labeling Project” in the “2019 United Hearts for Global Warming Reduction” event from the Thailand Greenhouse Gas Management Organization (Public Organization). The certificate was awarded in recognition of the examples set by business operators and various agencies in managing and reducing emission of glasshouse gases within the country.



## 7. Company innovations

The Company firmly believes that innovations will add value to products and enhance operation efficiency if they meet expectations of customers and consumers. They will also add to the Company's competitiveness and enhance its sustainability. In 2019, the Company earned an increase in revenue from innovative products, compared to 2018. The clear results obviously met the requirements of consumers. Sales promotion campaigns for new and existing products regularly launched throughout the year also helped to generate satisfactory growth.

- **Innovative products**

**Instant noodles:** The continuing growth in sales of MAMA instant noodles in the Oriental Kitchen Group (OK Series) reflected the fact that the products were well received by consumers. New products were introduced in 2019 as a continuation from previous years to offer more diversity to satisfy consumer demands. These products included Oriental Kitchen Instant Noodles Stir Fried Salted Egg Flavor, which was very well received both on-line and off-line and helped to boost sales of the products in the OK Series by 80%.

**Cup instant rice noodles:** During the last quarter of 2019, the Company developed two new flavors of cup instant rice noodles to build on sales induced by “Leng Sab” flavor which was launched in 2018 and was very successful. The two flavors are MAMA Instant Rice Noodles Crab Curry Flavor and MAMA Instant Rice Noodles Spicy Stir-Fried Baby Clam Flavor. The Company is confident that the two new flavors will also be well received due to their spicy flavors suiting the taste of Thai people. The products are available in supermarkets and convenience stores.

**Cup Instant Rice Soup:** The success of Cup Instant Rice Soup Garlic Pork Flavor, which is both delicious and convenient, has increased the demand for products in this category as they are easy to digest, not fatty, stomach soothing and healthy. Three new flavors were introduced; namely, seaweed in egg soup, shrimp and “Leng Sab”. The products have been overwhelmingly received and sales of products in this category have doubled.








During 2019, the Company received two honorary mentions in the product category from Cup Instant Rice Soup and Instant Rice. The mentions were given under the Sahapat Group Innovation Contest 2019.



## Green innovations

### Product carbon footprint

The Company recognizes problems arising from climate changes, necessitating everyone in the country to join hands in taking care of the environment. As a result, the Company has been conducting carbon labelling for instant vermicelli and noodles every year. It has also adopted a policy to use more recyclable packages and less plastic, to the maximum extent possible. In 2019, the Company had four products joining the Product Carbon Footprint Program; namely, MAMA Instant Rice Vermicelli Clear Soup Flavor, Tom Yam Goong Flavor, Yentafo Flavor and Tom Yam Yentafo Moh Fai Flavor.

Product type	Year 2019
 <p>Instant rice vermicelli Clear soup flavor (g of CO<sub>2</sub>)</p>	 <p>264 g</p>
 <p>Instant rice vermicelli Tom yum goong flavor (g of CO<sub>2</sub>)</p>	 <p>248 g</p>
 <p>Instant rice vermicelli Yentafo flavor (g of CO<sub>2</sub>)</p>	 <p>245 g</p>
 <p>Instant rice vermicelli Yentafo moh fai flavor (g of CO<sub>2</sub>)</p>	 <p>237 g</p>

## Production innovations

Apart from developing products with new flavors to please consumers with deliciousness, the Company has improved its production lines in order to enhance competitiveness in terms of production costs. During 2019, various innovations were adopted to improve the production processes aimed at reducing energy consumption and labor, as follows:

- **Artificial intelligence** - the use of computers which are able to work like humans The Company recognizes the importance and usefulness of artificial intelligence for sustainable business. This is line with SDG 9, “Industry, Innovation and Infrastructure”, improving the production process through the use of artificial intelligence or using human-like computers. As an initial step, robots were developed to put packages into cartons, replacing humans for prolonged, repetitive tasks. This can solve labor shortage and work-related illness problems as well as problems of errors caused by fatigue arising from performing repetitive tasks for an extended period. The use of robots also ensures consistency of quality and precision. As a continuation from previous years, the Company selected a production line in the factory in Lamphun Province as a Model Line, a pilot project under which appropriate technologies would be adopted for further development. The results of the experimentation were satisfactory, showing a cost saving per year of 131,000 Baht per production line and loss was cut down by half. The model was then replicated in other production lines in the factory in Ratchaburi (two machines) and Chonburi (five machines). More machines have been planned for installation in future years.



- The new instant noodle production line at Sriracha factory, Chonburi Province. The 30-year-old production line was replaced by a new one with a capacity of producing 300 packs/minute. It has three advantages over the old one: 1) 40% reduction of steam energy requirement through the use of steam ejectors 2) reduction of labor as two fewer workers are required to arrange noodles for frying and 3) 12.5% reduction of oil for frying noodles through a new design of the pans.

- The instant boiled rice production lines at Banpong factory in Ratchaburi Province. As a result of the Company's R&D, the semi-automatic production line has been modified and upgraded to automatic ones. The move has simplified the production process and made the control the parameters more precise, enhancing operators' safety. The production capacity is three times higher than the old production lines, and can accommodate the rapidly growing demand. Consequently, sales of products in the instant boiled rice category has doubled from the previous year.





## 8. Participation in community and social development activities

The Company has adopted a policy of running the business in parallel with working with communities and society, with emphasis placed on improving the quality of life of the less privileged, education, youths, environment conservation, the quality of life in communities, sustainable co-existing with communities, conservation of local traditions and culture, support for important religious events and participation in solving community problems. Employees are also encouraged to participate in social development activities on every possible occasion.

**1. Improvement of the quality of life of the less privileged** The Company recognizes the importance of improvement of the quality of life of the less privileged by assisting them in their pursuing independent careers to support themselves and their families as well as to make good use of their spare time, thus creating value for themselves.

- **Activities in promoting and improving the quality of life of the handicapped**

During 2019, the Company joined the efforts in promoting and improving the quality of life of the

- handicapped under the Empowerment of Persons With Disabilities Act, B.E. 2550 (2007). The support was in the form of provisions of 32 entitlements for the handicapped as follows:
- Air-conditioner repairment: 4 entitlements
- Painter: 3 entitlements
- Occupational support (grocery) 2 entitlements
- Occupational support (laundromat) 1 entitlement
- Occupational support (food tricycle) 1 entitlement
- Employment by the Foundation for the Welfare of the Mentally Retarded (10 entitlements)
  1. Panyawutikorn School (7 entitlements)
  2. Panyakarn Vocational Training Center (3 entitlement)
- The Social Innovation Foundation Project (11 entitlements) :
  1. Massage service for employees of the Thai President Foods Public Company Limited (3 entitlement)
  2. Public health and five Health Promoting Hospitals (Chiengrai Province) (5 entitlement)
  3. Provincial Special Education Center and Rat Prachanukhro School (Lamphun Province) (4 entitlements)

- **“MAMA Volunteer Project”**

The Company has been conducting activities under the “Development of New Born Infants to Five-Year-Old Children Project”. The children are under the care of the Foundation for Slum Child Care at Ban Hang Kwam Wang (Home of Hope) on Soi Onnut 88, Bangkok

Date	Voluntary activities
February 27, 2019	Turtle and rabbit story telling
April 29, 2019	Butterfly making
June 28, 2019	Fish making
August 7, 2019	Owl making
September 26, 2019	Video learning
December 25, 2019	Mini Party Merry Christmas





One of the project's objectives is to enable the children to have social interaction with other children of their age, proper development - physically, emotionally, mentally and socially. Those with development delays are helped by development stimulation and those with severe abnormality are properly treated. This is to help these children grow up as quality adults. Another objective is to help them to have good health and active physical movement, to be able to help themselves, to be in a good mood, to know how to control their emotion, to be able to get along with others, to have self-confidence, to be assertive, to be able to concentrate, to have high IQ and EQ, to have good mental health and to be interested in learning from their environment.



**2. Education and youth development** Importance is attached to youth development for their growing up to be quality adults.

- **"Saturday School Season 8"**

MAMA instant noodles and Homey biscuits were provided as snacks for the learning activities under the 10-day "Saturday School Season 8" Project 2019. Nine schools took part in the activities; namely, Kaenthong Upatham School, Pianpin Anusorn School, Chaeng Ron Witthaya School, Mathayam Wat Dusitaram School, Wat Pathum Wanaram School, Wat Koh Suwannaram School, Wat Angkaew School, Rajawinit Prathom Bangkai School, and Wat Duang Khae School,

The Saturday School Project was initiated by people of younger generations who established the Saturday School Foundation with the objective of promoting and developing Thailand's education by supplementing the regular curriculum. This offers an opportunity for less privileged students in Bangkok to reach their highest potential, both physically and mentally, and to make their dreams come true by conducting learning activities in areas of their interest. Supporting youth educational activities is considered one way to contribute to social sustainability as it can help youths to develop themselves into good, competent adults with adequate potential to lead a good life in society.



- **Summer Kids**

The Summer Kids Project has been launched to encourage children of Company employees to make good use of their spare time. The project promotes learning in various areas, academic as well as life skills. The focus is on skills in solving problems, expressing one's self with confidence, and sharing. It also encourages employees with teaching ability to act as volunteer teachers, imparting knowledge to children through various activities, which are held at the Head Office and the five factories.

**3. Conservation activities** A variety of activities were conducted together with communities in recognition of the importance of environmental care, as follows:

- **Check dam construction**

On September 28, 2019, representatives of the TF Sri Racha Factory participated in the check dam construction project in cooperation with the Eastern Industrial Pollutions Research and Warning Center and the IRPC Off Road Club.

The activity was conducted in watershed forest areas near Samnak Chamot Mountain, which is located between the Research and Warning Center and Khao Khieo-Khao Chomphu Wildlife Sanctuary. The check dams were constructed at the foot of the mountain and at the waterfall up on the mountain. Such dams can increase the ground water level in the area, reduce aridity and reduce forest fire occurrence.

- **Improvement of drainage manhole cover for a community**

On April 10, 2019, representatives of the Company worked with the people of Villages 14 and 15 of Tambon Bo Rad, Ban Pong District, Ratchaburi Province in areas in front of the Ban Pong Factory, where there was clogging of the drainage pipe. Coordination was made with Bo Rad SAO (Subdistrict Administrative Organization) to request a fire engine to blow the drainage pipe to allow an easy flow of water. The manhole covers were opened and broken ones were repaired for safety and convenience of commuters.

- **Supporting canal dredging in a community**

On September 16, 2019, the Company supported the dredging of a community canal in Vlliage 15, Tumbon Bo Rad, Ban Pong District, Ratchburi Province, which is near the Company's Ban Pong Factory. The dredging was meant to ease the flow of water. An M.P. of Ban Pong District also took part in checking the progress of the work.





**4. Improvement of the quality of life in communities** Importance is attached to improvement of the quality of life of community members, particularly those living in remote areas far from modern convenience. In order to enable communities to exist in society appropriately and peacefully without causing social burden or problems, the Company has been promoting and supporting communities in the form of basic necessities to help improve the quality of life for strength and sustainability.



- **Product give-away on the National Children's Day**

The Company gave away products to 24 schools, government agencies, outside organizations and communities for use in conducting activities on the 2019 National Children's Day on Saturday, January 12, 2019. A total of 49 cartons of products were given.

- **Product give-away in support of the "Safe Songkran Travelling" campaign**

The Company, on April 3, 2019, presented 1,000 cups of products to the Safety Center of Sahapat Group as a contribution to the "Safe Songkran Travelling" campaign. Also covered was a campaign for 100 % use of crash helmet and safety belt.

- **Product give away in support of the anti-narcotics on the World Anti Drug Day**

The Company presented 72 product cups and dispatched representatives to take part in the activities organized by Sri Racha District Office on the World Anti Drug Day, June 26, 2019, to encourage all parties to recognize the need to solve narcotics problems.

- **2019 National Children's Day activities**

On January 11, 2019, the Company presented sports equipment (for football, volley ball and badminton etc.) to Ban Huai Prab School, Tumbon Mabyangphon, Pluak Daeng District, Rayong Province for the school children exercising in their spare time.



- “From the Elder to the Younger” Project

As a continuation from the previous years, on September 15, 2019, the Company took part in the “From the Elder to the Younger” Project, at Ban Tao Poon Hai School, Tumbon Huai Yang, Klaeng District, Rayong Province. Activities for the year included repairing and repainting playground equipment. A Company product, instant noodles, was also given for the school to prepare food for the children and participants of the event. Clothes, dolls, school kits and candy, donated by Company employees of were also presented. The activities contributed to the strengthening of the relationships with the school and nearby communities.



- Sharing activity for school children at Pha Dai School, Tumbon Mae Lan, Li District, Lamphun Province

On June 21, 2019, the Company and other companies and government agencies in Lamphun Province, participated in a sharing activity at Pha Dai School, Tumbon Mae Lan, Li District, Lamphun Province. The majority of the 51 school children were from less privileged families or broken homes. The Company made a contribution in the form of lunch (fried MAMA noodles). The event also featured vegetable and tree planting for school children lunch.



- Activities on the Children's Day conducted with Ban Pong Municipality, Ratchaburi Province

On January 12, 2019, the Company and Ban Pong Municipality jointly organized Children's Day activities in the vicinity of the Municipality in Ratchaburi Province. The Company provided food, ice cream, fruits and refreshments. Various activities were organized by employee representatives for the participating children and many gifts were given.





- **Product give away on the National Children's Day**

The Company provided products to 32 schools, government agencies and nearby communities for giving away as prizes on the occasion of the 2019 National Children's Day.



- **Presentation of company products to agencies/foundations for cooking food for children and youths**

During October 9-10 October, 2019, the Company donated "Cup Boiled Rice Garlic Pork Flavor" to non-profit agencies and foundations in nearby areas for cooking food for children and youths in nine places:

1. Ban Than Hathai (Home for less privileged children)
2. Ban Sitthida (Home for handicapped children)
3. Home for Mentally Disabled Children, Ratchaburi Province
4. Manna Home Photharam
5. Ratchaburi Youth Observation Institution
6. Ratchaburi Shelter for Children and Families
7. Ratchaburi Juvenile Vocational Training Center
8. Wat Huai Mu Special Education Center
9. Moo Baan Dek School, Foundation for Children.

A total of 2,370 packs were donated.



- **The flea market project to raise funds for the Community School for the Elderly**

The Company organized a flea market for 2019, on October 1 and 2 at the Sri Racha Factory. Employees sold their used items and donated money. A total of 27,169 Baht was raised and later donated to the Ban Rai Nueng Community School for the Elderly, Sri Racha District on October 30, 2019. The money will be used to build a cooking utensil storage.

## 5. Conservation of local traditions and culture

The Company recognizes the importance of conservation of local traditions and culture and supported and conducted various community activities.

- **Activities for the elderly on Songkran Day**

The Company presented products and sent representatives to participate in activities for the elderly during the Songkran Festival in Sri Racha District. Among the activities conducted were pouring water on the hands of revered elders and asking for blessing, to conserve traditional heritage.

- **Offering Buddhist lent candles**

To conserve Buddhist lent traditions, the Company participated in the offering of Buddhist lent candles. Company executives and employees presented candles, bathing robes and money at Wat Nong Khla, Sri Racha District, Chonburi Province, Wat Noen Dong, Sri Racha District, Chonburi Province and Wat Phra Yuen, Lamphun Province.



- **Product presentation for the Tenth Lunar Month Festival activities**

The Company presented 72 product cups to the Executive Committee of the Sri Racha Southerner Club for use in activities conducted on the occasion of the Tenth Lunar Month Festival on September 22, 2019 to promote continuation of the tradition of the southern region.

- **Kathin Ceremony at Wat Pueng Luang, Thanmaka District, Kanchanaburi Province**

On October 19, 2019, the Company organized kathin activities to make donations for construction of a temple building at Wat Pueng Luang, Tumbon U-lok Si Muen, Thanmaka District, Kanchanaburi Province. Executives and employees of the Company participated and donated money. The donations totaled 105,842 Baht.

## 6. Public charitable activities for society and communities

The Company promotes voluntary activities for society and communities conducted by the employees and provides support for such activities as follows:

- **Support to the “Phraprom Charity Run 2019” charitable event**

The Company presented products (economical noodles) to Saha Pathana Inter-Holding Public Company Limited for cooking for the runners in the “Phraprom Charity Run 2019” charitable event.

- **2019 Support to the 2019 Red Cross Fair**

On October 21, 2019, the Company presented three cartons of Company products to support the 2019 Red Cross Fair.



- **Support to the Ratchaburi 2019**

#### Red Cross Fair

The Company presented products for use in organizing the 2019 Ratchaburi Red Cross Fair at the Gymnasium, Muang District, Ratchaburi. The products were presented to two agencies, Ban Pong District Office for the fair on March 12, 2019, and Ratchaburi Thai Red Cross Chapter for the fair on March 15, 2019.



- **Non-winning lottery ticket activity**

An activity has been organized by the Company whereby non-winning lottery tickets are collected from employees and forwarded to the Wat Huay Mu Center for Special Needs Child Development. Donated non-winning lottery tickets are then made into “dok mai chans” (artificial flowers used for cremation) and wreaths to raise funds for the Center. The presentation took place on March 6, 2019 and acceptance of non-winning lottery tickets has been continuing.



- **Presentation of computers to needy schools**

On March 19, 2019, the Company presented computers to three schools near the Bn Pong Factory in Ratchaburi Province. The schools were 1. Wat Nong Kob School (Khun Thong Prachanukroh) 2. Wat Kok Moh School (Pracha Samakki) and 3. Wat Bung Kra Chab School (Ratthaprachatantiathananon). The computers were to be used as teaching/learning media and for promotion of the use of technologies. A total of 16 sets of computers were presented by Company representatives.



- **Blood donation**

Every year, the Company made arrangements for employees to participate in blood donation to the Thai Red Cross Society, Queen Savang Vadhana Memorial Hospital and the Ratchaburi Chapter of the Thai Red Cross Society. 49 employees participated in the events.





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## Report of the Audit Committee 2019

To the Shareholders of Thai President Foods PCL.,

The Audit Committee of Thai President Foods PCL. consists of 3 Independent Directors, who have the qualifications and the scope of responsibilities as required by the Regulations of Stock Exchange of Thailand (SET) The Audit Committee held 5 meetings in 2019, as detailed below.

Name		Position	Meeting Attendance/ Total Meeting
1. Dr. Kulpatra	Sirodom	Chairman of the Audit Committee	5/5
2. Thanpuying Angkab	Punyashthiti	Member of the Audit Committee	5/5
3. Mr.Chaiwat	Maraprygsavan	Member of the Audit Committee	5/5

The Audit Committee of the Company has service term of 1 year, and Ms. Ariya Tangcheevinsirikul has been the Secretary of the Committee. The Audit Committee held 5 meeting in 2019, and closely worked with the Executives, Internal Audit, and External Auditor on relevant matter. In a meantime as deemed appropriate, the Audit Committee discussed with the External Auditors without presence of the Executives in order to review the scope of duties and responsibilities as prescribed in the Charter of the Audit Committee, and to conduct Self-Assessment. In addition the Audit Committee has performed duties as assigned by the Board of Directors, and submitted report of the Audit Committee to the Board on quarterly basis as summarized below;

1) Reviewing the quarterly and annual financial reports of the Company and the subsidiaries that have been reviewed and audited by the auditor to ensure that the financial statements of the Company and the subsidiaries have been prepared correctly and sufficiently with sufficient and reliable disclosure of important information in accordance with legal requirements, financial reporting standards, and accounting standards that have changed. There is the independence in performing the duties for the financial statements of the Company and the subsidiaries to be accurate as it should be in the essence according to financial reporting standards and accounting standards. In addition, the meeting with the auditor without the management of the Company attending was held at least 1 time.

2) Review effectiveness of Internal Control of the Company. The Audit Committee has worked with Head of Internal Audit Department to evaluate the sufficiency of Internal Control System on key operations, and resource utilization of the Company on annual basis. In addition, the Audit Committee has also reviewed Internal Control of the Company with regard to Accounting and Financial matters, protection of Company's asset, compliance with relevant laws and regulations according to the principle of Checking and Balance Principle to safeguard benefit of stakeholders efficiently to ensure our business achievement.

3) Appoint the External Auditors of the Company. The Audit Committee shall select the qualified External Auditors and consider their remuneration by taking into account of their knowledge, professional competency, independence, past auditing performance, and the suitable audit fee. The Audit Committee proposes to the Board of Directors to appoint the auditors from E Y Company Limited to be the External Auditor of the Company for the year 2019, and the appointment of External Auditors has been approved by the General Shareholders' Meeting.



4) Review Connected Transactions. The Audit Committee has reviewed connected transactions of the Company to be taken in compliance with the Regulations of Stock Exchange Thailand and Securities and Exchange Commission, and these transactions are made for best benefits of the Company. The connected transactions must be conducted under normal commercial condition by considering the benefits of all related stakeholders to prevent the possible conflict of interest. The Audit Committee shall monitor the Company to disclose accurate and complete information of Connected Transactions. The Audit Committee is of the opinion that such transactions represent normal business undertaking, and comply with the relevant rules and regulations.

5) Supervising the internal audit work by approving the annual internal audit plan prepared according to the major fundamental risks in the Company's business, the performance according to the plans of the internal audit department, and review the internal audit results on a quarterly basis. This was to provide recommendations and followed up the corrective actions in accordance with the internal audit report on significant issues as well as reviewing the rules of the internal audit department in order to create good corporate governance and sufficient internal control along with considering the independence of the internal audit department in giving approval to the appointment, transfer, promotion, and termination of employment including the evaluation of work performance of the Head of Internal Audit.

