



**THE POWER FORWARD**

# COMPANY INFORMATION

## OSOTSPA PUBLIC COMPANY LIMITED

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### Business Overview

Produces and distributes consumer products with a focus on core products such as beverages, personal care, and other businesses, including healthcare, confectionery, and the provision of product and packaging manufacturing  
Agro & Food Industry/Food & Beverage

### Industry / Sector

OSP

### Ticker Symbol

### Registration Number

0107561000081

### Head Office

348 Ramkhamhaeng Road, Huamak,  
Bangkapi, Bangkok 10240

### Telephone

+66 (0) 2351-1000

### Corporate Website

[www.osotspa.com](http://www.osotspa.com)

### Registered Capital

THB 3,003,750,000

### Issued and Paid-up Capital

THB 3,003,750,000 comprising ordinary shares of  
3,003,750,000 shares at par value of THB 1.0 per share  
17 October 2018

### First Trade Date

### Contacts

Company Secretary

Telephone: +66 (0) 2351-2098

E-mail: [corpsec@osotspa.com](mailto:corpsec@osotspa.com)

Investor Relations

Telephone: +66 (0) 2351-1152

E-mail: [ir@osotspa.com](mailto:ir@osotspa.com)

Registrar - Thailand Securities

Depository Company Limited

Telephone: +66 (0) 2009-9999

Auditor - KPMG Phoomchai Audit Ltd.

Telephone: +66 (0) 2677-2000

"The Company", "OSP" or "Osotspa" in this Annual Report refers to Osotspa Public Company Limited and its subsidiaries.

Further information of the Company could be found in the Annual Registration Statement (Form 56-1) which has been disclosed at [www.sec.or.th](http://www.sec.or.th) or [www.osotspa.com](http://www.osotspa.com)



**OSOTSPA**

**THE POWER FORWARD**

# VISION AND MISSION

## THE POWER TO **ENHANCE** LIFE

through a culture of high performance,  
innovation and good governance



### CONSUMERS

To enhance the lives  
of consumers every day  
through innovative products.



### SHAREHOLDERS

To deliver the best value  
to shareholders through good  
corporate governance and profitable,  
long-term growth.



### BUSINESS PARTNERSHIPS

To be the preferred and trusted partner of  
choice by delivering customer service  
beyond expectations.



### COMMUNITY

To be a positive force  
in our communities.



### EMPLOYEES

To create a high-performance and  
learning organization where employees  
are empowered, engaged, and committed  
to delivering their very best  
with passion and integrity.













## OUR VALUES

### INTEGRITY

We are committed to high ethical standards, honouring our commitments, taking personal responsibility for our own actions, and treating everyone fairly with trust, respect, and care.

### TEAMWORK

We strive to work together effectively to achieve our goals while encouraging individual contributions.

### INNOVATIVE THINKING

We foster innovative thinking to enhance value for our consumers, customers, and ourselves.

### PASSION TO WIN

We are determined to be the best and have a compelling desire to improve and win in the marketplace.



ภาพรวมของ อาคาร  
สำนักงาน บริษัท





# CONTENT

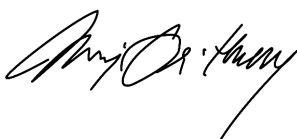
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## MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

We take great pride in Osotspa being added to the SET50 Index in 2019, joining forty-nine other Thai equities with the highest levels of market capitalization and liquidity. Osotspa has also been selected for the FTSE All-World Index and the MSCI Global Standard. Osotspa receives positive feedbacks from consumers which reflect in our strength as a manufacturer and distributor of consumer products as well as our leadership in the energy drinks business which maintains long term popularity among consumers. Backed by our vision "Power to Enhance Life", Osotspa has focused over the past year on fundamental developments and potential investments that secure future growth and improve our ability to respond to emerging business opportunities.

On behalf of the Board of Directors, I would like to express gratitude to our shareholders, business partners, customers, executives, and employees for your continued supports and trust in Osotspa. We continue to conduct our business under principles of good corporate governance, with honesty, transparency, social and environmental responsibility in order to ensure sustainable growth for all stakeholders.

Osotspa enters its 129<sup>th</sup> year  
strive to improve sustainability into  
all aspects of the organization.  
Our business continues to adapt  
in order to stay ahead  
of new opportunities and challenges.  
We strongly move forward, driven  
by the pursuit of sustainable profits.



Mr. Surin Osathanugrah  
Chairman of the Board of Directors





Over the past year, we at Osotspa have worked to broaden and strengthen our business to ensure growth remains both robust and sustainable. With a focus on innovation, we have created new products that respond well to social trends and enhanced existing products to better-meet consumer lifestyles. In the crucial ASEAN market, Osotspa has bolstered its leading position with several exciting ventures. These include establishment of a cutting-edge beverage manufacturing plant in Myanmar and expansion into Vietnam to seize upon opportunities offered by the country's high-potential energy drinks market.