6) Support and monitor the Company to have an effective risk management system by reviewing the corporate risk management and having a meeting with the Corporate Governance and Risk Management Committee and the risk management working team in order to review the efficiency and appropriateness of the risk management process and make recommendations for improvement.

7) Encourage good corporate governance principles in the Company. The Audit Committee has reviewed the corporate governance policy of the Company to be in line with the guidelines given by the Stock Exchange of Thailand and Securities and Exchange Commission. In addition, The Audit Committee has performed their duties and responsibilities as prescribed in the Charter of the Company with carefulness and sufficient independence.

8) Review business operations to be in compliance with the Securities and Exchange Act, rules and regulations of Stock Exchange of Thailand and Securities and Exchange Commission, and other relevant laws in accordance with the principles of good corporate governance.

9) Supervise anti-corruption measures by focusing on improving the internal control system of the Company to ensure that the company has a good internal control system and there is no risk that may lead to corruption. In the year 2019, the Company requested to renew the certification for the 1st time by submitting a self-assessment form regarding anti-corruption measures. And on October 18, 2019, the Company received the certificate for being certified by the Private Sector Collective Action Coalition Against Corruption Committee (CAC).

The Audit Committee has performed duties as prescribed in the scope of duties and responsibilities, and has opinion that financial statements of the Company in 2019 are accurate, reliable, and in compliance with generally accepted accounting standards. The Company has conducted appropriate Risk Management and efficient Internal Control to be suitable to nature of business, The Company has disclosed adequate information of Connected Transactions which may cause conflict of interest, and comply with the regulations of Stock Exchange of Thailand and any other relevant laws. The Audit Committee has fulfilled duties and responsibilities as prescribed in the Charter of the Audit Committee, and found no significant deficiency or any abnormal matters.



A handwritten signature in black ink, appearing to read 'Julie OR' or similar, written in a cursive style.

Dr. Kulpatra Sirodom  
Chairman of Audit Committee  
February 21, 2020



## Report of the Nomination and Remuneration Committee 2019

To the Shareholders of Thai President Foods PCL.,

The Board of Directors of Thai President Foods PCL. has appointed the Nomination and Remuneration Committee consisting of 3 Directors and having service term of 1 year. The Nomination and Remuneration Committee held 2 meetings in 2019, and attended the meeting as per following details,

Name	Position	Number of Attendance/ Total Meeting
1. Mr. Boonsithi Chokwatana	Chairman of the Nomination and Remuneration Committee	2/2
2. Mr. Pipat Paniangvait	Member of the Nomination and Remuneration Committee	2/2
3. Mr. Chaiwat Maraprygsavan	Member of the Nomination and Remuneration Committee	2/2

In 2019, the Nomination and Remuneration Committee performed duties as assigned by the Board of Directors as per following details,

### Nomination

1. To select the Members of the Board of Directors by taking into the consideration of knowledge, abilities, skills, experience, and expertise in various professional areas in compliance with the regulations of the Company, and any other relevant rules and regulations.
2. To propose the qualified person to the Board of Directors for approval

### Determination of the Remuneration

1. To determine the remuneration for the Members of the Board of Directors, and Sub-Committee by taking into the consideration that such remuneration shall be commensurate with the responsibilities to be assigned, overall performance of the Company, and the comparable remunerations of the other companies in the same business.
2. To propose the appropriate remuneration for the Members of the Board of Directors, and Sub-Committee to the Board of Directors for approval

In summary, the Nomination and Remuneration Committee has completely fulfilled duties and responsibilities as prescribed in the Charter of the Nomination and Remuneration Committee.

Mr. Boonsithi Chokwatana

Chairman of the Nomination and Remuneration Committee

15 January, 2020

## Report of the Corporate Governance and Risk Management Committee 2019

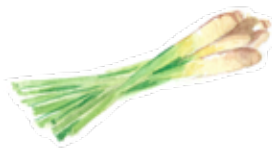
To shareholders

The Board of Directors of Thai President Foods Public Company Limited has the resolution to appoint the Corporate Governance and Risk Management Committee consisting of 6 directors, 2 of which are independent directors and there are 4 meetings with the following details:

Name	Position	Attending the meeting / total meetings (times)
1. Prof. Dr. Suwimon Keeratipibul	Chairman of the Corporate Governance and Risk Management Committee	3/3
2. Mrs. Tongurai Limpiti	Corporate Governance and Risk Management Committee	2/2
3. Mr. Suchai Ratanajajaroen	Corporate Governance and Risk Management Committee	4/4
4. Dr. Poj Paniangvait	Corporate Governance and Risk Management Committee	4/4
5. Miss Pojjana Paniangvait	Corporate Governance and Risk Management Committee	3/4
6. Miss Hatairat Kwangchit-aree	Corporate Governance and Risk Management Committee	4/4
7. Prof. Dr. Visith Chavasit	Chairman of the Corporate Governance and Risk Management Committee	1/1

Remarks : No.1 was in position in April, 2019  
 No. 2 was in position in May, 2019  
 No. 7 vacated the office in April, 2019





The Corporate Governance and Risk Management Committee has a term of 1 year each term and Miss Piyada Didsawat is the secretary of the Governance and Risk Management Committee performing the duties and responsibilities in accordance with the Charter of the Corporate Governance and Risk Management Committee. The significant contents of performance in the duties can be summarized as follows:

1. Consider the appointment of the Corporate Governance and Risk Management Working Group consisting of knowledgeable personnel representing various departments / factories as appropriate
2. Define and review the principles of good corporate governance, drive the business for sustainability, perform the anti-corruption operation, and risk management in accordance with the company's vision, mission, and goals.
3. Monitor and evaluate the operation performance of the governance and risk management of the Corporate Governance and Risk Management Working Team with strategy formulation, operation plan, and assessment on the current risk level including advance risk assessment for the company to manage the risks appropriately and efficiently on the continual basis.
4. Develop personnel in the company to have knowledge and understanding about corporate governance and risk management in order to move towards to an organization culture that is always aware of risks

The Corporate Governance and Risk Management has performed the duties and responsibilities specified in the Corporate Governance and Risk Management Charter approved by the Board of Directors by using knowledge, ability and prudence in corporate governance, development and policy implementation under the principles of good governance and risk management continuously as well as reporting the results to the Board of Directors for acknowledgment.

(Prof. Dr. Suwimon Keeratipibul)

Chairman of the Corporate Governance and Risk Management Committee  
19<sup>th</sup> February, 2020





## Report of the Board of Director's responsibilities on the Financial Report

The Board of Directors is aware of the roles and responsibilities as the Board of Directors of the registered company to be responsible for the financial statement of Thai President Foods Public Company Limited and the subsidiaries. Such financial statement was made in accordance with Thai Financial Report Standard (TFRS) by selecting the suitable accounting policy and consistently applying such standard, as well as using the careful discretion and reasonable estimation for preparing the financial report. The key information is disclosed adequately in the Notes to the Financial Statement and the description and the analysis of the financial status and performance of the Company and the subsidiaries are presented for the benefit of the shareholders and general investors. In this regard, the financial statement has examined and commented without condition by the independent Certified Public Accountant.

Apart from that, the Board of Directors has supported the Company to comply with the Corporate Governance and also provide the efficient and effective risk management system, internal control system to ensure that the accounting is done correctly, completely and adequately for maintaining the assets of the Company and the subsidiaries and also to significantly prevent the fraud or abnormal operation.

In this regard, the Audit Committee of the Company which contains independent directors who is responsible for examination on the quality of the Financial Report and the internal control system for the Audit Committee's opinion is specified in the report of the Audit Committee as shown in the annual report and Annual Registration Statement (Form 56-1).

The Board of Directors has the opinion that, the Corporate Governance, the Risk Management System and internal control system of the Company is adequate and appropriate and they can reasonably ensure the reliability that the financial statement of the Company and the subsidiaries, for the year ended 31 December 2019, has been duly prepared and disclosed, in essence, as appropriate according to the Thai Financial Report Standard.



Mr. Boonsithi Chokwatana  
Chairman of the Board



Mr. Pipat Paniangvait  
Vice Chairman and Chief Executive Officer



## Independent Auditor's Report

To the Shareholders of Thai President Foods Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Thai President Foods Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai President Foods Public Company Limited.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai President Foods Public Company Limited and its subsidiaries as at 31 December 2019, and their financial performance and cash flows for the year then ended and the separate of Thai President Foods Public Company Limited, 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 Group 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*

The Group disclosed accounting policies for revenue recognition in the Note 4.1 to the financial statements. The amounts of the group's revenue from sales represented significant amounts in the financial statements, and directly affect profit or loss of the Group. In addition, there are both domestic and export sales with a variety of conditions in the revenue recognition. As a result, there are risks with respect to the amount and timing of revenue recognition. I therefore gave significant attention to the revenue recognition of the Group.

I assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select sales transactions to assess whether the recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. On a sampling basis, I examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period. I also reviewed of credit notes that issued after the period-end. In addition, I performed analytical procedures of 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 Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

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

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





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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

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

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

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

*Sarinda Hirunprasurtwutti*

Sarinda Hirunprasurtwutti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok : 21 February 2020



## Statement of financial position

Thai President Foods Public Company Limited and its subsidiaries  
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	3,320,231,441	3,344,574,174	1,979,253,036	2,331,086,531
Current investments	7	5,932,175,252	4,643,000,067	2,907,941,558	2,188,797,995
Trade and other receivables	8, 9	3,635,618,215	3,693,643,388	2,124,202,168	2,227,966,641
Short-term loan to related parties	9	1,000,000	47,636,000	1,000,000	1,000,000
Short-term loan to unrelated party	10	-	250,000,000	-	250,000,000
Inventories	11	1,454,719,309	1,375,926,001	553,885,010	577,417,518
Other current assets		23,601,097	38,498,758	760,413	817,835
<b>Total current assets</b>		<b>14,367,345,314</b>	<b>13,393,278,388</b>	<b>7,567,042,185</b>	<b>7,577,086,520</b>
<b>Non-current assets</b>					
Restricted bank deposit	33.5	36,348,041	53,399,370	-	-
Investments in subsidiaries	12	-	-	3,424,721,569	3,426,593,446
Investments in associates	13	2,984,018,204	2,669,540,735	324,164,042	252,095,575
Investments in joint ventures	14	28,424,125	29,356,950	-	-
Investments in other companies	15	191,955,294	194,445,503	76,455,294	78,945,503
Other long-term investments	16	7,695,457,783	5,601,376,714	5,115,603,745	4,045,394,365
Advance payment for investments					
in related parties	12	-	-	96,280,198	294,707
Investment properties	17	101,882,400	98,257,750	125,087,640	123,227,985
Property, plant and equipment	18	8,520,515,566	8,564,574,232	2,680,867,196	2,375,785,065
Downpayment for purchase of machinery		135,533,146	52,883,576	-	-
Other intangible assets	19	29,908,269	36,747,158	13,366,929	17,104,962
Leasehold rights		450,820	617,486	-	-
Goodwill	32	42,052,990	45,824,048	-	-
Deferred tax assets	26	82,116,412	63,876,966	47,782,627	33,641,081
Other non-current assets		37,418,445	37,395,246	4,566,590	10,954,007
<b>Total non-current assets</b>		<b>19,886,081,495</b>	<b>17,448,295,734</b>	<b>11,908,895,830</b>	<b>10,364,036,696</b>
<b>Total assets</b>		<b>34,253,426,809</b>	<b>30,841,574,122</b>	<b>19,475,938,015</b>	<b>17,941,123,216</b>

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

## Statement of financial position (continued)

Thai President Foods Public Company Limited and its subsidiaries  
As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9, 20	1,823,542,467	1,933,284,482	1,053,267,191	1,213,637,460
Current portion of liabilities under					
finance lease agreements	9, 21	35,455,065	65,882,600	3,560,376	1,254,029
Income tax payable		389,867,243	306,751,078	208,148,633	170,834,458
Accrued bonus		356,608,497	312,920,052	193,027,961	169,286,224
Advance receipt from non-controlling interests					
for investments in a subsidiary		91,641,176	42,282	-	-
Other accrued expenses	9	345,701,535	332,579,448	111,174,157	137,421,735
Other current liabilities		60,427,691	52,012,021	32,977,359	22,749,568
Total current liabilities		3,103,243,674	3,003,471,963	1,602,155,677	1,715,183,474
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	9, 21	54,645,733	45,825,460	14,904,746	-
Long-term loans from director	9, 22	-	71,391,764	-	-
Long-term loans from employees	22	-	39,547,138	-	-
Provision for long-term employee benefits	23	989,629,325	797,541,413	660,405,170	558,967,449
Other non-current liabilities		61,170,477	60,838,018	57,340,835	57,340,835
Total non-current liabilities		1,105,445,535	1,015,143,793	732,650,751	616,308,284
Total liabilities		4,208,689,209	4,018,615,756	2,334,806,428	2,331,491,758

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

## Statement of financial position (continued)

Thai President Foods Public Company Limited and its subsidiaries  
As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered share capital					
329,704,014 ordinary shares of					
Baht 1 each					
		329,704,014	329,704,014	329,704,014	329,704,014
Issued and fully paid-up share capital					
329,704,014 ordinary shares of					
Baht 1 each					
		329,704,014	329,704,014	329,704,014	329,704,014
Share premium					
		712,962,638	712,962,638	712,962,638	712,962,638
Surplus of investment over book value of subsidiary					
		(1,377,594,707)	(1,377,291,971)	-	-
Retained earnings					
Appropriated - statutory reserve					
	24	39,000,000	39,000,000	39,000,000	39,000,000
Unappropriated					
		23,466,064,304	20,995,297,855	15,745,838,723	14,265,217,854
Other components of shareholders' equity					
		221,827,334	200,129,400	313,626,212	262,746,952
Equity attributable to owners of the Company					
		23,391,963,583	20,899,801,936	17,141,131,587	15,609,631,458
Non-controlling interests of the subsidiaries					
		6,652,774,017	5,923,156,430	-	-
Total shareholders' equity		30,044,737,600	26,822,958,366	17,141,131,587	15,609,631,458
Total liabilities and shareholders' equity		34,253,426,809	30,841,574,122	19,475,938,015	17,941,123,216

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



# Statement of comprehensive Income

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	9, 27, 29	23,999,084,453	22,436,893,646	13,642,065,509	12,468,903,038
Other income					
Interest income		222,776,992	218,518,562	135,092,125	150,488,038
Dividend income	9	128,095,767	56,595,294	698,889,970	535,984,717
Exchange gain		13,871,887	17,351,367	13,014,390	13,494,405
Gain on disposals of property, plant and equipment		202,333,516	10,623,619	4,335,159	166,508
Others	9	168,406,171	144,124,346	95,692,500	83,334,451
Total other income		735,484,333	447,213,188	947,024,144	783,468,119
<b>Total revenues</b>		<b>24,734,568,786</b>	<b>22,884,106,834</b>	<b>14,589,089,653</b>	<b>13,252,371,157</b>
<b>Expenses</b>	25				
Cost of sales	9	15,300,601,117	14,528,325,434	9,841,155,796	9,014,983,146
Selling and distribution expenses	9	1,734,191,658	1,791,141,445	261,822,975	257,791,154
Administrative expenses	9	2,090,338,267	1,836,640,348	1,167,080,694	1,067,590,118
<b>Total expenses</b>		<b>19,125,131,042</b>	<b>18,156,107,227</b>	<b>11,270,059,465</b>	<b>10,340,364,418</b>
<b>Profit before share of profit from investments in associates and joint venture, finance cost and income tax expenses</b>		<b>5,609,437,744</b>	<b>4,727,999,607</b>	<b>3,319,030,188</b>	<b>2,912,006,739</b>
Share of profit from investments in associates and joint venture	13, 14	274,164,869	217,364,126	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>5,883,602,613</b>	<b>4,945,363,733</b>	<b>3,319,030,188</b>	<b>2,912,006,739</b>
Finance cost		(11,328,888)	(12,840,687)	(2,193,850)	(2,636,883)
<b>Profit before income tax expenses</b>		<b>5,872,273,725</b>	<b>4,932,523,046</b>	<b>3,316,836,338</b>	<b>2,909,369,856</b>
Income tax expenses	26	(728,868,052)	(590,005,745)	(381,838,760)	(327,274,742)
<b>Profit for the year</b>		<b>5,143,405,673</b>	<b>4,342,517,301</b>	<b>2,934,997,578</b>	<b>2,582,095,114</b>

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

## Statement of comprehensive Income (continued)

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(68,540,299)	(38,530,948)	-	-
Gain (loss) on change in value of available-for-sale investments					
- net of income tax	26	86,779,132	(133,211,753)	50,879,260	(84,938,930)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		18,238,833	(171,742,701)	50,879,260	(84,938,930)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	26	(79,481,180)	713,147	(46,540,569)	634,799
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(79,481,180)	713,147	(46,540,569)	634,799
<b>Other comprehensive income for the year</b>		<b>(61,242,347)</b>	<b>(171,029,554)</b>	<b>4,338,691</b>	<b>(84,304,131)</b>
<b>Total comprehensive income for the year</b>		<b>5,082,163,326</b>	<b>4,171,487,747</b>	<b>2,939,336,269</b>	<b>2,497,790,983</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		3,943,065,724	3,404,402,103	2,934,997,578	2,582,095,114
Non-controlling interests of the subsidiaries		1,200,339,949	938,115,198		
		<b>5,143,405,673</b>	<b>4,342,517,301</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		3,900,300,523	3,269,095,674	2,939,336,269	2,497,790,983
Non-controlling interests of the subsidiaries		1,181,862,803	902,392,073		
		<b>5,082,163,326</b>	<b>4,171,487,747</b>		
<b>Earnings per share</b>	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		11.96	10.33	8.90	7.83
Weighted average number of ordinary shares (shares)		329,704,014	329,704,014	329,704,014	329,704,014

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

## Statement of changes in shareholder's equity

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements												
	Note	Equity attributable to the parent's shareholders										
		Other components of shareholders' equity										
		Other comprehensive income										
		Exchange differences on translation of financial statements in foreign currency										
		Issued and paid-up share capital	Share premium	Surplus of investment over book value of subsidiary	Retained earnings - Appropriated - statutory reserve	Unappropriated	foreign currency statements in available-for-sale investments	Surplus on changes in value of	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
<b>Balance as at 1 January 2018</b>		329,704,014	712,962,638	-	39,000,000	18,459,462,598	(31,965,771)	368,075,651	336,109,880	19,877,239,130	5,779,968,640	25,657,207,770
Profit for the year		-	-	-	-	3,404,402,103	-	-	-	3,404,402,103	938,115,198	4,342,517,301
Other comprehensive income for the year		-	-	-	-	674,051	(27,413,993)	(109,598,764)	(137,012,757)	(136,338,706)	(34,690,848)	(171,029,554)
Total comprehensive income for the year		-	-	-	-	3,405,076,154	(27,413,993)	(109,598,764)	(137,012,757)	3,268,063,397	903,424,350	4,171,487,747
Net increase (decrease) in the Company's equity from change in the Company's investment		-	-	(1,377,291,971)	-	297,911,312	-	1,032,277	1,032,277	(1,078,348,382)	(298,943,588)	(1,377,291,970)
Net decrease in non-controlling interests of the subsidiary from change in investments of subsidiary		-	-	-	-	-	-	-	-	-	(12,789,394)	(12,789,394)
Dividend paid	31	-	-	-	-	(1,167,152,209)	-	-	-	(1,167,152,209)	(448,503,578)	(1,615,655,787)
<b>Balance as at 31 December 2018</b>		329,704,014	712,962,638	(1,377,291,971)	39,000,000	20,995,297,855	(59,379,764)	259,509,164	200,129,400	20,899,801,936	5,923,156,430	26,822,958,366

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

## Statement of changes in shareholder's equity (continued)

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

Consolidated financial statements												(Unit: Baht)
	Equity attributable to the parent's shareholders											
	Issued and paid-up share capital	Share premium	Surplus of investment over book value of subsidiary	Retained earnings		Unappropriated statutory reserve	foreign currency translation of financial statements in available-for-sale investments	Surplus on changes in value of investments	Other components of shareholders' equity			
				Appropriated -	Unappropriated				Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	
<b>Balance as at 1 January 2019</b>	329,704,014	712,962,638	(1,377,291,971)	39,000,000	20,995,297,855	(59,379,764)	259,509,164	200,129,400	20,899,801,936	5,923,156,430	26,822,958,366	
Profit for the year	-	-	-	-	3,943,065,724	-	-	-	3,943,065,724	1,200,339,949	5,143,405,673	
Other comprehensive income for the year	-	-	-	-	(64,463,135)	(47,446,761)	69,144,695	21,697,934	(42,765,201)	(18,477,146)	(61,242,347)	
Total comprehensive income for the year	-	-	-	-	3,878,602,589	(47,446,761)	69,144,695	21,697,934	3,900,300,523	1,181,862,803	5,082,163,326	
Net decrease in the Company's equity from change in the Company's investment	-	-	(302,736)	-	-	-	-	-	(302,736)	-	(302,736)	
Net increase in non-controlling interests of the subsidiary from change in investments	-	-	-	-	-	-	-	-	-	7,273,534	7,273,534	
Dividend paid	-	-	-	-	(1,407,836,140)	-	-	-	(1,407,836,140)	(459,518,750)	(1,867,354,890)	
<b>Balance as at 31 December 2019</b>	329,704,014	712,962,638	(1,377,594,707)	39,000,000	23,466,064,304	(106,826,525)	328,653,859	221,827,334	23,391,963,583	6,652,774,017	30,044,737,600	

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



## Statement of changes in shareholder's equity (continued)

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

Separate financial statements										(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity				
				Appropriated - statutory reserve	Unappropriated	Other comprehensive			Total shareholders' equity	
						Surplus on changes in value of available-for-sale investments	income	Total other components of shareholders' equity		
<b>Balance as at 1 January 2018</b>		329,704,014	712,962,638	39,000,000	12,849,640,150	347,685,882	347,685,882	14,278,992,684		
Profit for the year		-	-	-	2,582,095,114	-	-	2,582,095,114		
Other comprehensive income for the year		-	-	-	634,799	(84,938,930)	(84,938,930)	(84,304,131)		
Total comprehensive income for the year		-	-	-	2,582,729,913	(84,938,930)	(84,938,930)	2,497,790,983		
Dividend paid	31	-	-	-	(1,167,152,209)	-	-	(1,167,152,209)		
<b>Balance as at 31 December 2018</b>		<b>329,704,014</b>	<b>712,962,638</b>	<b>39,000,000</b>	<b>14,265,217,854</b>	<b>262,746,952</b>	<b>262,746,952</b>	<b>15,609,631,458</b>		
<b>Balance as at 1 January 2019</b>		329,704,014	712,962,638	39,000,000	14,265,217,854	262,746,952	262,746,952	15,609,631,458		
Profit for the year		-	-	-	2,934,997,578	-	-	2,934,997,578		
Other comprehensive income for the year		-	-	-	(46,540,569)	50,879,260	50,879,260	4,338,691		
Total comprehensive income for the year		-	-	-	2,888,457,009	50,879,260	50,879,260	2,939,336,269		
Dividend paid	31	-	-	-	(1,407,836,140)	-	-	(1,407,836,140)		
<b>Balance as at 31 December 2019</b>		<b>329,704,014</b>	<b>712,962,638</b>	<b>39,000,000</b>	<b>15,745,838,723</b>	<b>313,626,212</b>	<b>313,626,212</b>	<b>17,141,131,587</b>		

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

## Statement of cash flows

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Cash flows from operating activities</b>					
Profit before tax		5,872,273,725	4,932,523,046	3,316,836,338	2,909,369,856
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation	17, 18	1,191,872,004	1,216,211,446	429,511,736	412,526,921
Amortisation	19	10,044,254	9,344,686	5,496,793	5,445,465
Gain on disposals of property plant and equipment		(202,333,516)	(10,605,736)	(4,335,159)	(166,508)
Gain on disposals of intangible assets		-	(17,883)	-	-
Gain on disposals of other long-term investments		(27,554,563)	(36,505,118)	(16,032,911)	(18,206,522)
Loss from write-off of equipment and intangible assets		159,419	245,812	156,541	245,812
Allowance for deteriorated inventories (reversal)		(359,282)	2,531,557	-	-
Allowance for impairment of investments in subsidiary company	12.1	-	-	11,803,222	46,421,467
Allowance for impairment of investments in associated company (reversal)	13.1	(9,677,893)	3,177,894	2,931,533	3,177,894
Allowance for impairment loss on investments in other companies	15	9,242,209	12,331,751	9,242,209	12,331,751
Allowance for doubtful accounts		6,282,736	-	3,371,620	-
Reversal of allowance for impairment loss on investment properties		(3,624,650)	-	(3,624,650)	-
Share of profit from investments in associates	13.1	(270,040,427)	(212,158,968)	-	-
Share of profit from investments in joint venture	14	(4,124,442)	(5,205,158)	-	-
Dividend received from subsidiary companies	12.1	-	-	(514,891,714)	(425,600,079)
Dividend received from associated companies	13.1	-	-	(76,327,369)	(74,683,809)
Dividend received from other companies and other long-term investments		(128,095,767)	(56,595,294)	(107,670,887)	(35,700,829)
Interest income		(222,776,992)	(218,518,562)	(135,092,125)	(150,488,038)
Interest expenses		4,985,906	6,619,980	79,955	99,102
Provision for long-term employee benefits		170,486,089	79,144,916	120,744,305	44,809,716
Profit from operating activities before changes in operating assets and liabilities		6,396,758,810	5,722,524,369	3,042,199,437	2,729,582,199
Operating assets (increase) decrease					
Trade and other receivables		78,605,615	(42,311,158)	111,417,099	45,671,346
Inventories		(78,434,026)	(25,916,570)	23,532,508	(95,920,243)
Other current assets		16,966,597	28,384,614	57,422	(145,944)
Other non-current assets		(3,681,429)	(7,769,939)	6,387,417	(7,794,849)
Operating liabilities increase (decrease)					
Trade and other payables		(135,842,424)	308,011,486	(221,099,431)	289,815,570
Other current liabilities		8,415,670	(18,364,779)	10,227,791	(22,416,437)
Other non-current liabilities		18,623,611	468,321	-	-
Provision for long-term employee benefits		(92,723,026)	(88,213,632)	(72,774,092)	(49,986,868)
Cash flows from operating activities		6,208,689,398	5,876,812,712	2,899,948,151	2,888,804,774
Cash paid for income tax		(665,444,684)	(524,450,627)	(364,459,007)	(284,561,821)
<b>Net cash flows from operating activities</b>		<b>5,543,244,714</b>	<b>5,352,362,085</b>	<b>2,535,489,144</b>	<b>2,604,242,953</b>

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

## Statement of cash flows (continued)

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Cash flows from investing activities					
Increase in current investments		(5,818,207,664)	(3,831,269,289)	(5,058,155,932)	(1,692,016,188)
Decrease in current investments		4,529,032,480	4,927,509,824	4,339,012,369	4,134,770,344
Increase in restricted bank deposit		-	(17,051,329)	-	-
Decrease in restricted bank deposit		17,051,329	-	-	-
Increase in short-term loan to related parties	9.2	(1,000,000)	(47,636,000)	(1,000,000)	(1,000,000)
Decrease in short-term loan to related parties	9.2	47,636,000	1,000,000	1,000,000	1,000,000
Increase in short-term loan to unrelated party		-	(250,000,000)	-	(250,000,000)
Decrease in short-term loan to unrelated party	10	250,000,000	-	250,000,000	-
Increase in investments in subsidiaries companies	12.1	-	-	(9,931,345)	(2,107,185,786)
Increase in investments in associated companies	13.1	(125,000,000)	(1,009,444,100)	(75,000,000)	-
Increase in investments in other company	15	(6,752,000)	-	(6,752,000)	-
Increase in other long-term investments		(7,836,219,938)	(6,256,793,635)	(4,783,151,081)	(4,080,708,159)
Decrease in other long-term investments		5,878,167,346	5,658,962,626	3,792,573,687	3,278,033,593
Decrease (increase) in advance payment					
for investments in related parties		-	76,907,298	(95,985,491)	-
Dividend received from subsidiary companies	12.1	-	-	514,891,714	425,600,079
Dividend received from associated companies	13.1	76,327,369	74,683,809	76,327,369	74,683,809
Dividend received from joint venture	14	5,206,500	4,680,000	-	-
Dividend received from other companies and					
other long-term investments		111,344,298	40,398,640	99,399,823	27,957,348
Increase in goodwill		-	(41,272,175)	-	-
Dividend received by non-controlling interest of					
subsidiaries		(459,518,750)	(448,503,578)	-	-
Purchase of property, plant and equipment		(1,218,721,210)	(953,528,153)	(656,592,349)	(236,382,688)
Increase in downpayment for purchase of machinery		(82,649,570)	(36,079,283)	-	-
Proceeds from disposals of property, plant and equipment		379,447,423	10,957,509	4,513,786	917,119
Proceed from disposals of intangible assets		-	56,000	-	-
Purchase of intangible assets		(3,034,333)	(5,509,712)	(1,758,760)	(121,000)
Net increase in non-controlling interests of the subsidiary					
from change in the Company's investment		-	(22,889,394)	-	-
Increase in advance receipt of non-controlling					
interests for investments in a subsidiary		91,598,894	-	-	-
Proceed received for non-controlling interest of					
the subsidiaries		7,273,534	10,100,000	-	-
Surplus of investment over book value of subsidiary		(302,736)	(1,377,291,971)	-	-
Interest income		212,665,283	209,950,922	132,338,943	146,306,346
Net cash flows used in investing activities		(3,945,655,745)	(3,282,061,991)	(1,478,269,267)	(278,145,183)

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

## Statement of cash flows (continued)

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Cash flows from financing activities</b>					
Increase in long-term loans from director		9,793,352	88,972,255	-	-
Decrease in long-term loans from director		(81,185,116)	(95,564,437)	-	-
Decrease in long-term loans from employees		(39,547,138)	(79,625)	-	-
Repayment of liabilities under finance lease agreements		(70,946,730)	(83,227,714)	(1,892,593)	(1,546,987)
Dividend paid		(1,407,080,824)	(1,166,959,176)	(1,407,080,824)	(1,166,959,176)
Cash paid for interest expenses		(4,985,906)	(6,619,980)	(79,955)	(99,102)
<b>Net cash flows used in financing activities</b>		<b>(1,593,952,362)</b>	<b>(1,263,478,677)</b>	<b>(1,409,053,372)</b>	<b>(1,168,605,265)</b>
Decrease in translation adjustments		(27,979,340)	(16,099,911)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(24,342,733)</b>	<b>790,721,506</b>	<b>(351,833,495)</b>	<b>1,157,492,505</b>
Cash and cash equivalents at beginning of year		3,344,574,174	2,553,852,668	2,331,086,531	1,173,594,026
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>3,320,231,441</b>	<b>3,344,574,174</b>	<b>1,979,253,036</b>	<b>2,331,086,531</b>

### Supplementary disclosures of cash flows information

#### Non-cash related transactions

Dividend receivable	16,751,469	16,196,654	8,271,064	7,743,481
Dividend payable	755,316	193,034	755,316	193,034
Other receivable from sale of property, plant and equipment	-	747,664	-	-
Other payable from purchase of property, plant and equipment	82,155,624	38,779,930	57,468,006	20,509,443
Liabilities under finance lease agreements - net of deferred interest	43,243,424	15,650,050	18,465,122	-

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



# Notes to consolidated financial statements

Thai President Foods Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

## 1. Corporate information

Thai President Foods Public Company Limited (“the Company”) is a public company incorporated from an amalgamation on 16 October 2017 and domiciled in Thailand. Its major shareholder is Sahapatana Interholding Public Company Limited which is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of instant noodles, semi-instant foods and biscuit products. The registered office and head office of the Company is at No. 304, TF Group Building, Srinakarin Road, Huamark Sub-district, Bangkapi District, Bangkok. There are five plants, located at Chonburi Province, Lamphoon Province, Rayong Province and another 2 plants at Ratchaburi Province.

## 2. Basis of preparation

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

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

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

### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai President Foods Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 (Percent)	2018 (Percent)
<b><u>Held by the Company</u></b>				
Thai Sun Foods Company Limited	Manufacture and distribution of fruit juice and distribution of biscuit products	Thailand	52.08	52.08
Thai Anbao Paper Products Company Limited	Manufacture and distribution of paper packaging	Thailand	51.00	51.00
Dai-Ichi Packaging Company Limited	Manufacture and distribution of packaging printing products and provide packaging service for consumable products	Thailand	50.10	50.10
Kallol Thai President Foods (BD) Limited	Manufacture and distribution of instant noodles	Bangladesh	55.00	55.00
President Flour Mills Company Limited	Manufacture and distribution of wheat flour-related products	Thailand	60.00	60.00
Thai President Foods (Hungary) Company Limited	Manufacture and distribution of instant noodles	Hungary	65.00	65.00
President Kourakuen Company Limited	Restaurant and drink	Thailand	70.00	70.00
President Bakery Public Company Limited	Manufacture and distribution of bakery products	Thailand	51.99	51.99
President D Venture Company Limited	Investing and/or lending in real estate business	Thailand	70.00	70.00
Ayeyarwaddy Success Venture Foods Co., Ltd	Manufacture and distribution of instant noodles	Myanmar	51.00	-
President Interfood Company Limited	Agent	Thailand	59.67	8.67
<b><u>Held by subsidiaries</u></b>				
Siam Sincere Company Limited	Trading of rice bran	Thailand	99.97	99.97
Aksorn Art Paper Cup and Packaging Company	Printing	Thailand	99.99	99.99
President D Venture Company Limited	Investing and/or lending in real estate business	Thailand	29.00	29.00
President Flour Mills Company Limited	Manufacture and distribution of wheat flour-related products	Thailand	10.00	10.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) The assets and liabilities in the financial statements of overseas subsidiaries and associated companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
  - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
  - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
  - h) For the book of account, the acquisition of addition shares of subsidiaries (repurchase of share from non-controlling interests), the excess of the net asset value (at fair value) at the acquisition date over the cost of the investment has been presented in shareholders' equity under "Surplus of investment over book value of subsidiary".
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

### 3. New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

##### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.



**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised 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 except the following new standards which involve 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
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

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

#### **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 using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon 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 returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise 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 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.

#### *Interest income*

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

#### *Rental income*

Rental income is recognised on an accrual basis in accordance with the terms and conditions specified in the contracts.

#### *Dividend income*

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

### **4.2 Cash and cash equivalents**

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

### **4.3 Trade accounts receivable and allowance for doubtful accounts**

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 collection experience and based on analysis of debt aging.

#### 4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost, and includes costs of raw material, labour, and attributable factory overheads.

The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the costs to complete the sale.

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

Allowance for deteriorated inventories will be set up for deteriorated inventories.

#### 4.5 Investments

- a) Investments in available-for-sales securities, are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The discount on debt securities is accreted by the effective rate method with the accreted amount presented as an adjustment to the interest income.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries, associates and joint ventures are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year of The Stock Exchange of Thailand. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or yield rate of government bond adjusted by an appropriate risk factor, as the case may be. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

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



#### 4.6 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

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

#### 4.7 Property, plant and equipment and depreciation

Land is stated at cost less allowance for loss on impairment of assets (if any). Buildings 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 over the following estimated useful lives as follows:

		The Company		The Subsidiaries
		Since 2004	Before 2004	
		<u>Method</u>	<u>Method</u>	<u>Method</u>
<b><u>Building and equipment</u></b>				
<b><u>acquired before 2001</u></b>				
Building	Straight-line 20 years	Declining 20 years	Straight-line 20 years	
Machinery	Straight-line 5 years	Straight-line 5 years	Straight-line 10 years	
Tools and equipment	Straight-line 5 years	Declining 5 years	Straight-line 5 years	
Furniture and fixtures	Straight-line 5 years	Declining 5 years	Straight-line 5 years	
Motor vehicles	Straight-line 5 years	Straight-line 5 years	Straight-line 5 years	
<b><u>Building and equipment</u></b>				
<b><u>acquired since 2001</u></b>				
Building	Straight-line 10, 20 years	Straight-line 20 years	Straight-line 20 years	
Machinery	Straight-line 5, 10, 15 years	Straight-line 5 years	Straight-line 10 years	
Tools and equipment	Straight-line 3, 5, 8, 10, 15 years	Straight-line 5 years	Straight-line 5, 7 years	
Furniture and fixtures	Straight-line 5 years	Straight-line 5 years	Straight-line 5, 7 years	
Motor vehicles	Straight-line 5 years	Straight-line 5 years	Straight-line 5 years	

Depreciation is included in determining income.

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

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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

#### **4.8 Intangible assets**

Intangible assets are measured at cost on the date of acquisition. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful live 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.

The intangible assets (i.e. computer software) have useful lives of 3 - 10 years.

#### **4.9 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.10 Related party transactions**

Related parties comprise individuals and 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 associated companies and individual 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.

#### **4.11 Long-term leases**

Leases of 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 other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of plant 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.

#### **4.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on 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.

#### 4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate 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 profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### 4.14 Employee benefits

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits and other long-term employee benefits***

###### *Defined contribution plans*

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



#### *Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

#### **4.15 Provisions**

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

#### **4.16 Income tax**

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

##### ***Current tax***

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

### ***Deferred tax***

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.17 Fair value measurement**

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

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

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

At the end of each reporting period, the Group 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.

## **5. Significant accounting judgements and estimates**

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

### **5.1 Impairment of investments**

The Company treats available-for-sale equity investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **5.2 Investment properties, property, plant and equipment/Depreciation**

In determining depreciation of investment properties, and plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties, and 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 investment properties, and property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.3 Post-employment benefits under defined benefit plans and other long-term employee benefits**

The obligation under the defined benefit plan and other long-term employee benefit plans 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.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash in hand	4,844	6,830	1,518	2,049
Bank deposits	3,265,388	2,817,744	1,927,735	1,829,038
Promissory notes and bills of exchange	50,000	520,000	50,000	500,000
<b>Total</b>	<b>3,320,232</b>	<b>3,344,574</b>	<b>1,979,253</b>	<b>2,331,087</b>

As at 31 December 2019, bank deposits in savings accounts, fixed accounts, promissory notes and bills of exchange carried interests at the rates between 0.1% and 1.5% per annum (2018: between 0.1% and 1.3% per annum).

## 7. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fixed deposits	2,035,740	2,424,116	1,160,974	1,850,964
Promissory note	2,372,000	1,170,000	1,338,000	-
Short-term fund	275,219	40,614	-	-
Local quoted bonds	100,000	-	100,000	-
Current investments (in private fund)	1,149,216	1,008,270	308,968	337,834
<b>Total</b>	<b>5,932,175</b>	<b>4,643,000</b>	<b>2,907,942</b>	<b>2,188,798</b>

As at 31 December 2019, bank deposits in fixed account, promissory note, short-term fund, local quoted bonds and current investment (in private fund) carried interests at the rates between 0.1% and 5.14% per annum (2018: 0.6% and 4.8% per annum).



## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,296,160	1,284,789	1,402,568	1,386,004
Past due				
Not over 3 months	14,182	198,763	25,382	200,268
Total trade receivables - related parties	1,310,342	1,483,552	1,427,950	1,586,272
<u>Other receivables - related parties</u>				
Accrued income and interest receivable	1,768	4,195	10,162	10,473
Total other receivables - related parties	1,768	4,195	10,162	10,473
Total trade and other receivables - related parties (Note 9)	1,312,110	1,487,747	1,438,112	1,596,745
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,307,955	1,312,956	462,140	451,298
Past due				
Not over 3 months	775,464	685,969	165,007	99,122
3 - 6 months	40,103	20,091	24	2
6 - 12 months	2,714	10,206	2,714	1,442
Over 12 months	13,805	15,221	12,029	14,610
Total	2,140,041	2,044,443	641,914	566,474
Less: Allowance for doubtful accounts	(21,516)	(16,272)	(17,001)	(14,287)
Total trade receivables - unrelated parties, net	2,118,525	2,028,171	624,913	552,187
<u>Other receivables - unrelated parties</u>				
Accrued income and interest receivable	123,703	136,014	51,387	69,191
Prepayments	70,634	30,183	6,554	5,526
Advances	10,646	11,528	3,236	4,318
Total other receivables - unrelated parties	204,983	177,725	61,177	79,035
Total trade and other receivables - unrelated parties, net	2,323,508	2,205,896	686,090	631,222
Total trade and other receivables - net	3,635,618	3,693,643	2,124,202	2,227,967

## 9. Related party transactions

### 9.1 Transactions incurred during the year

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

	(Unit: Thousand Baht)				
	Consolidated		Separate		
	financial statements		financial statements		Pricing Policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b>Transactions with subsidiary companies (eliminated from the consolidated financial statements)</b>					
Sales	-	-	472,805	463,338	Cost plus margin
Dividend income	-	-	514,892	425,600	At the announced rate
Rental and other income	-	-	29,927	27,744	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	-	-	2,935,916	2,716,236	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	-	102,695	54,481	Agreed price
<b>Transactions with associated companies</b>					
Sales	75,199	97,876	75,199	97,876	Cost plus margin
Dividend income	-	-	76,327	74,684	At the announced rate
Rental and other income	9,604	9,058	9,604	9,048	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	634,573	620,890	178,576	129,265	Approximately market price with reference to purchase volume
Purchase of machinery and equipment	862	5,968	862	5,968	Agreed price
Sale of equipment	-	3	-	-	Agreed price

					(Unit: Thousand Baht)
	Consolidated		Separate		Pricing Policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b>Transactions with joint venture</b>					
Sales	3,158	2,858	-	-	Agreed price which approximate the market price
Service income	3,274	2,644	-	-	Agreed price which approximate the market price
Dividend income	5,207	4,680	-	-	At the announced rate
<b>Transactions with related companies</b>					
Sales	9,264,887	8,543,713	9,221,846	8,497,680	Cost plus margin
Dividend income	11,406	17,475	11,406	13,769	At the announced rate
Rental and other income	11,335	25,568	4,758	15,149	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	407,680	442,838	315,090	318,328	Approximately market price with reference to purchase volume
Commission and other expenses (included in selling and administrative expenses)	92,620	118,180	16,800	76,642	Contract price
Purchase of machinery and equipment	59,387	19,494	59,387	19,244	Agreed price

## 9.2 Outstanding balance at end of year

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
<b>Trade and other receivables - related parties (Note 8)</b>				
Subsidiaries	-	-	131,251	118,064
Associated companies	28,764	41,567	28,278	41,169
Related companies (related by common shareholders)	1,283,346	1,446,180	1,278,583	1,437,512
<b>Total trade and other receivables - related parties</b>	<b>1,312,110</b>	<b>1,487,747</b>	<b>1,438,112</b>	<b>1,596,745</b>
<b>Trade and other payables - related parties (Note 20)</b>				
Subsidiaries	-	-	336,631	417,523
Associated companies	141,458	164,355	13,261	23,739
Related companies (related by common shareholders)	33,833	79,681	17,324	30,649
<b>Total trade and other payables - related parties</b>	<b>175,291</b>	<b>244,036</b>	<b>367,216</b>	<b>471,911</b>
<b>Liabilities under finance lease agreements - related parties</b>				
<i>Related companies</i>				
Liabilities under finance lease agreements	58,588	75,764	-	1,063
Less: Current portion	(20,034)	(42,986)	-	(1,063)
<b>Liabilities under finance lease agreements - net of current portion</b>	<b>38,554</b>	<b>32,778</b>	<b>-</b>	<b>-</b>
<b>Other accrued expenses - related parties</b>				
<i>Related companies</i>	15,350	19,596	15,350	19,596
<b>Total other accrued expenses - related parties</b>	<b>15,350</b>	<b>19,596</b>	<b>15,350</b>	<b>19,596</b>



### **Short-term loans to related parties**

As at 31 December 2019 and 2018, the balance of short-term loans to related parties and the movement are as follows:

(Unit: Thousand Baht)				
Company's name	Consolidated financial statements			
	Balance as at 31 December 2018	During the year		Balance as at 31 December 2019
		Increase	Decrease	
<u>Associated companies</u>				
Thai Instant Products Company Limited	1,000	1,000	(1,000)	1,000
Anbao Environmental Science & Technology Company Limited	46,636	-	(46,636)	-
Total	47,636	1,000	(47,636)	1,000

(Unit: Thousand Baht)				
Company's name	Separate financial statements			
	Balance			Balance
	as at			as at
	31 December	During the year		31 December
	2018	Increase	Decrease	2019
<u>Associated company</u>				
Thai Instant Products Company Limited	1,000	1,000	(1,000)	1,000
Total	1,000	1,000	(1,000)	1,000

### **Long-term loans from directors**

During the year, movements of long-term loans from directors (including interest payable) of a subsidiary are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance as at 31 December 2018	During the year	
		Increase	Decrease
Long-term loans from directors	71,392	9,793	(81,185)

### 9.3 Directors and management's remuneration

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to its directors and management as below.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
Short-term employee benefits	152	187	57	62
Post-employment benefits and other long-term benefits	8	9	1	-
<b>Total</b>	<b>160</b>	<b>196</b>	<b>58</b>	<b>62</b>

### 10. Short-term loans to unrelated party

As at 31 December 2018, the Company had short-term loans in the form of loan agreement of Baht 250 million to a local unrelated party. The loan carried interest of 10 percent per annum and was due for repayment within one year from the contract date but not later than 22 May 2019. The loan was secured by mortgages of the borrower's land and construction thereon and guaranteed by the borrower's directors and the parent company of the borrower. The Company received loan repayment in full amount on 22 May 2019.

## 11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduced cost to net realisable value		Inventories-net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	357,557	329,618	(2,728)	(3,087)	354,829	326,531
Work in process	33,526	49,629	-	-	33,526	49,629
Raw materials	682,918	657,786	-	-	682,918	657,786
Supplies	193,154	189,357	-	-	193,154	189,357
Goods in transit	94,707	56,864	-	-	94,707	56,864
Spare parts and consumables	95,585	95,759	-	-	95,585	95,759
<b>Total</b>	<b>1,457,447</b>	<b>1,379,013</b>	<b>(2,728)</b>	<b>(3,087)</b>	<b>1,454,719</b>	<b>1,375,926</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduced cost to net realisable value		Inventories-net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	146,897	180,195	-	-	146,897	180,195
Raw materials	202,801	207,589	-	-	202,801	207,589
Supplies	168,359	154,111	-	-	168,359	154,111
Goods in transit	9,235	7,615	-	-	9,235	7,615
Spare parts and consumables	26,593	27,907	-	-	26,593	27,907
<b>Total</b>	<b>553,885</b>	<b>577,417</b>	<b>-</b>	<b>-</b>	<b>553,885</b>	<b>577,417</b>

## 12. Investments in subsidiaries

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

Company's name (Nature of business)	Paid up capital		Shareholding percentage		Cost		(Unit: Million Baht) Dividend received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)				
Thai Sun Foods Company Limited (Manufacture and distribution of fruit juice and distribution of biscuit products)	Baht 50 million	Baht 50 million	52.08	52.08	26,038	26,038	781	781
Thai Anbao Paper Products Company Limited (Manufacture and distribution of paper packaging)	Baht 20 million	Baht 20 million	51.00	51.00	10,200	10,200	30,600	25,500
Dai-Ichi Packaging Company Limited (Manufacture and distribution of packaging printing products and provide packaging service for consumable products)	Baht 150 million	Baht 150 million	50.10	50.10	75,721	75,721	39,078	31,187
Kallol Thai President Foods (BD) Limited (Manufacture and distribution of instant noodles)	Taka 630 million	Taka 630 million	55.00	55.00	142,150	142,150	-	-
President Flour Mills Company Limited (Manufacture and distribution of wheat flour-related products)	Baht 600 million	Baht 600 million	60.00	60.00	360,000	360,000	39,600	25,200
Thai President Foods (Hungary) Company Limited (Manufacture and distribution of instant noodles)	Forint 2,350 million	Forint 2,350 million	65.00	65.00	209,185	209,185	16,465	17,895
President Kourakuen Company Limited (Restaurant and drink)	Baht 25 million	Baht 25 million	70.00	70.00	17,500	17,500	-	-
President Bakery Public Company Limited (Manufacture and distribution of bakery products)	Baht 450 million	Baht 450 million	51.99	51.99	1,925,529	1,925,221	388,368	325,037
President D Venture Company Limited (Investing and/or lending in real estate business)	Baht 1,010 million	Baht 1,010 million	70.00	70.00	707,000	707,000	-	-
Ayeyarwaddy Success Venture Foods Co., Ltd (Manufacture and distribution of instant noodles)	USD 100	-	51.00	-	2	-	-	-
President Interfood Company Limited (Agent)	Baht 3 million	-	59.67	-	9,622	-	-	-
					3,482,947	3,473,015	514,892	425,600
Less: Allowance for loss on impairment of investments					(58,225)	(46,422)		
<b>Total</b>					<b>3,424,722</b>	<b>3,426,593</b>		



On 23 July 2018, the meeting of the Company's Board of Directors No. 7/2018 passed a resolution approving the establishment of a new company in Thailand within August 2018, named President D Venture Co., Ltd., to engage in investing and/or lending in real estate business with a registered share capital of Baht 1,010 million. The Company and a subsidiary will hold 70 percent interest and 29 percent interest, respectively. This company was incorporated as a limited company with the Ministry of Commerce on 3 August 2018.

On 20 August 2018, the Company submitted the announcement of intention to make a tender offer to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, expressing its intention to increase its investment in President Bakery Public Company Limited to over 50 percent of the total issued and paid-up share capital of President Bakery Public Company Limited, which will result in President Bakery Public Company Limited becoming a clear and complete subsidiary of the Company. The Company therefore made a voluntary tender offer for all of the securities of President Bakery Public Company Limited. The voluntary tender offer was completed on 6 November 2018 in which the Company holds 51.99 percent interest in President Bakery Public Company Limited's ordinary shares.

During the year 31 December 2019, the Company has invested in the following subsidiaries:

- a. On 21 September 2016, the meeting of the Company's Board of Directors No.9/2016 passed a resolution approving the investment in a new company in Myanmar, i.e. Ayeyarwaddy Success Venture Foods Co., Ltd, who has the registered share capital of USD 10 million (or equivalent to approximately Baht 350 million), with 51 percent interest of registered capital. As at 31 December 2019, that company called for share subscription of USD 100 and the Company paid USD 51 (or equivalent to Baht 2 thousand), according to the Company's interest. In addition, the Company has paid USD 3,059,949 (or equivalent to Baht 96 million) for advance payments and included in "Advance payment for investments in related parties" in the statement of financial position as at 31 December 2019.
- b. On 19 June 2019, the meeting of the Company's Board of Directors No. 6/2019 passed a resolution approving the additional investment in ordinary shares of President Interfood Company Limited, of 153,000 shares (at the value of Baht 60 each) from a former shareholder, amounting to Baht 9.18 million. As a result, the shareholding percentage in such company changed from 8.67 percent to 59.67 percent.

Fair value of the assets acquired and liabilities assumed of President Interfood Company Limited at the acquisition date were set out below:

	(Unit: Thousand Baht)
Cash and cash equivalents	4,517
Current investments	24,001
Trade and other receivables	8,119
Property, plant and equipment	1,982
Deferred tax assets	3,658
Other non-current assets	945
Trade and other payables	(6,887)
Provision for long-term employee benefits	(18,291)
Fair value of net assets at acquisition date	18,044
Less: Cash paid for acquisition of investment in subsidiary	(9,180)
Fair value of investment held by the Company before acquisition	(442)
Fair value of non-controlling interests	(7,277)
Gain from acquisition	1,145

During 2019, allowance for loss on impairment was provided for Kallol Thai President Foods (BD) Limited amounted to Baht 12 million (2018: Baht 46 million).

## 12.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)								
Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Percent)	(Percent)						
President Bakery Public Company Limited	48.01	48.01	4,374	3,916	817	687	359	333
Dai-ichi Packaging Company Limited	49.90	49.90	1,791	1,582	248	129	39	31

### 12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

#### Summarised information about financial position

	(Unit: Million Baht)			
	President Bakery Public		Dai-Ichi Packaging	
	Company Limited		Company Limited	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	3,993	3,562	1,332	1,065
Non-current assets	5,487	5,128	2,727	2,488
Current liabilities	1,007	1,058	338	311
Non-current liabilities	103	211	118	96

#### Summarised information about comprehensive income

	(Unit: Million Baht)			
	For the year ended 31 December			
	President Bakery Public		Dai-Ichi Packaging	
	Company Limited		Company Limited	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue	7,849	7,575	2,474	2,102
Profit	1,701	1,431	508	257
Other comprehensive income	(6)	(25)	25	(23)
Total comprehensive income	1,695	1,406	534	234

#### Summarised information about cash flows

	(Unit: Million Baht)			
	For the year ended 31 December			
	President Bakery Public		Dai-Ichi Packaging	
	Company Limited		Company Limited	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities	2,155	1,953	379	342
Cash flows used in investing activities	(1,042)	(1,424)	(372)	(362)
Cash flows used in financing activities	(900)	(756)	(80)	(64)
Net increase (decrease) in cash and cash equivalents	213	(227)	(73)	(84)

### 13. Investments in associated companies

### 13.1 Details of investments in associated companies are as follows:

Company's name (Nature of business)	Country of incorporation	Consolidated financial statements								Separate financial statements				(Unit: Thousand Baht)
		Shareholding percentage		Carrying amount based on cost method		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the years		Cost		Dividend received during the year		
				2019	2018	2019	2018	2019	2018					
		(Percent)	(Percent)											
Kerry Flour Mills Company Limited (Manufacture of wheat flour)	Thailand	39.00	39.00	92,630	92,630	1,486,774	1,353,821	201,203	193,068	92,630	92,630	68,250	66,300	
Anbao Environmental Science & Technology Company Limited (Manufacture of paper products)	China	35.00	35.00	87,324	87,324	183,313	173,276	17,589	19,164	87,324	87,324	7,552	8,384	
Thai-Myanmar Success Venture Company Limited (Investment holding)	Thailand	35.00	35.00	35,040	35,040	42,121	41,289	832	826	35,040	35,040	-	-	
Sanko Machinery (Thailand) Company Limited (Assembly of automatic packaging machines)	Thailand	35.00	35.00	5,587	5,587	65,353	62,249	3,629	5,361	5,587	5,587	525	-	
President Foods (Cambodia) Company Limited (Manufacture of instant noodles)	Cambodia	30.00	30.00	19,692	19,692	63,524	55,988	7,536	4,404	19,692	19,692	-	-	



(Unit: Thousand Baht)														
		Consolidated financial statements								Separate financial statements				
Company's name (Nature of business)	Country of incorporation	Paid up capital	Shareholding percentage	Carrying amount based on cost method		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the years		Cost		Dividend received during the year		
				2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
			(Percent)	(Percent)										
Thai Instant Products Company Limited (Manufacturing and sales of products from tapioca, corn and other agriculture crops)	Thailand	Baht 240 million	25.00	25.00	21,500	21,500	8,441	11,365	(2,924)	(2,122)	21,500	21,500	-	-
Ideo Mobi Rangnam Company Limited (Real estate development and lending)	Thailand	Baht 795.99 million	49.00	49.00	390,035	390,035	400,567	385,710	14,857	(4,325)	-	-	-	-
Ideo Q Sukhumvit 36 Company Limited (Real estate development and lending)	Thailand	Baht 664.43 million	49.00	49.00	325,571	325,571	321,563	322,751	(1,188)	(2,820)	-	-	-	-
Ideo New Rama 9 Company Limited (Real estate development and lending)	Thailand	Baht 599.67 million	49.00	49.00	293,838	293,838	320,804	292,441	28,363	(1,397)	-	-	-	-
Saha Capital Tower Company Limited (Property rental and development business)	Thailand	Baht 500 million	25.00	-	125,000	-	125,143	-	143	-	75,000	-	-	-
					1,396,217	1,271,217	3,017,603	2,698,890	270,040	212,159	336,773	261,773	76,327	74,684
Less: Allowance for loss on impairment of investments							-	(9,678)			(12,609)	(9,677)		
Translation adjustments							(33,585)	(19,671)						
Total investments in associates - net					2,984,018	2,669,541					324,164	252,096		

During 2019, allowance for loss on impairment was provided for Thai Instant Products Company Limited amounted to Baht 2.9 million (2018: Baht 3.2 million).

Share of profit from investments in two associated companies accounted for under the equity method for the year ended 31 December 2019, totaling approximately Baht 25 million or 0.5% of consolidated net profit for the year (2018: Baht 23.6 million or 0.5%) was calculated from financial statements which had not been audited by the auditor of these associated companies.

On 18 September 2019, the meeting of the Company's Board of Directors No. 9/2019 passed a resolution approving the investment of a new company in Thailand, named Saha Capital Tower Co., Ltd., to engage in in property rental and development business with a registered share capital of Baht 2,000 million. The Company and a subsidiary hold 15 percent interest and 10 percent interest, respectively. Saha Capital Tower Co., Ltd. called up 25 percent of its registered share capital and the Company and a subsidiary made payment for share subscription of Baht 75 million and Baht 50 million, respectively in September 2019. This company was incorporated as a limited company with the Ministry of Commerce on 30 September 2019.

### 13.2 Summarised financial information about material associates

#### Summarised information about financial position

	(Unit: Million Baht)	
	Kerry Flour Mills Company Limited	
	<u>2019</u>	<u>2018</u>
Current assets	2,918	2,573
Non-current assets	1,035	1,029
Current liabilities	106	99
Non-current liabilities	16	13
<b>Net assets</b>	<b>3,831</b>	<b>3,490</b>
Shareholding percentage (%)	39	39
<b>Share of net assets</b>	<b>1,494</b>	<b>1,361</b>
Adjustment transactions in consolidated financial statements	(7)	(7)
<b>Carrying amounts of associates based on equity method</b>	<b>1,487</b>	<b>1,354</b>

#### Summarised information about comprehensive income

	(Unit: Million Baht)	
	Kerry Flour Mills Company Limited	
	<u>2019</u>	<u>2018</u>
Revenue	2,888	2,857
Profit	516	495
Total comprehensive income	516	495

#### 14. Investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by a subsidiary company and other companies. Details of this investment are as follows:

		Consolidated financial statements										(Unit: Thousand Baht)	
Joint venture	Nature of business	Paid up capital	Shareholding percentage		Carrying amount		Share of profit from investment in joint venture during the year ended		Share of other comprehensive income from investment in joint venture during the year ended		Dividend received during the year ended		
		(Million Baht)	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2018
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	28,424	29,357	4,124	5,205	149	-	5,206	4,680	
<b>Total investment in joint venture</b>					<b>28,424</b>	<b>29,357</b>	<b>4,124</b>	<b>5,205</b>	<b>149</b>	<b>-</b>	<b>5,206</b>	<b>4,680</b>	

In May 2008, a subsidiary company, together with a foreign company and a local company, jointly established President Green House Foods Company Limited to operate a Japanese restaurant. A subsidiary company had invested in 585,000 ordinary shares of this company at par value Baht 10 per share, amounting to Baht 5.85 million, or equivalent to 39% interest, and has treated this investment as investment in joint venture.

## 15. Investments in other companies

Company's name (Nature of business)	Paid up capital (Million Baht)	Consolidated financial statements				Separate financial statements			
		Shareholding percentage		Carrying amounts based on cost method		Shareholding percentage		Carrying amounts based on cost method	
		2019 (Percent)	2018 (Percent)	2019	2018	2019 (Percent)	2018 (Percent)	2019	2018
				Dividend received during the year	Dividend received during the year			Dividend received during the year	Dividend received during the year
Kewpie (Thailand) Company Limited (Manufacture of sauce and dried vegetables)	263.00	10.00	10.00	26,300	26,000	10.00	10.00	26,300	26,000
President Interfood Company Limited (Agent)	3.00	-	8.67	-	442	-	8.67	-	442
Treasure Hill Company Limited (Real estate development)	200.00	3.00	3.00	6,000	6,000	2.00	2.00	4,000	4,000
Winstore Retail Network Company Limited (Information technology management)	62.65	0.60	0.60	2,500	2,500	0.60	0.60	2,500	2,500
The Bangkok Club Company Limited (Club)	450.00	0.44	0.44	3,000	3,000	0.44	0.44	3,000	3,000
Noble Place Company Limited (Real estate development)	296.25	0.08	0.08	1,500	1,500	0.08	0.08	1,500	1,500
Saha Lawson Company Limited (Convenience store)	1,367.00	7.66	7.66	104,724	97,830	7.66	7.66	104,724	97,830

(Unit: Thousand Baht)



Company's name (Nature of business)	Consolidated financial statements						Separate financial statements						(Unit: Thousand Baht)
	Paid up capital	Shareholding percentage		Carrying amounts based on cost method		Dividend received during the year	Shareholding percentage		Carrying amounts based on cost method		Dividend received during the year		
		(Million Baht)	2019 (Percent)	2018 (Percent)	2019	2018	2019	2018	2019 (Percent)	2018 (Percent)	2019	2018	
Sahachol Food Supplies Company Limited (Non-alcoholic beverage retailer)	325.00	6.62	6.62	28,775	28,775	-	-	4.42	4.42	21,875	21,875	-	-
American Food Company Limited (Manufacture of ice-cream)	140.00	18.00	18.00	25,200	25,200	-	-	9.00	9.00	12,600	12,600	-	-
Maruto (Thailand) Company Limited (Trading of packaging products)	10.00	10.00	10.00	1,000	1,000	-	-	-	-	-	-	-	-
Ashton Asoke Praram 9 Company Limited (Real estate development)	1,170.00	6.00	6.00	75,000	75,000	6,675	6,675	-	-	-	-	-	-
IDEO Q Victory Company Limited (Real estate development)	510.00	4.00	4.00	20,000	20,000	1,700	1,700	-	-	-	-	-	-
Total				293,999	287,247	14,875	17,475			176,499	169,747	6,500	9,100
Less: Allowance for loss on impairment of investments				(102,044)	(92,801)					(100,044)	(90,801)		
Total investments in other company - net				191,955	194,446					76,455	78,946		

## 16. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sale investments</b>				
Local marketable equity securities	190,353	519,008	190,353	554,668
Government bonds	46,000	46,000	86,000	86,000
Long-term fund	201,972	210,818	103,450	101,212
Available-for-sale investments (in private fund)	5,782,091	5,873,632	4,436,006	4,394,497
	6,220,416	6,649,458	4,815,809	5,136,377
Add: Surplus on changes in value of available-for-sale investments	429,042		320,568	
<b>Total investment in available-for-sale securities</b>	<b>6,649,458</b>		<b>5,136,377</b>	
<b>Others</b>				
Subordinated bond	850,000	850,000	350,000	350,000
Local quoted bonds	192,000	192,000	105,000	105,000
Fixed deposit (in private fund)	4,000	4,000	10,000	10,000
Total	1,046,000	1,046,000	465,000	465,000
<b>Total other long-term investments in the consolidated financial statements</b>	<b>7,695,458</b>	<b>7,695,458</b>	<b>5,601,377</b>	<b>5,601,377</b>

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
<b>Surplus on changes in value of available-for-sale investments</b>		
Portion of the Company	392,033	328,434
Portion of the Subsidiary	37,009	(7,866)
	429,042	320,568
Add (less): Portion of the subsidiary attributable to non-controlling of the subsidiary	(18,225)	3,818
Deferred tax effect	(82,163)	(64,877)
<b>Total surplus on changes in value of available-for-sale investments in the consolidated financial statements</b>	<b>328,654</b>	<b>259,509</b>

(Unit: Thousand Baht)				
Separate financial statements				
	2019		2018	
	Cost	Fair value	Cost	Fair value
<b>Available-for-sale investments</b>				
Local marketable equity securities	190,353	519,008	190,353	554,668
Government bonds	40,000	40,000	80,000	80,000
Long-term fund	99,903	106,644	99,903	97,583
Available-for-sale investments (in private fund)	3,421,315	3,477,952	2,996,704	2,963,143
	3,751,571	4,143,604	3,366,960	3,695,394
Add: Surplus on changes in value of available-for-sale investments	392,033		328,434	
Total investment in available-for-sale securities	4,143,604		3,695,394	
<b>Others</b>				
Subordinated bond	850,000	850,000	350,000	350,000
Local quoted bonds	122,000	122,000	-	-
Total	972,000	972,000	350,000	350,000
<b>Total other long-term investments in the separate financial statements</b>	<b>5,115,604</b>	<b>5,115,604</b>	<b>4,045,394</b>	<b>4,045,394</b>

(Unit: Thousand Baht)		
Separate financial statements		
	2019	2018
<b>Surplus on changes in value of available-for-sale investments</b>	392,033	328,434
Less: Deferred tax effect	(78,407)	(65,687)
<b>Total surplus on changes in value of available-for-sale investments in the separate financial statements</b>	<b>313,626</b>	<b>262,747</b>

As at 31 December 2019, the Group has pledged government bonds with maturity date over 1 year of approximately Baht 43 million (2018: Baht 43 million) and the Company only of Baht 37 million (2018: Baht 37 million) as a guarantee for electricity and steam use of the Group and guarantee for retroactive tax assessment of the Company.

## 17. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Land	Total	Land	Plant	Total
31 December 2019					
Cost	107,427	107,427	128,287	35,300	163,587
<u>Less</u> Accumulated depreciation	-	-	-	(32,955)	(32,955)
<u>Less</u> Allowance for impairment loss	(5,544)	(5,544)	(5,544)	-	(5,544)
Net book value	101,883	101,883	122,743	2,345	125,088
31 December 2018					
Cost	107,427	107,427	128,287	35,300	163,587
<u>Less</u> Accumulated depreciation	-	-	-	(31,190)	(31,190)
<u>Less</u> Allowance for impairment loss	(9,169)	(9,169)	(9,169)	-	(9,169)
Net book value	98,258	98,258	119,118	4,110	123,228

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	98,258	98,258	123,228	124,993
Reversal of allowance for impairment loss	3,625	-	3,625	-
Depreciation charged	-	-	(1,765)	(1,765)
Net book value at end of year	101,883	98,258	125,088	123,228

Based on the latest valuation performed by an independent valuer, using the market approach, the fair value of an investment properties in respect of land awaiting for sales amounted to approximately Baht 215 million. The Company believed that the fair value as at the end of reporting period did not materially differ from the latest valuation. The fair value of an investment property regarding plant held for rent did not materially differ from the book value.



## 18. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Land improvement	Buildings	Machinery	Tool and plant and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>								
1 January 2018	1,363,900	22,690	4,451,344	10,034,091	3,008,430	1,432,057	96,889	20,409,401
Additions	198,220	-	5,713	17,618	89,122	26,035	642,164	978,872
Reclassification	6,217	-	7,751	10,736	4,406	-	1,534	30,644
Transfer in (out)	-	-	113,392	172,458	101,083	835	(387,768)	-
Disposals and write-off	-	-	(10,216)	(29,908)	(40,287)	(47,555)	-	(127,966)
Transfers out to assets held for sales	-	-	(51,164)	(130,055)	(114,686)	-	-	(295,905)
Translation adjustment	(2,327)	-	(6,915)	(7,622)	(855)	(208)	(288)	(18,215)
31 December 2018	1,566,010	22,690	4,509,905	10,067,318	3,047,213	1,411,164	352,531	20,976,831
Additions	68,621	-	5,475	8,051	90,148	51,534	1,122,337	1,346,166
Increase from acquisition	-	-	-	-	5,811	5,457	-	11,268
Transfer in (out)	-	-	91,081	515,739	156,380	33,122	(796,322)	-
Disposals and write-off	(175,716)	-	(9,522)	-	(25,818)	(44,450)	-	(255,506)
Translation adjustment	(4,773)	-	(11,574)	(14,448)	(2,199)	(367)	(511)	(33,872)
31 December 2019	1,454,142	22,690	4,585,365	10,576,660	3,271,535	1,456,460	678,035	22,044,887
<b>Accumulated depreciation:</b>								
1 January 2018	-	7,242	1,833,012	6,311,398	2,333,027	1,134,158	-	11,618,837
Depreciation for the year	-	1,124	200,069	631,434	263,613	119,971	-	1,216,211
Accumulated depreciation on disposals and write-off	-	-	(10,216)	(29,629)	(39,452)	(47,324)	-	(126,621)
Transfers out to assets held for sales	-	-	(51,164)	(128,281)	(111,932)	-	-	(291,377)
Translation adjustment	-	-	(588)	(3,619)	(412)	(174)	-	(4,793)
31 December 2018	-	8,366	1,971,113	6,781,303	2,444,844	1,206,631	-	12,412,257
Depreciation for the year	-	670	204,160	628,978	261,606	96,458	-	1,191,872
Accumulated depreciation on disposals and write-off	-	-	(9,367)	-	(25,011)	(43,854)	-	(78,232)
Increase in accumulated depreciation from acquisition	-	-	-	-	4,836	4,450	-	9,286
Translation adjustment	-	-	(1,286)	(7,914)	(1,258)	(354)	-	(10,812)
31 December 2019	-	9,036	2,164,620	7,402,367	2,685,017	1,263,331	-	13,524,371
<b>Net book value:</b>								
31 December 2018	1,566,010	14,324	2,538,792	3,286,015	602,369	204,533	352,531	8,564,574
31 December 2019	1,454,142	13,654	2,420,745	3,174,293	586,518	193,129	678,035	8,520,516
<b>Depreciation for the year</b>								
2018 (Baht 1,017 million included in manufacturing cost, and the balance in administrative expenses)								1,216,211
2019 (Baht 1,018 million included in manufacturing cost, and the balance in administrative expenses)								1,191,872

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvement	Buildings	Machinery	Tool and plant and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>								
1 January 2018	212,547	4,224	1,611,537	3,560,383	1,797,060	115,667	45,826	7,347,244
Additions	-	-	160	2,008	27,201	1,922	225,601	256,892
Disposals	-	-	-	(9,293)	(11,814)	(4,728)	-	(25,835)
Transfer in (out)	-	-	17,663	58,935	50,013	-	(126,611)	-
31 December 2018	212,547	4,224	1,629,360	3,612,033	1,862,460	112,861	144,816	7,578,301
Additions	8,644	-	-	1,967	41,790	21,882	658,880	733,163
Disposals	-	-	(9,522)	-	(10,036)	(18,981)	-	(38,539)
Transfer in (out)	-	-	23,369	270,037	134,963	-	(428,369)	-
31 December 2019	221,191	4,224	1,643,207	3,884,037	2,029,177	115,762	375,327	8,272,925
<b>Accumulated depreciation:</b>								
1 January 2018	-	3,624	932,367	2,428,334	1,354,314	97,954	-	4,816,593
Depreciation for the year	-	506	63,696	196,572	143,383	6,605	-	410,762
Depreciation on disposals	-	-	-	(9,015)	(11,097)	(4,727)	-	(24,839)
31 December 2018	-	4,130	996,063	2,615,891	1,486,600	99,832	-	5,202,516
Depreciation for the year	-	52	64,583	212,608	145,128	5,376	-	427,747
Depreciation on disposals	-	-	(9,367)	-	(9,856)	(18,982)	-	(38,205)
31 December 2019	-	4,182	1,051,279	2,828,499	1,621,872	86,226	-	5,592,058
<b>Net book value:</b>								
31 December 2018	212,547	94	633,297	996,142	375,860	13,029	144,816	2,375,785
31 December 2019	221,191	42	591,928	1,055,538	407,305	29,536	375,327	2,680,867
<b>Depreciation for the year</b>								
2018 (Baht 379 million included in manufacturing cost, and the balance in administrative expenses)								410,762
2019 (Baht 398 million included in manufacturing cost, and the balance in administrative expenses)								427,747

As at 31 December 2019, the Group had vehicles under finance lease agreements with net book values amounting to approximately Baht 90 million (2018: Baht 112 million), and Separate financial statements of Baht 18 million (2018: Baht 1 million).

As at 31 December 2019 and 2018, certain machinery and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 6,970 million and Baht 6,548 million, respectively (Separate financial statements: Baht 3,207 million and Baht 3,106 million, respectively).

## 19. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Cost:</b>		
1 January 2018	112,258	60,861
Additions	5,510	121
Translation adjustments	(4)	-
Disposals and write-off	(56)	-
31 December 2018	117,708	60,982
Additions	3,034	1,759
Translation adjustments	4	-
31 December 2019	120,746	62,741
<b>Accumulated amortisation:</b>		
1 January 2018	71,952	38,431
Amortisation for the year (net with disposals and write-off)	9,009	5,446
31 December 2018	80,961	43,877
Amortisation for the year	9,877	5,497
31 December 2019	90,838	49,374
<b>Net book value:</b>		
31 December 2018	36,747	17,105
31 December 2019	29,908	13,367

A reconciliation of the net book value of intangible asset is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at the beginning of the year	36,747	40,306	17,105	22,430
Additions	3,034	5,510	1,759	121
Amortisation for the year	(9,877)	(9,032)	(5,497)	(5,446)
Disposals	-	(38)	-	-
Translation adjustments	4	1	-	-
Net book value at the end of the year	29,908	36,747	13,367	17,105

## 20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties	158,630	220,905	336,789	444,537
Other payables - related parties	16,661	23,131	30,427	27,374
Total trade and other payables - related parties (Note 9)	175,291	244,036	367,216	471,911
Trade payables - unrelated parties	1,308,743	1,372,998	533,896	642,472
Other payables - unrelated parties	329,212	303,986	141,963	86,990
Unearned revenue	10,296	12,265	10,192	12,264
Total trade and other payables - unrelated parties	1,648,251	1,689,249	686,051	741,726
Total trade and other payables	1,823,542	1,933,285	1,053,267	1,213,637

## 21. Liabilities under finance lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liabilities under finance lease agreements	93,888	114,781	20,161	1,277
Less: Deferred interest expenses	(3,787)	(3,072)	(1,696)	(23)
Total	90,101	111,709	18,465	1,254
Less: Portion due within one year	(35,455)	(65,883)	(3,560)	(1,254)
Liabilities under finance lease agreements - net of current portion	54,646	45,826	14,905	-

The Group has entered into the finance lease agreements for rental of motor vehicles and office equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 5 years. The agreements are non-cancellable.



Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2019					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Future minimum lease payments	37,138	56,750	93,888	4,171	15,990	20,161
Deferred interest expenses	(1,683)	(2,104)	(3,787)	(611)	(1,085)	(1,696)
Present value of future minimum lease payments	35,455	54,646	90,101	3,560	14,905	18,465

(Unit: Thousand Baht)

	As at 31 December 2018					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Future minimum lease payments	67,931	46,850	114,781	1,277	-	1,277
Deferred interest expenses	(2,048)	(1,024)	(3,072)	(23)	-	(23)
Present value of future minimum lease payments	65,883	45,826	111,709	1,254	-	1,254

## 22. Long-term loans from directors and employees

A subsidiary has received deposits from its directors and employees under its policy to promote staff deposits with the company, for saving and to derive better returns from deposits and withdrawals than deposits with banks. Each director and employee had a passbook for such deposits and withdrawals. As at 31 December 2018, deposits carried interest at a rate of 2.75 percent per annum (2019: Nil).

During the year 2019, the subsidiary announced the cancellation of the staff deposits, which will be effective on 1 January 2020. Therefore, there were no outstanding balances of long-term loans from directors and employees as at 31 December 2019.

## 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2019			2018		
	Employee retirement benefits	Other long-term employee benefits	Total	Employee retirement benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits beginning of year</b>	714,731	82,810	797,541	721,542	85,068	806,610
Increase from acquisitions (Note 12.1)	16,616	1,675	18,291	-	-	-
Included in profit or loss:						
Current service cost	69,560	8,085	77,645	52,553	8,321	60,874
Interest cost	21,415	1,864	23,279	16,674	1,597	18,271
Past service cost	70,531	-	70,531	-	-	-
Benefits paid during the year	(81,564)	(11,159)	(92,723)	(76,038)	(12,176)	(88,214)
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(800)	(800)	-	-	-
Financial assumptions changes	-	3,227	3,227	-	-	-
Experience adjustments	-	(3,396)	(3,396)	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(20,974)	389	(20,585)	-	-	-
Financial assumptions changes	33,911	(1,066)	32,845	-	-	-
Experience adjustments	77,755	6,019	83,774	-	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>901,981</b>	<b>87,648</b>	<b>989,629</b>	<b>714,731</b>	<b>82,810</b>	<b>797,541</b>

(Unit: Thousand Baht)

	Separate financial statements					
	2019			2018		
	Employee retirement benefits	Other long-term employee benefits	Total	Employee retirement benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee</b>						
<b>benefits beginning of year</b>	502,211	56,757	558,968	503,810	60,335	564,145
Included in profit or loss:						
Current service cost	33,671	3,787	37,458	29,476	3,705	33,181
Interest cost	14,255	1,294	15,549	10,597	1,032	11,629
Past service cost	60,526	-	60,526	-	-	-
Benefits paid during the year	(63,794)	(8,980)	(72,774)	(41,672)	(8,315)	(49,987)
Demographic assumptions changes	-	436	436	-	-	-
Financial assumptions changes	-	2,238	2,238	-	-	-
Experience adjustments	-	4,537	4,537	-	-	-
Included in other comprehensive income:						
Demographic assumptions changes	(22,335)	389	(21,946)	-	-	-
Financial assumptions changes	23,925	(1,097)	22,828	-	-	-
Experience adjustments	46,791	5,794	52,585	-	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>595,250</b>	<b>65,155</b>	<b>660,405</b>	<b>502,211</b>	<b>56,757</b>	<b>558,968</b>

The Group expects to pay Baht 89 million of long-term employee benefits during the next year (Separate financial statements: Baht 54 million) (2018: Baht 87 million (Separate financial statements: Baht 70 million)).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 4.63 – 22.25 years (Separate financial statements: 4.63 - 12.01 years) (2018: 4.81 - 22.11 years (Separate financial statements: 4.81 - 9.15 years)).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate	1.22 - 2.67	1.73 - 3.11	1.4 - 1.83	1.73 - 2.22
Salary increase rate	2.00 - 7.00	2.50 - 6.00	3.00 - 6.00	2.50 - 6.00
Turnover rate	0 - 57.30	0 - 61.00	1.43 - 57.30	0 - 57.30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

	As at 31 December 2019					
	Consolidated financial statements			Separate financial statements		
	Salary			Salary		
	Discount rate	increase rate	Turnover rate	Discount rate	increase rate	Turnover rate
Increase 0.5%	(6.38)	3.59	-	-	-	-
Increase 1%	(65.05)	66.84	(0.63)	(44)	45	-
Increase 10%	-	-	(8.50)	-	-	-
Increase 20%	-	-	(49.37)	-	-	(34)
Decrease 0.5%	7.19	(3.25)	-	-	-	-
Decrease 1%	74.56	(59.54)	(0.55)	51	(41)	-
Decrease 10%	-	-	9.84	-	-	-
Decrease 20%	-	-	58.81	-	-	41



(Unit: Million Baht)

As at 31 December 2018

	Consolidated financial statements			Separate financial statements		
	Discount rate	Salary increase rate	Turnover rate	Discount rate	Salary increase rate	Turnover rate
Increase 0.5%	(3)	3	-	-	-	-
Increase 1%	(13)	7	(19)	(2)	(8)	-
Increase 20%	-	-	3	-	-	3
Decrease 0.5%	3	(3)	-	-	-	-
Decrease 1%	16	(6)	17	2	6	-
Decrease 20%	-	-	(3)	-	-	(4)

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 Group has additional long-term employee benefit liabilities of Baht 71 million (The Company only: Baht 61 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the income statements of the current year

## 24. Statutory reserve

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

## 25. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Raw materials and consumables used	11,061,210	10,582,543	7,721,079	7,139,501
Changes in finished goods and work in process	(12,195)	(99,437)	33,298	-
Salary wages and other employee benefits	4,109,434	3,780,884	1,766,392	1,573,921
Depreciation	1,191,872	1,216,211	429,512	412,527
Advertising and promotion expenses	349,799	360,525	110,306	85,487
Transportation expenses	65,332	426,545	44,965	45,672
Export expenses	132,147	80,024	75,835	79,990
Commission expenses	65,243	230,462	55,936	72,734

## 26. Income tax

Income tax expenses for the year ended 31 December 2019 and 2018 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	748,741	588,667	401,773	323,655
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(19,873)	1,339	(19,934)	3,620
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>728,868</b>	<b>590,006</b>	<b>381,839</b>	<b>327,275</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to gain on changes in value of available-for-sale investments	(21,695)	33,303	(12,720)	21,235
Deferred tax a relating to actuarial gain (losses)	16,366	713	6,927	635
<b>Total</b>	<b>(5,329)</b>	<b>34,016</b>	<b>(5,793)</b>	<b>21,870</b>

Reconciliation between accounting profit and income tax expenses is shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	5,872,274	4,932,523	3,316,836	2,909,370
Applicable tax rate	10%, 20%, 0.60%	0.60%, 10%, 20%, 35%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,244,109	1,034,395	663,367	581,874
Effects of:				
Promotional privileges (Note 27)	(377,617)	(358,895)	(150,697)	(172,650)
Non-deductible expenses	12,185	18,491	(7,439)	16,634
Additional expense deductions allowed	(15,430)	(1,146)	(2,351)	(811)
Dividend income not subject to tax	(126,295)	(104,222)	(115,952)	(97,743)
Other	(8,084)	1,383	(5,089)	(29)
<b>Total</b>	<b>(515,241)</b>	<b>(444,389)</b>	<b>(281,528)</b>	<b>(254,599)</b>
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>728,868</b>	<b>590,006</b>	<b>381,839</b>	<b>327,275</b>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	132,142	93,366	90,593	67,313
Allowance for loss on impairment of investments	30,671	29,380	31,654	29,380
Allowance for doubtful accounts	3,665	2,858	3,532	2,858
Allowance for asset impairment	1,109	459	1,109	459
Accumulated depreciation - plant and equipment	135	467	-	-
Assets under finance leases	882	727	-	-
Others	395	1,415	-	-
<b>Total</b>	<b>168,999</b>	<b>128,672</b>	<b>126,888</b>	<b>100,010</b>
<b>Deferred tax liabilities</b>				
Unrealised gain on change in value of investments	86,183	64,114	78,407	65,687
Unrealised rental income	699	681	698	682
<b>Total</b>	<b>86,882</b>	<b>64,795</b>	<b>79,105</b>	<b>66,369</b>
<b>Deferred tax assets - net</b>	<b>82,117</b>	<b>63,877</b>	<b>47,783</b>	<b>33,641</b>

Deferred tax assets and liabilities in statement of financial position were as follows:

	(Unit: Thousand Baht)			
	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets	82,117	63,877	47,783	33,641



## 27. Promotional privileges

The Group has been granted promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment under certain significant conditions. Significant tax privileges are as follows:

Details	The Company			
1. Certificate No.	60-1162-0-00-1-2	60-1163-0-00-1-2	60-1164-0-00-1-2	60-1165-0-00-1-2
Dated	16 October 2017	16 October 2017	16 October 2017	16 October 2017
Transferred from certificate No.	1388(2)/2552	2201(2)/2553	2535(2)/2554	1045(2)/2555
Dated	26 May 2009	9 November 2010	28 December 2011	19 January 2012
2. Promotional privileges for	Manufacturing of biscuits	Manufacturing of instant noodles	Manufacturing of instant noodles	Manufacturing of instant noodles
3. The significant conditions to follow are				
3.1 Plant to be located at	Rayong	Chonburi	Chonburi	Chonburi
4. The granted significant privileges are				
4.1 Exemption of corporate income tax on net income from the promoted operation, but not over 100 percent of investment and exemption of income tax on dividends paid from the promoted operations in which the corporate income tax is exempted.	Until 3 March 2018	Until 9 June 2019	Until 31 October 2020	Until 1 July 2021 (Stop on 10 April 2019)
4.2 Exemption of import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted
4.3 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	1 year	1 year	1 year	1 year
5. Date of first earning operating income	4 March 2010	10 June 2011	1 November 2012	2 July 2013

Details	The Company (continued)			
1. Certificate No.	60-1166-0-00-1-2	60-1169-0-00-1-2	60-1167-0-00-1-2	60-1168-0-00-1-2
Dated	16 October 2017	16 October 2017	16 October 2017	16 October 2017
Transferred from certificate No.	1161(2)/2555	1782(2)/2556	1780(2)/2556	1781(2)/2556
Dated	9 February 2012	6 June 2013	6 June 2013	6 June 2013
2. Promotional privileges for	Manufacturing of wafers with stuff	Manufacturing of instant noodles	Manufacturing of wafers with stuff	Manufacturing of instant noodles
3. The significant conditions to follow are				
3.1 Plant to be located at	Rayong	Rayong	Rayong	Chonburi
4. The granted significant privileges are				
4.1 Exemption of corporate income tax on net income from the promoted operation, but not over 100 percent of investment and exemption of income tax on dividends paid from the promoted operations in which the corporate income tax is exempted.	Until 4 November 2020	Until 30 June 2023	Until 30 September 2024	8 years
4.2 Exemption of import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted
4.3 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	1 year	1 year	1 year	1 year
5. Date of first earning operating income	5 November 2012	1 July 2015	1 October 2016	1 November 2019

Details	The Company (continued)				
1. Certificate No. Dated Transferred from certificate No. Dated	60-1171-0-00-1-2 16 October 2017 1017(2)/2558 6 January 2015	60-1172-0-00-1-2 16 October 2017 1018(2)/2558 6 January 2015	60-1173-0-00-1-2 16 October 2017 58-2216-0-00-1-0 22 September 2015	61-0769-1-00-1-0 3 July 2018	62-0858-1-04-1-0 13 August 2019
2. Promotional privileges for	Manufacturing of instant noodles	Manufacturing of instant noodles	Manufacturing of semi-instant noodles and dried noodles	Manufacturing of instant foods	Manufacturing of rice product
3. The significant conditions to follow are					
3.1 Plant to be located at	Rayong	Lampoon	Ratchaburi	Ratchaburi	Ratchaburi
4. The granted significant privileges are					
4.1 Exemption of corporate income tax on net income from the promoted operation, but not over 100 percent of investment and exemption of income tax on dividends paid from the promoted operations in which the corporate income tax is exempted.	Until 31 August 2024	Until 31 January 2024	Until 6 May 2024	5 years	-
4.2 Reduction of 50% of corporate income tax on net income, commencing from the date which the privilege in 4.1 expire.	5 years	5 years	-	-	-
4.3 Exemption of corporate income tax on net income from the promoted operation, but not over 50 percent of investment for Improve production efficiency and exemption of income tax on dividends paid from the promoted operations in which the corporate income tax is exempted.	-	-	-	-	3 years
4.4 Exemption of import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted
4.5 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	1 year	-	-	-	-
4.6 Reduction of 75% of import duty on raw materials and significant supplies used in domestic sales from the first import date	-	1 year	-	-	-
5. Date of first earning operating income	1 September 2016	1 February 2016	7 May 2016	Not yet commenced	1 October 2019

Details	A subsidiary - Thai Anbao Paper Products Co., Ltd.				
1. Certificate No.	1611(2)/2552	1596(5)/2553	1461(2)/2554	1084(2)/2556	2438(2)/2556
Dated	14 August 2009	3 May 2010	27 April 2011	18 January 2013	15 October 2013
2. Promotional privileges for	Manufacturing of packaging and carton	Manufacturing of pulp or paper material	Manufacturing of pulp or paper material	Manufacturing of pulp or paper material	Manufacturing of pulp or paper material
3. The significant conditions to follow are					
3.1 Plant to be located at	Lamphoon	Rayong	Chonburi	Chonburi	Rayong
4. The granted significant privileges are					
4.1 Exemption of corporate income tax for net income from promotional privileges and exemption of income tax on dividends paid from the promoted operations in which the corporate income tax is exempted.	8 years (Expired in 5 January 2018) (not over 100 percent of investment excluding land and working capital)	8 years (Expired in 2 May 2018)	7 years (Expired in 8 September 2018) (not over 100 percent of investment excluding land and working capital)	7 years (not over 100 percent of investment excluding land and working capital)	3 years (not over 100 percent of investment excluding land and working capital)
4.2 Exemption of import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted
5. Date of first earning operating income	6 January 2010	3 May 2010	9 September 2011	6 September 2013	2 April 2019



Details	A subsidiary - Dai-Ichi Packaging Co., Ltd.
1. Certificate No. Dated	1855(2)/2555 6 July 2012
2. Promotional privileges for	Manufacturing of plastic product, or coated plastic
3. The significant conditions to follow are	
3.1 Plant to be located at	Chachoengsao
4. The granted significant privileges are	
4.1 Exemption from corporate net income tax on income from the promoted operation, but not over 100 percent of investment excluding land and working capital.	7 years
4.2 Exemption of import duty on machinery as approved by the Board.	Granted
4.3 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	1 year
5. Date of first earning operating income	30 June 2014

Details		A subsidiary - President Bakery Public Co., Ltd.	
1. Certificate No.		1343(2)/2555	2218(2)/2557
Dated		22 March 2012	25 September 2014
2. Promotional privileges for		Manufacture of bakery products	Manufacture of whole grain products
3. Significant privileges			
3.1 Exemption from import duty on approved machinery		Granted	Granted
3.2 Exemption from corporate income tax on net income from promoted operation (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the operations on which the corporate income tax is exempted throughout the corporate income tax exemption period		8 years (not over 100 percent of investment excluding land and working capital)	8 years (not over 100 percent of investment excluding land and working capital)
3.3 Allowance to deduct operating loss incurred during the corporate income tax exemption period from net income incurred thereafter (after exemption period in 3.2)		5 years	5 years
4. Date of first earning operating income		1 June 2017	1 October 2014

The Group has to comply with certain conditions specified under the promotion certificates.

The Group's operating revenues for the year ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements								
	Promoted operations				Non-promoted operations		Total	
	Exemption of corporate income tax		Reduction of 50% of corporate income tax					
	2019	2018	2019	2018	2019	2018	2019	2018
Sales								
Export sales	1,330,867	1,351,919	-	-	3,488,026	2,995,547	4,818,893	4,347,466
Domestic sales	8,021,860	8,403,385	89,768	82,257	11,068,563	9,603,786	19,180,191	18,089,428
<b>Total sales</b>	<b>9,352,727</b>	<b>9,755,304</b>	<b>89,768</b>	<b>82,257</b>	<b>14,556,589</b>	<b>12,599,333</b>	<b>23,999,084</b>	<b>22,436,894</b>

(Unit: Thousand Baht)

Separate financial statements						
	Promoted operations		Non-promoted operations		Total	
	Exemption of corporate income tax					
	2019	2018	2019	2018	2019	2018
Sales						
Export sales	1,328,219	1,349,755	2,507,251	2,042,352	3,835,470	3,392,107
Domestic sales	3,380,343	3,971,353	6,426,253	5,105,443	9,806,596	9,076,796
<b>Total sales</b>	<b>4,708,562</b>	<b>5,321,108</b>	<b>8,933,504</b>	<b>7,147,795</b>	<b>13,642,066</b>	<b>12,468,903</b>

## 28. Earnings per share

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

## 29. 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 Makes has been identified as Executive Committee.

For management purposes, the Group is organised into business units based on their products and services and have six reportable segments as follows:

1. Instant noodles and semi-instant foods
2. Biscuits
3. Bakery
4. Packaging
5. Fruit Juice
6. Others

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The Group's have applied the pricing policies described in Note 9 to set the transfer price. Inter-segment revenues are eliminated on consolidation.

The following table presents revenue and profit and total assets/ total liabilities information regarding the Group' operating segments for the years ended 31 December 2019 and 2018:





		(Unit: Thousand Baht)						
For the year ended 31 December 2018	Instant noodles and semi-instant foods	Total reportable segments				Adjustments and eliminations		Consolidated
		Biscuits	Bakery	Packaging	Fruit Juice	Others		
Revenue from external customers	11,960,658	852,182	7,495,490	983,167	974,761	170,636	-	22,436,894
Inter-segment revenue	104,449	358,889	77	1,724,395	748	983,774	(3,172,332)	-
Interest revenue	142,124	9,945	43,850	21,204	153	1,243	-	218,519
Depreciation and amortisation	412,636	31,404	577,019	143,668	31,688	30,531	(1,390)	1,225,556
Share of profit accounted for under the equity method	-	-	-	-	-	217,364	-	217,364
Income tax expense	327,462	8,110	169,288	35,423	6,813	42,910	-	590,006
<b>Segment profit</b>	<b>2,589,186</b>	<b>(48,348)</b>	<b>1,426,149</b>	<b>330,179</b>	<b>110,709</b>	<b>391,239</b>	<b>(456,597)</b>	<b>4,342,517</b>
		(Unit: Thousand Baht)						
Investment in associates and joint venture accounted for under the equity method	Instant noodles and semi-instant foods	Total reportable segments				Adjustments and eliminations		Consolidated
		Biscuits	Bakery	Packaging	Fruit Juice	Others		
Additions (decrease) to non-current assets other than deferred tax assets	-	-	-	-	-	2,698,898	-	2,698,898
	(143,093)	(23,785)	(274,337)	(16,780)	(1,250)	5,309	(349,128)	1,386,023

## Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Revenue from external customers		
Thailand	19,180,191	18,089,428
Others	4,818,893	4,347,466
Total	<u>23,999,084</u>	<u>22,436,894</u>
Non-current assets (other than deferred tax assets)		
Thailand	19,465,540	17,109,669
Others	338,425	274,750
Total	<u>19,803,965</u>	<u>17,384,419</u>

## Major customers

For the year 2019, the Group have revenue from a major customer in amount of Baht 9,222 million, arising from sales by the Instant noodles, semi-instant foods and biscuits (2018: Baht 8,498 million).

### 30. Provident fund

The Group, and their employees jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is contributed by both employees and the Company or the subsidiary companies at the rates of 3 - 5 percent of their basic salaries and is managed by Tisco Asset Management Co., Ltd.

Total contributions of the Group for the year 2019 amounting to approximately Baht 64 million (2018: Baht 63 million) and separate financial statements: Baht 25 million (2018: Baht 25 million) were recognised as expenses.

### 31. Dividend

Dividend for 2019			
	Per share	Total	Paid date
	(Baht)	(Thousand Baht)	
<b>The second-half period of 2018</b>			
(Approved by the Annual General Meeting of the Company's shareholders No. 2/2019 on 24 April 2019)			
BOI-promoted operation	2.01	662,705	23 May 2019
	2.01	662,705	
<b>The first-half period of 2019</b>			
(Approved by the Meeting of the Company's Board of Directors No. 9/2019 on 18 September 2019)			
BOI-promoted operation	0.90	296,734	17 October 2019
Non-BOI-promoted operation	1.36	448,397	
	2.26	745,131	
<b>Total dividend declared in 2019</b>	<b>4.27</b>	<b>1,407,836</b>	

		Dividend for 2018		
	Per share	Total		Paid date
	(Baht)	(Thousand Baht)		
<b>The second-half period of 2017</b>				
(Approved by the Annual General Meeting of the Company's shareholders No. 1/2018 on 25 April 2018)				
BOI-promoted operation	1.25	412,130		
Non-BOI-promoted operation	0.38	125,288		
	1.63	537,418		23 May 2018
<b>The first-half period of 2018</b>				
(Approved by the Meeting of the Company's Board of Directors No. 9/2018 on 26 September 2018)				
BOI-promoted operation	1.60	527,526		
Non-BOI-promoted operation	0.31	102,208		
	1.91	629,734		25 October 2018
<b>Total dividend declared in 2018</b>	<b>3.54</b>	<b>1,167,152</b>		

## 32. Goodwill

Goodwill mainly consists of goodwill due to Kallol Thai President Foods (BD) Limited, the subsidiary acquires China Bangla Packaging & Printing Industries Limited.

## 33. Commitments and contingent liabilities

### 33.1 Capital commitments

As at 31 December 2019, a subsidiary had capital commitments in respect of procurement agreements for production machinery and equipment of approximately Baht 5.3 million and AUD 0.03 million, totaling approximately Baht 5.9 million (2018: Baht 0.6 million and JPY 4.2 million and EUR 0.1 million, totaling approximately Baht 7.0 million), in respect of office building agreements of approximately Baht 79.5 million (2018: Nil) and factory building agreements of approximately Baht 39 million (2018: Nil).

### 33.2 Operating lease commitments

The Company, its subsidiaries and the joint venture have entered into several lease agreements in respect of the lease of warehouse and other services. The terms of the agreements are generally 1 year to 5 years.

Future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable within:				
Less than 1 year	24	44	2	3
1 to 5 years	11	25	-	-
	<u>35</u>	<u>69</u>	<u>2</u>	<u>3</u>

### 33.3 Long-term service commitments

The joint venture entered into the license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to operation and management of restaurants. Under the conditions of the agreement, the joint venture is to pay an annual license fee as stipulated in the agreement. The license fees for the year 2019 amounted to approximately Baht 2.3 million (2018: Baht 2.4 million).



### 33.4 Long-term purchase commitments

A subsidiary has commitments under natural gas purchase agreement for a period of 3 - 7 years. Under the agreement, a subsidiary is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

<u>No.</u>	<u>Period</u> (Years)	<u>Expired date</u>	<u>Average minimum</u> <u>quantity purchase</u> (Million BTU)
1.	3	30 November 2020	72,007 per annum
2.	5	31 December 2023	281 per day
3.	7	30 November 2020	23,385 per annum

### 33.5 Guarantees

33.5.1 As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 143 million (2018: Baht 153 million), issued by banks on behalf of the Company, its subsidiaries and the joint venture and separate financial statements Baht 58 million (2018: Baht 68 million) in respect of certain performance bonds as required in the normal course of business of the Company, its subsidiaries and the joint venture. These included letters of guarantee as follows:

<u>Type of guarantee</u>	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payment due to creditors	31	31	-	-
Custom duty	1	11	1	11
Retroactive tax assessment	111	111	57	57
	<u>143</u>	<u>153</u>	<u>58</u>	<u>68</u>

33.5.2 A subsidiary had pledged its fixed deposit of Baht 36.3 million (2018: Baht 53.4 million) with the Revenue Department as a guarantee for a retroactive tax assessment against the subsidiary. During the current year, the Court of Appeal for Specialized Cases affirmed the judgment of the Court of First Instance. The case is currently under consideration of the Supreme Court. During the year, the subsidiary has already withdrawn the fixed deposit of Baht 17.1 million that had been pledged as a guarantee during the consideration of a lawsuit brought against the subsidiary by the Department of Empowerment of Persons with Disabilities, seeking to have the subsidiary pay contributions to the Fund for Empowerment of Persons with Disabilities.

### 33.6 Litigation

- a) In 2011, a subsidiary company was sued for compensation totaling approximately Baht 30 million in connection with traffic accidents.

Currently, settlement negotiations for some of the cases have been successful, whereby the subsidiary company and the insurance company agreed to pay the compensation. For the other cases, the Supreme Court rendered its judgment that the subsidiary company is to compensate for the damage in the amount of Baht 3.3 million, including an interest of 7.5 percent per annum. Subsequently on 30 October 2019, the subsidiary company made payment according to Supreme Court's judgment, including interest totaling Baht 5.6 million.

- b) In 2016, the subsidiary was sued by the Department of Empowerment of Persons with Disabilities seeking to have the subsidiary pay to the fund for Empowerment of Persons with Disabilities. On 20 March 2019, the subsidiary paid the debt according to the lawsuit, including interest in total amount of Baht 25.3 million.

### 34. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Consolidated Financial Statements		
	As at 31 December 2019		
	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>			
Available-for-sale investments			
Local marketable equity securities	519,008	-	519,008
Long-term fund	-	210,818	210,818
Available-for-sale investments (in private fund)	-	5,873,632	5,873,632
<b>Assets for which fair value are disclosed</b>			
Investment property	-	215	215

(Unit: Thousand Baht)

Consolidated Financial Statements			
As at 31 December 2018			
	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>			
Available-for-sale investments			
Local marketable equity securities	554,668	-	554,668
Long-term fund	-	101,212	101,212
Available-for-sale investments (in private fund)	-	4,394,497	4,394,497
<b>Assets for which fair value are disclosed</b>			
Investment property	-	237	237

(Unit: Thousand Baht)

Separate Financial Statements			
As at 31 December 2019			
	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>			
Available-for-sale investments			
Local marketable equity securities	519,008	-	519,008
Long-term fund	-	106,644	106,644
Available-for-sale investments (in private fund)	-	3,477,952	3,477,952
<b>Assets for which fair value are disclosed</b>			
Investment property	-	215	215

(Unit: Thousand Baht)

Separate Financial Statements			
As at 31 December 2018			
	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>			
Available-for-sale investments			
Local marketable equity securities	554,668	-	554,668
Long-term fund	-	97,583	97,583
Available-for-sale investments (in private fund)	-	2,963,143	2,963,143
<b>Assets for which fair value are disclosed</b>			
Investment property	-	237	237

## **35. Financial instruments**

### **35.1 Financial risk management**

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investments and trade accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Group is exposed to credit risk primarily with respect to trade accounts receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and sales are made to creditworthy customers. Therefore the Group does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables less allowance for doubtful accounts as stated in the statement of financial position.

#### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its cash at banks and financial institutions, investments and liabilities under financial lease agreements. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2019								
Fixed interest rates					Effective interest rate (% per annum)			
Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total				
<b>Financial Assets</b>								
Cash and cash equivalents	157	-	2,743	420	3,320	0.10 - 1.50		
Current investments	5,550	-	107	275	5,932	0.10 - 5.14		
Trade and other receivables	-	-	-	3,637	3,637	-		
Other long-term investments	-	242	-	7,453	7,695	1.20 - 5.10		
	5,707	242	2,850	11,785	20,584			
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	1,824	1,824			
Liabilities under finance lease agreements	35	55	-	-	90	1.98 - 4.70		
	35	55	-	1,824	1,914			

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2018								
Fixed interest rates					Effective interest rate (% per annum)			
Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total				
<b>Financial Assets</b>								
Cash and cash equivalents	1,806	-	1,245	293	3,344	0.1 - 4.30		
Current investments	4,496	-	147	-	4,643	0.55 - 4.80		
Trade and other receivables	44	-	-	3,650	3,694	0.1 - 10.00		
Other long-term investments	-	1,585	-	4,016	5,601	0.26 - 8.50		
	6,346	1,585	1,392	7,959	17,282			
<b>Financial liabilities</b>								
Trade and other payables	-	-	-	1,933	1,933	-		
Liabilities under finance lease agreements	66	46	-	-	112	2.8 - 5.15		
	66	46	-	1,933	2,045			



(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2019					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
						(% per annum)
<b>Financial Assets</b>						
Cash and cash equivalents	68	-	1,854	57	1,979	0.10 - 1.50
Current investments	2,813	-	95	-	2,908	0.90 - 2.55
Trade and other receivables	-	-	-	2,124	2,124	-
Other long-term investments	-	162	-	4,954	5,116	1.20 - 5.10
	2,881	162	1,949	7,135	12,127	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	1,053	1,053	-
Liabilities under finance lease agreements	4	14	-	-	18	1.98
	4	14	-	1,053	1,071	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2018					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
						(% per annum)
<b>Financial Assets</b>						
Cash and cash equivalents	1,620	-	670	41	2,331	0.10 - 1.55
Current investments	2,042	-	147	-	2,189	1.05 - 1.85
Trade and other receivables	26	-	-	2,202	2,228	0.10 - 10.00
Other long-term investments	-	1,001	-	3,044	4,045	0.26 - 8.50
	3,688	1,001	817	5,287	10,793	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	1,214	1,214	-
Liabilities under finance lease agreements	1	-	-	-	1	5.15
	1	-	-	1,214	1,215	

### Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	10,338	9,736	3,956	2,821	30.1084	32.4036
Singapore dollar	-	-	51	-	22.2846	-
Australian dollar	-	-	29	-	21.0131	-
Euro	530	143	183	1,338	33.6780	37.0731
Japanese Yen	-	43,900	138,546	55,600	0.2754	0.2926
Ringgit	443	338	165	-	7.2999	7.7815
Chinese Yuan	-	-	35	-	4.2993	-

Foreign exchange contracts outstanding are summarized below.

As at 31 December 2019					
	Sold	Bought			
Foreign currency	amount	amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Sold amount	Bought amount	
			(Baht per 1 foreign currency unit)		
US dollar	7,500	2,486	30.1544 - 30.2894	30.1350 - 30.20	7 January - 17 April 2020

As at 31 December 2018

As at 31 December 2019					
	Sold	Bought			
Foreign currency	amount	amount	Contractual exchange rate		Contractual maturity date
	(Thousand)	(Thousand)	Sold amount	Bought amount	
			(Baht per 1 foreign currency unit)		
US dollar	6,300	9,966	32.3152 - 33.1030	32.42 - 33.25	3 January - 3 July 2019
Japanese yen	-	150,000	-	0.29098 - 0.29137	29 March 2019
Euro	-	900	-	37.99 - 38.25	15 February - 24 May 2019

### 35.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

### 36. 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. As at 31 December 2019, the Group's debt-to-equity ratio was 0.14:1 (2018: 0.15:1) and the Company's was 0.14:1 (2018: 0.15:1).

### 37. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Company on 21 February 2020.

## Board of Directors Details

1. Name	Mr. Boonsithi Chokwatana	
Position	Chairman of the Board / Chairman of the Nomination and Remuneration Committee	
Age	82 years	
Shareholding	3,117,894 Shares (0.95%)	
Education	The Honorary Doctorate Degree Business Administration Burapha University Business Administration Thammasat University Business Administration National Institute of Development Administration, Business Administration University of the Thai Chamber of Commerce Environmental Engineering Khon Kaen University Faculty of Law Waseda University Faculty of Textile Industry (Textile and Garments) Rajamangala University of Technology Krungthep	
Working Experience		
Oct 2017 - Present	Chairman of the Board /	Thai President Foods Public Co.,Ltd. (TFMAMA)
	Chairman of the Nomination and Remuneration Committee	Thai President Foods Public Co.,Ltd. (TFMAMA)
2015 - Oct 2017	Chairman of the Board /	Thai President Foods Public Co.,Ltd.(TF)
	Chairman of the Nomination and Remuneration Committee	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Honorary Chairman	Saha Pathanapibul Public Co.,Ltd.
2015 - Present	Chairman / Chairman of the Executive Board /	Saha Pathana Inter-Holding Public Co.,Ltd,
	Chairman of the Nomination and Remuneration Committee	Saha Pathana Inter-Holding Public Co.,Ltd,
2016 - Present	Honorary Advisory	I.C.C International Public Co.,Ltd.
May 2016 - Dec 2016	Honorary Advisory Director	I.C.C International Public Co.,Ltd.
2014 - May 2016	Vice Chairman	I.C.C International Public Co.,Ltd.
2014 - Apr 2018	Director	Sahacogen (Chonburi) Public Co., Ltd.
Jul 2016 - Present	Advisor to the Board of Directors	Thanulux Public Co., Ltd.
May 2010 - Jul 2016	Director Consultant	Thanulux Public Co., Ltd.
2015 - Present	Advisor to the Board of Directors	Textile Prestige Public Co., Ltd.
2015 - Present	Consultant	Thai Wacoal Public Co.,Ltd.
Board Member in Listed company	Honorary Chairman	Saha Pathanapibul Public Co.,Ltd.
	Chairman / Chairman of the Executive Board /	Saha Pathana Inter-Holding Public Co.,Ltd,
	Chairman of the Nomination and Remuneration Committee	
Board Member in Other company	Amount 12 companies	
Appointed to be the company director since October 16, 2017		
Director skills and duties trainings	Thai Institute of Directors Association Director Accreditation Program (DAP) 3/2003 Director Certification Program (DCP) 68/2005	





2.	Name	Mr. Pipat Paniangvait	
	Position	Vice Chairman / Nomination and Remuneration Committee / Chief Executive Officer	
	Age	80 years	
	Shareholding	23,861,860 Shares (7.24%)	
	Education	Honorary Doctor of Science Degree in Food Science and Technology, Faculty of Science and Technology, Rajamangala University of Technoly Tawan-ok Honorary Doctor of Arts Degree in Business administration, North Chiang Mai University Honorary Doctor of Arts Degree in Home Economics Development, Faculty of Education / Ramkhamhaeng University	
	Working Experience		
	2015 - Present	Honorary Director	The Thai Chamber of Commerce
	2015 - Present	Treasurer	Federation Internationale de Natation (FINA)
	2015 - Present	Expertise	National Olympic Committee of Thailand
	Oct 2017 - Present	Vice Chairman / Chief Executive Officer	Thai President Foods Public Co.,Ltd. (TFMAMA)
		Nomination and Remuneration Committee	Thai President Foods Public Co.,Ltd. (TFMAMA)
	2015 - Oct 2017	Vice Chairman / Chief Executive Officer	Thai President Foods Public Co.,Ltd.(TF)
		Nomination and Remuneration Committee	Thai President Foods Public Co.,Ltd.(TF)
	2015 - Present	Chairman	President Bakery Public Co.,Ltd.,
		Chairman of the Nomination and Remuneration Committee	President Bakery Public Co.,Ltd.,
	2014 - Aug 2018	Chairman	Thai O.P.P. Public Co.,Ltd.
	2015 - Present	Director	Sahapatana Inter Holding Public Co.,Ltd.,
	2013 - Oct 2017	Advisor to the Board of Directors	President Rice Product Public Co.,Ltd.
	Board Member in Listed company	Chairman	President Bakery Public Co.,Ltd.,
		Director	Sahapatana Inter Holding Public Co.,Ltd.,
	Board Member in Other company	Amount 6 companies	
	Appointed to be the company director since October 16, 2017		
	Director skills and duties trainings	Thai Institute of Directors Association	
		Director Accreditation Program (DAP) 3/2003	
		Director Certification Program (DCP) 39/2004	



3. Name	Mr. Suchai Ratanajiaroen	
Position	Vice Chairman / Corporate Governance and Risk Management Committee / Consultant	
Age	67 years	
Shareholding	-	
Education	Master in Business Administration , Thammasat University	
Working Experience		
Jan 2019 - Present	Consultant	Thai President Foods Public Co.,Ltd. (TFMAMA)
Oct 2017 - Present	Vice Chairman	Thai President Foods Public Co.,Ltd. (TFMAMA)
	Corporate Governance and Risk Management Committee	Thai President Foods Public Co.,Ltd. (TFMAMA)
Apr 2017 - Oct 2017	Vice Chairman	Thai President Foods Public Co.,Ltd.(TF)
2015 - Apr 2017	President	Thai President Foods Public Co.,Ltd.(TF)
2015 - Oct 2017	Risk Management Committee	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Chairman	Kallol Thai President Foods (BD) Ltd.
2015 - Present	Chairman	China Bangla Packaging & Printing Industries Ltd.
2015 - Present	Chairman	President Interfood Co.,Ltd.
2017 - Present	Consultant	Kerry Flour Mills Ltd.
2015 - Present	Director	Thai-Myanmar Success Venture Co.,Ltd.
2015 - Present	Director	President Foods (Cambodia) Co.,Ltd.
2015 - Present	Director	Thai President Foods (Hungary) Kft.
2016 - Present	Director	President Kourakuen Co.,Ltd.
2019 - Present	Chairman	Ayeyarwaddy Success Venture Foods Co., Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 6 companies	
Appointed to be the company director since	October 16, 2017	
Director skills and duties trainings	Thai Institute of Directors Association	
	Director Certification Program (DCP) 45/2004	



4. Name	Dr. Poj Paniangvait	
Position	President / Corporate Governance and Risk Management Committee	
Age	52 years	
Shareholding	3,058,552 Shares (0.93%)	
Education	Dortor of Philosophy in Knowledge Management, Chiang Mai University MBA Commerce and Accountancy, Thammasat University	
Working Experience		
Oct 2017 - Present	President	Thai President Foods Public Co.,Ltd. (TFMAMA)
	Corporate Governance and Risk Management Committee	Thai President Foods Public Co.,Ltd. (TFMAMA)
Apr 2017 - Oct 2017	President	Thai President Foods Public Co.,Ltd.(TF)
2014 - Apr 2017	Vice President	Thai President Foods Public Co.,Ltd.(TF)
2015 - Oct 2017	Risk Management Committee	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Director	Sanko Machinery (Thailand) Co.,Ltd.
2015 - Present	Director	President Foods (Cambodia) Pte.,Ltd.
2015 - Present	Director	Thai Myanmar Success Venture Ltd.
2015 - Present	Director	Kallol Thai President Foods (BD) Ltd.
2015 - Present	Director	China Bangla Packaging & Printing Industries Ltd.
2015 - Present	Director	Jim's Group Co., Ltd.
2015 - Present	Managing Director	Thai President Foods (Hungary ) Kft.
2015 - Present	Director	Sam Chai Sunshine Co., Ltd.
2015 - Present	Director	Thaisun Foods Co.,Ltd
2015 - Present	Director	President Interfood Co.,Ltd.
2015 - Present	Director	Kerry Flour Mills Ltd.
Jun 2017 - Present	Director	President Flour Mills Co.,Ltd.
Apr 2018 - Present	Director	Thai Anbao Paper Products Co.,Ltd.
2019 - Present	Director	Ayeyarwaddy Success Venture Foods Co.,Ltd
2019 - Present	Director	Jiam Body Co., Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 15 companies	
Appointed to be the company director since October 16, 2017		
Director skills and duties trainings	Thai Institute of Directors Association Directors Accreditation Program (DAP) 20/2004 Director Certification Program (DCP) 72/2006	



5.	Name	Mr. Kamthorn Tatiyakavee	
	Position	Director	
	Age	65 years	
	Shareholding	8,424,453 Shares (2.56%)	
	Education	MBA. (Finance) University of Bridgeport Connecticut, U.S.A.	
	Working Experience		
	Oct 2017 - Present	Director	Thai President Foods Public Co.,Ltd. (TFMAMA)
	2015 - Oct 2017	Director	Thai President Foods Public Co.,Ltd.(TF)
	2015 - Mar 2018	Director	President Bakery Public Co.,Ltd,
	2015 - Present	Director Consultant	Kerry Flour Mills Limited
	2014 - Jul 2017	Director	Asia Wealth Securities Co.,Ltd.
	2014 - Jul 2017	Director	Asia Wealth Holding Co.,Ltd.
	2015 - 2019	Chairman	WHA Real Estate Management Co.,Ltd.
	2015 - 2019	Director	Export - Import Bank of Thailand
	2014 - Jul 2017	Director	Asia Wealth Securities Co., Ltd.
	2014 - Jun 2017	Director and President	President Holding Co.,Ltd.
	2017 - Present	Chairman	Keystone Holding Co., Ltd.
	May 2019 - Present	Independent Director	Kerry Express (Thailand) Limited
	Board Member in Listed company	None	
	Board Member in Other company	Amount 2 companies	
	Appointed to be the company director since October 16, 2017		
	Director skills and duties trainings	Thai Institute of Directors Association	
		Audit Committee Program (ACP) 12/2006	
		Directors Certification Program (DCP) 46/2004	
		Directors Accreditation Program (DAP) 3/2003	
		IT Governance and Cyber Resilience Program (ITG) 7/2018	



6.	Name	Mr. Apichart Thammanomai	
	Position	Director	
	Age	70 years	
	Shareholding	158,972 Shares (0.05%)	
	Education	Mini MBA , Thammasat University Bachelor's Degree in Political Science, Ramkhamhaeng University	
	Working Experience		
	Oct 2017 - Present	Director	Thai President Foods Public Co.,Ltd. (TFMAMA)
	2015 - Oct 2017	Director	Thai President Foods Public Co.,Ltd.(TF)
	2019 - Present	Vice Chairman	President Bakery Public Co.,Ltd.
	2015 - Present	Managing Director	President Bakery Public Co.,Ltd.
	2015 - Present	Nomination and Remuneration Committee	President Bakery Public Co.,Ltd.
	2015 - Oct 2017	Chairman of the Board of Director Chairman of the Nomination and Remuneration Committee	President Rice Products Public Co.,Ltd.  President Rice Products Public Co.,Ltd.
	Jun 2017 - Present	Chairman	President Flour Mills Co.,Ltd.
	2011 - May 2017	Director	President Flour Mills Co.,Ltd.
	2015 - Present	Director	Kerry Flour Mills Limited
	Board Member in Listed company	Vice Chairman / Managing Director Nomination and Remuneration Committee	President Bakery Public Co.,Ltd.
	Board Member in Other company	Amount 2 companies	
	Appointed to be the company director since October 16, 2017		
	Director skills and duties trainings	Thai Institute of Directors Association Director Certification Program (DCP) 68/2005 Director Accreditation Program (DAP) 2003	



7. Name	Mr. Boonchai Chokwatana
Position	Director
Age	72 years
Shareholding	76,264 Shares (0.023%)
Education	The Doctor Honorary Degree in Liberal Arts, Rajamangala University of Technology Phra Nakhon Communication, Naresuan University Business Administration, Mahasarakham University Logistics Management, Suan Sunandha Rajabhat University Bachelor of Arts in Political Science, Ramkhamhaeng University Bachelor of Business Administration Wisconsin State University At Superior, U.S.A.



#### Working Experience

Oct 2017 - Present	Director	Thai President Foods Public Co.,Ltd. (TFMAMA)
2015 - Oct 2017	Director	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Director	Saha Pathana Inter-Holding Public Co.,Ltd.
2015 - Present	Chairman / Chairman of the Executive Board	Saha Pathanapibul Public Co.,Ltd.
2015 - Present	Chairman	Far East Frame Line DDB Public Co.,Ltd.
Feb 2019 - Present	Independent Director Nomination and Remuneration Committee	Muang Thai Insurance Public Co., Ltd.
Board Member in Listed company	Chairman / Chairman of the Executive Board Chairman Director Independent Director Nomination and Remuneration Committee	Saha Pathanapibul Public Co.,Ltd. Far East Frame Line DDB Public Co.,Ltd. Saha Pathana Inter-Holding Public Co.,Ltd. Muang Thai Insurance Public Co., Ltd.
Board Member in Other company	Amount 20 companies	
Appointed to be the company director since October 16, 2017		
Director skills and duties trainings	Thai Institute of Directors Association Director Accreditation Program (DAP) 3/2003 Director Certification Program (DCP) 68/2005	





8. Name	Mr. Vathit Chokwatana	
Position	Director	
Age	55 years	
Shareholding	888 Shares (0.0003%)	
Education	Master's Degree in Business Administration, Assumption University Bachelor of Electronic Engineer, San Francisco State University, California USA	
Working Experience		
Oct 2017 - Present	Director	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Director	Thai President Foods Public Co.,Ltd.(TF)
2017 - Present	President	Saha Pathanapibul Public Co.,Ltd.
2008 - 2017	Director	Saha Pathanapibul Public Co.,Ltd.
2015 - Present	Managing Director	Sun 108 Co.,Ltd.
2019 - Present	Director	Ayeyarwaddy Success Venture Foods Co.,Ltd
Board Member in Listed company	President	Saha Pathanapibul Public Co.,Ltd.
Board Member in Other company	Amount 15 companies	
Appointed to be the company director since	October 16, 2017	
Director skills and duties trainings	Thai Institute of Directors Association	
	Director Accreditation Program (DAP) 75/2008	
	Director Certification Program (DCP) 251/2018	



9. Name	Miss Pojjana Paniangvait		
Position	Director / Corporate Governance and Risk Management Committee / Assistant Vice President		
Age	54 years		
Shareholding	3,066,189 Shares (0.93%)		
Education	Master of Business Administration (MBA), National Institute of Development Administration Master of Art (MA) in Communication Art and Design New York Institute of Technology (NYIT), New York, USA B.F.A. (Communication Design), King Mongkut's Institute of Technology Ladkrabang		
Working Experience			
Oct 2017 - Present	Director	Thai President Foods Public Co.,Ltd. (TFMAMA)	
Oct 2017 - Present	Corporate Governance and Risk Management Committee	Thai President Foods Public Co.,Ltd. (TFMAMA)	
Oct 2017 - Present	Assistant Vice President	Thai President Foods Public Co.,Ltd. (TFMAMA)	
2015 - Oct 2017	Director	Thai President Foods Public Co.,Ltd.(TF)	
2016 - Oct 2017	Risk Management Committee	Thai President Foods Public Co.,Ltd.(TF)	
2015 - Present	Director	Thai President Foods (Hungary) Kft.	
2015 - Present	Director	Sam Heng Co., Ltd.	
2015 - Present	Managing Director	President Inter Food Co., Ltd.	
2015 - Present	Director	Daiji Enterprise Co., Ltd.	
2015 - Present	Director	Jim's Group Co., Ltd.	
2019 - Present	Director	Ayeyarwaddy Success Venture Foods Co.,Ltd.	
2019 - Present	Director	Jiam Body Co., Ltd.	
Board Member in Listed company	None		
Board Member in Other company	Amount 7 companies		
Appointed to be the company director since October 16, 2017			
Director skills and duties trainings	Thai Institute of Directors Association Directors Certification Program (DCP 212/2015) Successful Formulation & Execution the Strategy (SFE 29/2017) Risk Management Program for Corporation Leaders (RCL 8/2017)		





<b>10. Name</b>	<b>Dr. Kulpatra Sirodom</b>	
<b>Position</b>	<b>Independent Director / Chairman of Audit Committee</b>	
<b>Age</b>	63 years	
<b>Shareholding</b>	150,147 Shares (0.05%)	
<b>Education</b>	Ph.D (Finance) University of Pittsburgh, Pennsylvania, USA MBA. (Finance) West Virginia University, USA	
<b>Working Experience</b>		
Oct 2017 - Present	Independent Director	Thai President Foods Public Co.,Ltd. (TFMAMA)
	Chairman of the Audit Committee	Thai President Foods Public Co.,Ltd. (TFMAMA)
2015 - Oct 2017	Independent Director	Thai President Foods Public Co.,Ltd.(TF)
	Chairman of the Audit Committee	Thai President Foods Public Co.,Ltd.(TF)
2002 - 2017	Independent Director	President Bakery Public Co.,Ltd.
	Director of the Audit Committee	President Bakery Public Co.,Ltd.
2015 - Present	Independent Director	Thai Wacoal Public Company Limited
	Chairman of the Audit Committee	Thai Wacoal Public Company Limited
	Chairman of Corporate Governance Committee	Thai Wacoal Public Company Limited
2009 - Apr 2018	Independent Director / Audit Committee Member	The Siam Commercial Bank Plc.
2015 - Present	Independent Director / Chairman of Audit Committee	The Arawan Group Plc.
2016 - Present	Independent Director	Thailand Securities Depository Co., Ltd.
2016 - Present	Independent Director / Chairman of Risk Committee	Thailand Clearing House Co.,Ltd.
2017 - Present	Member of Public Sector Audit Evaluation Committee Director	Office of the Public Sector Development Commission Thai Listed Companies Association
2015 - Present	Expert Member of the policy Committee on Public Private Partnerships in State Undertakings	Ministry of Finance
Apr 2019 - Present	Independent Director / Audit Committee	Tisco Financial Group Public Company Limited
Apr 2019 - Present	Independent Director / Audit Committee	Tisco Bank Plc.
Jul 2019 - Present	Independent Director / Audit Committee	Thai Group Holdings Public Company Limited
<b>Board Member in Listed company</b>	Independent Director	Thai Wacoal Public Company Limited
	Chairman of the Audit Committee	
	Chairman of Corporate Governance Committee	
	Independent Director / Chairman of Audit Committee	The Arawan Group Plc.
	Independent Director / Audit Committee	Tisco Financial Group Public Company Limited
	Independent Director / Audit Committee	Thai Group Holdings Public Company Limited
<b>Board Member in Other company</b>	Amount 3 companies	
<b>Appointed to be the company director since October 16, 2017</b>		
<b>Director skills and duties trainings</b>	Thai Institute of Directors Association Director Certification Program (DCP) 1/2000 Audit Committee Program	

11. Name	Thanpuying Angkab Punyashthiti	
Position	Independent Director / Audit Committee	
Age	85 years	
Shareholding	155,873 Shares (0.05%)	
Education	Honorary Degree of Doctor of Philosophy in Educational Administration Ph.D. (Honorary Degree in Educational Administration ) Ramkhamhaeng University Doctor of Philosophy (Buddhist Educational Administration ) Mahachulalongkornrajavidyalaya University M.S.C. in Education University of Wisconsin, U.S.A. Bachelor of Arts, Chulalongkorn University	
Working Experience		
Oct 2017 - Present	Independent Director	Thai President Foods Public Co.,Ltd.(TFMAMA)
	Audit Committee	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Independent Director	Thai President Foods Public Co.,Ltd.(TF)
	Audit Committee	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Chairman	Thai Bunka Fashion Co.,Ltd.
	Advisor Board of Director	Chitralada Vocational School
	Member of the Commission	Chitralada College of Technology
	Honorary Advisor to the President	Chitralada College of Technology
Board Member in Listed company	None	
Board Member in Other company	Amount 1 companies	
Appointed to be the company director since	October 16, 2017	
Director skills and duties trainings	Thai Institute of Directors Association Director Certification Program (DCP) 68/2005	



12. Name	Mr. Chaiwat Maraprygsavan		
Position	Independent Director / Audit Committee / Nomination and Remuneration Committee		
Age	73 years		
Shareholding	-		
Education	Master of Laws, Ramkhamhaeng University		
Working Experience			
Oct 2017 - Present	Independent Director / Audit Committee	Thai President Foods Public Co.,Ltd.(TFMAMA)	
	Nomination and RemunerationCommittee	Thai President Foods Public Co.,Ltd.(TFMAMA)	
2015 - Oct 2017	Independent Director / Audit Committee	Thai President Foods Public Co.,Ltd.(TF)	
	Nomination and RemunerationCommittee	Thai President Foods Public Co.,Ltd.(TF)	
2015 - Present	Vice Chairman	The Thai Chamber of Commerce and	
	Advisor of Legal Committee	Board of Trade of Thailand	
2015 - Present	Chairman of Audit Committee	University of the Thai Chamber of Commerce	
2015 - Present	Director	Board of Thai Entrepreneur Development	
		Institute,	
		Board of Trade of Thailand	
2015 - Present	Director	Board of Certificate of Origin (C/O), Certificate	
		of Standards of Products and ATA Carnet	
2015 - Present	Director	The Committee on the business of APEC/	
		APAC/ASEM	
2015 - Present	Director	University of the Thai Chamber Commerce	
		Council	
2015 - Present	Litigant, Business Law Consultant	C.B. Law office Ltd.	
2015 - Present	Expert to Member of The National		
	Legislative Assembly		
Board Member in Listed company	None		
Board Member in Other company	Amount 1 company		
Appointed to be the company director since October 16, 2017			
Director skills and duties trainings	Thai Institute of Directors Association		
	Directors Certification Program (DCP) 105/2008		





13. Name	Professor Dr. Suwimon Keeratipibul		
Position	Independent Director / Chairman of the Corporate Governance and Risk Management Committee		
Age	65 years		
Shareholding	-		
Education	Doctor and Master of Engineering (Fermentation Technology), Hiroshima University, Japan Bachelor of Science (Food Technology), Chulalongkorn University		
Working Experience			
Apr 2019 - Present	Independent Director Chairman of the Corporate Governance and Risk Management Committee	Thai President Foods Public Co.,Ltd.(TFMAMA)	
2015 - Present	Professor at the Faculty of Science Consultant of GMP, HACCP system Lecturer on food safety, auditing and monitoring production hygiene in Food Industry Factory Principal researcher on flavors in food	Chulalongkorn University	
2015 - Apr 2019	Independent Director	President Bakery Public Co.,Ltd.	
2015 - Present	Independent Director	Crown Seal Public Company Limited	
Board Member in Listed company	Independent Director	Crown Seal Public Company Limited	
Board Member in Other company	None		
Appointed to be the company director since April 24, 2019			
Director skills and duties trainings	Thai Institute of Directors Association Director Certification Program (DCP) 97/2012		





14. Name	Mrs. Tongurai Limpiti		
Position	Independent Director / Corporate Governance and Risk Management Committee		
Age	63 years		
Shareholding	27,426 Shares (0.008%)		
Education	MBA, (Finance, Investment and Accounting) University of Wisconsin, Madison, USA Bachelor of Accountancy, Chulalongkorn University		
Working Experience			
Apr 2019 - Present	Independent Director	Thai President Foods Public Co.,Ltd.(TFMAMA)	
	Corporate Governance and Risk Management Committee		
2017-Present	Chairman of the Board	Bangkok Commercial Asset Management Plc.	
2014-2016	Deputy Governor, Financial Institutions Stability	Bank of Thailand	
2012-2014	Deputy Governor, Business	Bank of Thailand	
Board Member in Listed company	Chairman of the Board	Bangkok Commercial Asset Management Plc.	
Board Member in Other company	None		
Appointed to be the company director since April 24, 2019			
Director skills and duties trainings	Thai Institute of Directors Association Director Certification Program (DCP) 8/2001 Director Certification Program Update (DCPU) 5/2015		

15. Name	Mrs. Orathai Thongmeearkom		
Position	Director		
Age	59 years		
Shareholding	1,016,838 Shares (0.31%)		
Education	Barrister-at-law, Institute of Legal Education of the Thai Bar Bachelor of Law (First-class honors), Chulalongkorn University Bachelor of Business Administration (First-class honors), Bangkok University Advanced Certificate in Public Economics Management for Executives, King Prajadhipok's Institute		
Working Experience			
Apr 2019 - Present	Director		Thai President Foods Public Co.,Ltd.(TFMAMA)
2015-Present	Director, Assistant President in Property and Legal, Consultant of Legal		Universe Beauty Co., Ltd.
Board Member in Listed company	None		
Board Member in Other company	15 Companies		
Appointed to be the company director since April 24, 2019			
Director skills and duties trainings	Thai Institute of Directors Association Director Certification Program (DCP) 277/2019		

## Management Team Details

1. Name

Position

Age

Shareholding

Education

Working Experience

2015 - Present

2015 - Present

2015 - Present

Oct 2017 - Present

2015 - Oct 2017

2015 - Present

2014 - Aug 2018

2015 - Present

2013 - Oct 2017

Board Member in Listed company

Board Member in Other company

Appointed to be the company director since October 16, 2017

Trainings

Mr. Pipat Paniangvait

Chief Executive Officer

80 years

23,861,860 Shares (7.24%)

Honorary Doctor of Science Degree in Food Science and Technology,  
Faculty of Science and Technology, Rajamangala University of Technoly Tawan-ok  
Honorary Doctor of Arts Degree in Business administration, North Chiang Mai University  
Honorary Doctor of Arts Degree in Home Economics Development,  
Faculty of Education / Ramkhamhaeng University

Honorary Director

Treasurer

Expertise

Vice Chairman /

Chief Executive Officer

Nomination and

Remuneration Committee

Vice Chairman /

Chief Executive Officer

Nomination and

Remuneration Committee

Chairman

Chairman of the Nomination and

Remuneration Committee

Chairman

Director

Advisor to the Board of Directors

Chairman

Director

Amount 6 companies

Thai Institute of Directors Association

Director Accreditation Program (DAP) 3/2003

Director Certification Program (DCP) 39/2004

The Thai Chamber of Commerce

Federation Internationale de Natation (FINA)

National Olympic Committee of Thailand

Thai President Foods Public Co.,Ltd.(TFMAMA)

Thai President Foods Public Co.,Ltd.(TFMAMA)

Thai President Foods Public Co.,Ltd.(TF)

Thai President Foods Public Co.,Ltd.(TF)

Thai President Foods Public Co.,Ltd.(TF)

President Bakery Public Co.,Ltd.,

President Bakery Public Co.,Ltd.,

Thai O.P.P. Public Co.,Ltd.

Sahapatana Inter Holding Public Co.,Ltd.,

President Rice Product Public Co.,Ltd.

President Bakery Public Co.,Ltd.,

Sahapatana Inter Holding Public Co.,Ltd.,





2.	Name	Dr. Poj Paniangvait	
	Position	President	
	Age	52 years	
	Shareholding	3,058,552 Shares (0.93%)	
	Education	Dortor of Philosophy in Knowledge Management, Chiang Mai University MBA Commerce and Accountancy, Thammasat University	
	Working Experience		
	Oct 2017 - Present	President	Thai President Foods Public Co.,Ltd.(TFMAMA)
		Corporate Governance and Risk Management Committee	Thai President Foods Public Co.,Ltd.(TFMAMA)
	Apr 2017 - Oct 2017	President	Thai President Foods Public Co.,Ltd.(TF)
	2014 - Apr 2017	Vice President	Thai President Foods Public Co.,Ltd.(TF)
	2015 - Oct 2017	Risk Management Committee	Thai President Foods Public Co.,Ltd.(TF)
	2015 - Present	Director	Sanko Machinery (Thailand) Co.,Ltd.
	2015 - Present	Director	President Foods (Cambodia) Pte.,Ltd.
	2015 - Present	Director	Thai Myanmar Success Venture Ltd.
	2015 - Present	Director	Kallol Thai President Foods (BD) Ltd.
	2015 - Present	Director	China Bangla Packaging & Printing Industries Ltd.
	2015 - Present	Director	Jim's Group Co., Ltd.
	2015 - Present	Managing Director	Thai President Foods (Hungary ) Kft.
	2015 - Present	Director	Sam Chai Sunshine Co., Ltd.
	2015 - Present	Director	Thaisun Foods Co.,Ltd
	2015 - Present	Director	President Interfood Co.,Ltd.
	2015 - Present	Director	Kerry Flour Mills Ltd.
	Jun 2017 - Present	Director	President Flour Mills Co.,Ltd.
	Apr 2018 - Present	Director	Thai Anbao Paper Products Co.,Ltd.
	2019 - Present	Director	Ayeyarwaddy Success Venture Foods Co.,Ltd
	2019 - Present	Director	Jiam Body Co., Ltd.
	Board Member in Listed company	None	
	Board Member in Other company	Amount 15 companies	
	Appointed to be the company director since October 16, 2017		
	Trainings	Thai Institute of Directors Association	
		Directors Accreditation Program (DAP) 20/2004	
		Director Certification Program (DCP) 72/2006	

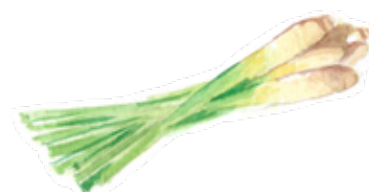
3. Name	Dr. Pojjanee Paniangvait	
Position	Vice President	
Age	55 years	
Shareholding	3,100,923 Shares (0.94%)	
Education	Ph.D. in Agricultural and Environmental Chemistry with emphasis on Food Sciences, University of California, Davis Master of Management, SASIN Graduate Institute of Business Administration, Bangkok	
Working Experience		
Oct 2017 - Present	Vice President	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 – Oct 2017	Vice President	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Managing Director	President Flour Mills Co.,Ltd.
2015 - Present	Director	Kerry Flour Mills Co.,Ltd.
2015 - Present	Managing Director	Siam Sincere Co.,Ltd.
2015 - Present	Director	President Inter Foods Co.,Ltd.
2015 - Present	Director	President Bakery Public Co.,Ltd.
2016 - Present	Director	Thai Aubao Paper Products Co., Ltd.
2018 - Present	Director	American Foods Co.,Ltd.
2007 - Oct 2017	Director	President Rice Products Public Co.,Ltd.
2019 - Present	Director	Jiam Body Co., Ltd.
Board Member in Listed company	Director	President Bakery Public Co.,Ltd.
Board Member in Other company	Amount 7 companies	
Trainings	Thai Institute of Directors Association Director Accreditation Program 2008 How to Develop a Risk Management Plan (HRP)	





4. Name	Miss Pojjana Paniangvait	
Position	Assistant Vice President	
Age	54 years	
Shareholding	3,066,189 Shares (0.93%)	
Education	Master of Business Administration (MBA), National Institute of Development Administration Master of Art (MA) in Communication Art and Design New York Institute of Technology (NYIT), New York, USA B.F.A. (Communication Design), King Mongkut's Institute of Technology Ladkrabang	
Working Experience		
Oct 2017 - Present	Director	Thai President Foods Public Co.,Ltd.(TFMAMA)
Oct 2017 - Present	Corporate Governance and Risk Management Committee	Thai President Foods Public Co.,Ltd.(TFMAMA)
Oct 2017 - Present	Assistant Vice President	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Director	Thai President Foods Public Co.,Ltd.(TF)
2016 - Oct 2017	Risk Management Committee	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Director	Thai President Foods (Hungary) Kft.
2015 - Present	Director	Sam Heng Co., Ltd.
2015 - Present	Managing Director	President Inter Food Co., Ltd.
2015 - Present	Director	Daiji Enterprise Co., Ltd.
2015 - Present	Director	Jim's Group Co., Ltd.
2019 - Present	Director	Ayeyarwaddy Success Venture Foods Co.,Ltd
2019 - Present	Director	Jiam Body Co., Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 7 companies	
Appointed to be the company director since October 16, 2017		
Trainings	Thai Institute of Directors Association Directors Certification Program (DCP 212/2015) Successful Formulation & Execution the Strategy (SFE 29/2017) Risk Management Program for Corporation Leaders (RCL 8/2017)	

5. Name	Miss Hatairat Kwangchit-Aree	
Position	Assistant Vice President	
Age	61 years	
Shareholding	51,144 Shares (0.016%)	
Education	EX-MBA The National Institute of Development Administration B.B.A Accounting Ramkhamhaeng University	
Working Experience		
Oct 2017 - Present	Assistant Vice President	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Assistant Managing Director Executive Director	President Rice Products Public Co.,Ltd.
Board Member in Listed company	None	
Board Member in Other company	None	
Trainings	Thai Institute of Directors Association Director Accreditation Program	



6. Name	Mrs. Sodsai Hanchana	
Position	Assistant Vice President	
Age	60 years	
Shareholding	25,574 Shares (0.008%)	
Education	Master in Marketing, Thammasart University Bachelor of Science (Food and Biotechnology ) Chulalongkorn University	
Working Experience		
Oct 2017 - Present	Assistant Vice President	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Assistant Managing Director	President Rice Products Public Co.,Ltd.
	Executive Director	
2015 - Present	Director	President Inter Foods Co.,Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 1 company	
Trainings	Thai Institute of Directors Association Director Accreditation Program	
7. Name	Mr. Petch Paniangvait	
Position	Foreign Investments Office, Manager	
Age	45 years	
Shareholding	3,115,713 Shares (0.95%)	
Education	MBA International Business, University of Technology, Sydney, Australia Bachelor's Degree in Business Administration, Assumption University	
Working Experience		
Oct 2017 - Present	Foreign Investments Office, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 – Oct 2017	Business Development Department, Manager	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Director	Saha Pathanapibul Public Co.,Ltd.
2016 - Present	Director	President Interfood Co.,Ltd.
2017 - Present	Director	Thai Anbao Paper Products Co.,Ltd.
Jan 2018 - Present	Director	Thaisun Foods Co.,Ltd
2015 - Oct 2017	Director	President Rice Products Public Co.,Ltd.
2019 - Present	Director	Jiam Body Co., Ltd.
Board Member in Listed company	Director	
Board Member in Other company	Amount 4 companies	
Trainings	Thai Institute of Directors Association Director Accreditation Program (DAP) 99/2012	



8. Name	Mr. Pun Paniangvait	
Position	Presidents Office, Manager	
Age	44 years	
Shareholding	3,072,331 Shares (0.93%)	
Education	Master of Law (LL.M) in Business Law (International Program) Chulalongkorn University	
Working Experience		
Oct 2017 - Present	Presidents Office, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Managing Director	President Rice Products Public Co.,Ltd.
	Nomination and Remuneration Committee	
2016 - Present	Director	President Bakery Public Co.,Ltd.
2015 - Present	Director	Thai Instant Products Co., Ltd.
2015 - Present	Director	Thai Anbao Paper Products Co., Ltd.
2015 - Present	Director	Dai-Ichi Packaging Co., Ltd.
2015 - Present	Director	Sam Chai Sunshine Co., Ltd.
2018 - Present	Director	President D Venture Co., Ltd.
2019 - Present	Director	Jiam Body Co., Ltd.
2015 - Present	Executive Director	The Thai Chamber of Commerce and
	Chairman of Business Law Committee	Board of Trade of Thailand
2015 - Present	Qualified member of Calibration	Department of Internal Trade Ministry of
	Committee	Commerce
2015 - Present	Member of retail whosale Subcommittee	Office of Trade Competition Commission
		Department of Internal Trade Ministry of
		Commerce
2015 - 2017	Member of Central Intellectual Property	Ministry of Justice Organizatio of Justice
	Trial Justice Subcommittee	
Board Member in Listed company	Director	President Bakery Public Co.,Ltd.
Board Member in Other company	Amount 6 companies	
Trainings	Thai Institute of Directors Association	
	Director Accreditation Program 110/2014	



9. Name	Miss Sararath Tangsirimongkol	
Position	Accounting Department, Manager (The person supervising accounting) / Company Secretary	
Age	55 years	
Shareholding	-	
Education	Master of Science (Internal Auditing), The University of the Thai Chamber Commerce	
Working Experience		
Oct 2017 - Present	Accounting Department, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
Oct 2017 - Present	Company Secretary	Thai President Foods Public Co.,Ltd.(TFMAMA)
May 2012 - Oct 2017	Accounting Department, Manager	Thai President Foods Public Co.,Ltd.(TF)
Apr 2012 - Oct 2017	Company Secretary	Thai President Foods Public Co.,Ltd.(TF)
Board Member in Listed company	None	
Board Member in Other company	None	
Director skills and duties trainings	<b>Thai Institute of Directors Association</b> Company Secretary Program (CSP) 42/2011 Board Reporting Program (BRP) No. 31/2019 Transfer Pricing 2019, CPD (Other 7 hours.) TFRS 16 Lease agreement, CPD (Accounting 7 hours.)	

10. Name	Mr. Wasan Boonsampankit	
Position	Finance and Investment Department, Manager (CFO)	
Age	49 years	
Shareholding	-	
Education	MS.(Finance), University of Colorado, USA.	
Working Experience		
Oct 2017 - Present	Finance and Investment Department, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 – Oct 2017	Finance and Investment Department, Manager	Thai President Foods Public Co.,Ltd.(TF)
Board Member in Listed company	None	
Board Member in Other company	None	
Trainings	<b>Thailand Securities Institute (TSI)</b> Insight Financial Management	



11. Name	Mr. Ittiphon Khouharat	
Position	Business Development, Manager	
Age	54 years	
Shareholding	-	
Education	Master of Economics, University of the Thai Chamber of Commerce	
Working Experience		
Oct 2017 - Present	Business Development, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
Jul 2016- Oct 2017	Brand Manager	Thai President Foods Public Co.,Ltd.(TF)
2001 - Jun 2016	Marketing Manager	Thaisun Foods Co.,Ltd
2018 - Present	Director	Thaisun Foods Co.,Ltd
Board Member in Listed company	None	
Board Member in Other company	Amount 1 company	

12. Name	Miss Prapin Lawanprasert	
Position	Sourcing Department, Manager	
Age	57 years	
Shareholding	32,297 Shares (0.010%)	
Education	Master's Degree of Food Science and Technology, Kasetsart University	
Working Experience		
Oct 2017 - Present	Sourcing Department, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 – Oct 2017	Sourcing Department, Manager	Thai President Foods Public Co.,Ltd.(TF)
2015 - Present	Director	President Flour Mills Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 1 company	

13. Name	Mr. Sorayut Raksasri	
Position	Human Resource & Administration Department, Manager	
Age	48 years	
Shareholding	-	
Education	Master of Public Administration, Chiangmai University	
Working Experience		
Oct 2017 - Present	Human Resource & Administration Department, Manager	Thai President Foods Public Co.,Ltd.(TFMAMA)
2015 - Oct 2017	Human Resource & Administration Department, Manager	Thai President Foods Public Co.,Ltd.(TF)
Board Member in Listed company	None	
Board Member in Other company	None	





14. Name Miss Ariya Tangcheevinsirikul  
 Position Internal Audit Department, Manager  
 Age 47 years  
 Shareholding -  
 Education Master of Faculty of Commerce and Accountancy Degree in Corporate Governance Program (MSCG), Chulalongkorn University  
 Working Experience  
 Oct 2017 - Present Internal Audit Department , Manager Thai President Foods Public Co.,Ltd.(TFMAMA)  
 2015 – Oct 2017 Internal Audit Department , Manager Thai President Foods Public Co.,Ltd.(TF)  
 Board Member in Listed company None  
 Board Member in Other company None

15. Name Mr. Chumpol Temiyasathit  
 Position Research Development Department, Manager  
 Age 55 years  
 Shareholding 430 Shares (0.0001%)  
 Education Master of Business Administration (Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University  
 Working Experience  
 Oct 2017 - Present RD Department, Manager Thai President Foods Public Co.,Ltd.(TFMAMA)  
 Apr 2016 - Oct 2017 RD & QA Department, Acitng Manager Thai President Foods Public Co.,Ltd.(TF)  
 Jan 2007 - Mar 2016 Deputy Sourcing Manager Thai President Foods Public Co.,Ltd.(TF)  
 Board Member in Listed company None  
 Board Member in Other company None

16. Name Miss Sawita Sakulthanasombat  
 Position Quality Assurance Department , Manager  
 Age 58 years  
 Shareholding -  
 Education Bachelor of Arts Program in General management Rajabhat Rajanagarindra University  
 Working Experience  
 Oct 2017 - Present Quality Assurance, Manager Thai President Foods Public Co.,Ltd.(TFMAMA)  
 2007 - Oct 2017 Asst. Manager /RD & QA Department Thai President Foods Public Co.,Ltd.(TF)  
 Board Member in Listed company None  
 Board Member in Other company None





17. Name	Miss Nimol Kijkhan	
Position	Sriracha Factory, Manager	
Age	58 years	
Shareholding	-	
Education	Master of Science , Kasetsart University	
Working Experience		
	Oct 2017 - Present	Sriracha Factory, Manager Thai President Foods Public Co.,Ltd.(TFMAMA)
	Jan 2016 - Oct 2017	Sriracha Factory, Manager Thai President Foods Public Co.,Ltd.(TF)
	Jan 2015 - Dec 2015	Sriracha Assistant Production Manager Thai President Foods Public Co.,Ltd.(TF)
Board Member in Listed company	None	
Board Member in Other company	None	

18. Name	Mrs. Suchada Paniangvait	
Position	Lamphun Factory, Manager	
Age	52 years	
Shareholding	52,918 Shares (0.016%)	
Education	Master of Science in Computer and Engineering Management MS. (CEM), Assumption University	
Working Experience		
	Oct 2017 - Present	Lamphun Factory, Manager Thai President Foods Public Co.,Ltd.(TFMAMA)
	2015 – Oct 2017	Lamphun Factory, Manager Thai President Foods Public Co.,Ltd.(TF)
	2016 - Present	Director Northern Technology Co.,Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 1 company	

19. Name	Mr. Nirun Poothong	
Position	Rayong Factory , Manager	
Age	67 years	
Shareholding	60,628 Shares (0.018%)	
Education	MBA, Burapha University	
Working Experience		
	Oct 2017 - Present	Rayong Factory, Manager Thai President Foods Public Co.,Ltd.(TFMAMA)
	2015 – Oct 2017	Rayong Factory, Manager Thai President Foods Public Co.,Ltd.(TF)
	2017 - Present	Director President Flour Mills Co.,Ltd.
Board Member in Listed company	None	
Board Member in Other company	Amount 1 company	



## Company Profile



**NAME** : Thai President Foods Public Company Limited  
**Trading Abbreviation** : "TFMAMA"  
**Main Business** : Foods Manufacturer  
**Registered No. Bor. Mor. Jor** : 0107560000397  
**Registered Capital** : 329,704,014 Baht, issued and fully paid, comprising 329,704,014 Ordinary Shares, Par Value at 1 Baht per share

The company operates a total of 6 locations

Head Office	: 304 Srinakarin Rd., Huamark, Bangkapi, Bangkok, Thailand. 10240 Tel. 0-2374-4730 Fax. 0-2374-7743 <a href="http://www.mama.co.th">http://www.mama.co.th</a> E-mail : <a href="mailto:tf@mama.co.th">tf@mama.co.th</a>
Branch 00001 (Cholburi Factory)	: 601 Moo 11 Sukhapiban 8 Rd., Nongkam, Sri Racha, Cholburi, Thailand 20230 Tel. 0-3848-0502 Fax. 0-3848-0184
Branch 00002 (Lamphun Factory)	: 99/9 Moo 5, Lumphun-Pa Sang Rd., Phasak, Muang Lamphun, Lamphun, Thailand. 51000 Tel. 0-5358-4088 Fax. 0-5358-4086
Branch 00003 (Rayong Factory)	: 43/244 Moo 4, Huayprab-Pluakdaeng Rd., Mabyoangporn, Pluakdaeng, Rayong, Thailand. 21140 Tel. 0-3889-1530 Fax : 0-3889-1533
Branch 00004 (Ratchaburi1 Factory)	: 115 Moo 15, Songpol Rd., Pakrad, Banpong, Ratchaburi, Thailand. 70110 Tel. 0-3220-1503-4 Fax : 0-3220-1248
BRANCH 00005 (Ratchaburi2 Factory)	: 158 Moo 15, Songpol Rd., Pakrad, Banpong, Ratchaburi, Thailand. 70110 Tel. 0-3271-9599 Fax : 0-3271-9555

### Reference Person

**Registrar** : SET For Securities Depository Center (Thailand) Co., Ltd.  
 14<sup>th</sup> Floor, The Stock Exchange of Thailand Building 93 Ratchadapisek Rd.,  
 Din Daeng, Bangkok 10400  
 Tel. 0-2009-9000 Fax. 0-2009-9992

**Auditor** : Mrs. Sarinda Hirunprasurtwutti  
 : EY Office Limited 33rd Floor, Lake Rajada Office Complex  
 193/136-137 New Ratchadapisek Rd., Klongtoey, Bangkok 10110, Thailand  
 Tel. 0-2264-0777

**Legal Consultant** : Chompoo & Associates Co., Ltd.  
 5 Boonsiri Rd., Sanchaophorseue, Pranakorn, Bangkok, Thailand 10200  
 Tel. 0-2221-8111-3 Fax. 0-2224-1997

**Banks** : Bangkok Bank Public Company Limited, Bank of Ayudhya Public Company Limited  
 Citibank, N.A, Government Housing Bank, Mizuho Bank, Ltd., Kasikorn Bank Public  
 Company Limited, CIMB Thai Bank Public Company Limited, Thanachart Bank Public  
 Company Limited, EXIM Bank of Thailand, The Siam Commercial Bank Public Company  
 Limited, TISCO Bank Public Co., Ltd., Kiatnakin Bank Public Company Limited,  
 Land and Houses Bank Public Company Limited







## Thai President Foods Public Company Limited

Registered No. Bor Mor Jor 0107560000397

304 TF Buildings, Srinakarin Rd., Huamark,  
Bangkapi, Bangkok 10240, Thailand.

Tel. (662) 0-2374-4730 Fax. (662) 0-2374-7743

e-mail : [tf@mama.co.th](mailto:tf@mama.co.th)

[www.mama.co.th](http://www.mama.co.th)