Moreover, Osotspa has expanded its online distribution channels to cater to the rapidly expanding e-commerce market trend and has collaborated with partners to penetrate the vending machine business, one of the fastest-growing retail channels.

In the glass bottles business, we have opened a new factory with world-class technology at Rojana Industrial Estate. We have also entered a joint venture to build a glass bottle factory in Myanmar.

Throughout the year, Osotspa's performance has been recognized internationally, reflecting the excellence of our management team and the positive consumer response to our products. Osotspa is determined to apply principles of sustainable development and value chain balance across three dimensions: society, economy, and environment. On behalf of the Executive Committee, I would like to thank all shareholders, business partners and stakeholders for giving Osotspa your support and trust. We stand ready to deliver the best return possible and keep Osotspa's growth both strong and sustainable.

Mr. Petch Osathanugrah  
Chairman of the Executive Committee and CEO

## COMPANY OVERVIEW

### THE BOARD OF DIRECTORS



**1 Mr. Surin Osathanugrah**  
Chairman of the Board of Directors

**2 Mrs. Kannikar Chalitaporn**  
Vice Chairperson of the Board of Directors,  
Chairperson of the Risk Management Committee  
and Chief Advisor to the Executive Committee

**3 Mr. Somprasong Boonyachai**  
Independent Director,  
Vice Chairman of the Board of Directors and  
Chairman of the Nomination, Remuneration and  
Corporate Governance Committee

**4 Mr. Ratch Osathanugrah**  
Vice Chairman of the Board of Directors

**5 Mr. Petch Osathanugrah**  
Director, Chairman of the Executive  
Committee and CEO

**6 Mr. Thana Chaiprasit**  
Director and Vice Chairman  
of the Executive Committee

**7 Mr. Pratharn Chaiprasit**  
Director and Vice Chairman  
of the Executive Committee





**8 Mr. Tasharin Osathanugrah**  
Director and member of the Executive Committee

**9 Mr. Niti Osathanugrah**  
Director and member of the Nomination, Remuneration and Corporate Governance Committee

**10 Mr. Sethaput Suthiwartnarueput**  
Director

**11 Mrs. Wannipa Bhakdibutr**  
Director, member of the Executive Committee, member of the Risk Management Committee and President

**12 Mr. Salin Pinkayan**  
Independent Director, member of the Nomination, Remuneration and Corporate Governance Committee and member of the Risk Management Committee

**13 Ms. Penchun Jarikasem**  
Independent Director and Chairperson of the Audit Committee

**14 Mr. Krirk Vanikkul**  
Independent Director and member of the Audit Committee

**15 Mrs. Sinee Thienprasiddhi**  
Independent Director and member of the Audit Committee

## COMPANY OVERVIEW

### EXECUTIVES



- 1 Mr. Petch Osathanugrah**  
Chairman of the Executive Committee and CEO
- 2 Mr. Thana Chaiprasit**  
Vice Chairman of the Executive Committee
- 3 Mr. Pratharn Chaiprasit**  
Vice Chairman of the Executive Committee

- 4 Mrs. Wannipa Bhakdibutr**  
President
- 5 Mrs. Porntida Boonsa**  
Chief Financial Officer
- 6 Mr. Nukit Chonlacoop**  
Chief Manufacturing Officer



**7 Mr. Viwat Krisdhasima**  
Chief Supply Chain Officer

**8 Ms. Vilairat Charoenwongse-Phelan**  
Chief Research and Development Officer

**9 Ms. Suthipa Panyamahasup**  
Chief Marketing Officer - Thailand

**10 Mr. Sze Tian Poh**  
Chief Marketing Officer - International Business

**11 Mr. Sarayut Jitcharoongphorn**  
Chief Customer Development Officer - Thailand

**12 Mr. Rob Rijnders**  
Chief Customer Development & RTM Officer - International Business

**13 Mrs. Ratipat Phoemsap**  
Head of Controller



## BOLSTERED FUNDAMENTALS TO MOVE OUR BUSINESS FORWARD AND DELIVER SUSTAINABLE PROFITABLE GROWTH



### Built-up Herbal Segment Offerings

M-150 black galingale, Som In-Sum and Chalarm black galingale all posted double digit growth, tapping the health-consciousness and herbal trends.



### Utilized the Digital Channel

OSP connected with consumers through e-commerce and social media using Osotspa delivery for distribution and M-Point for building consumer engagement and loyalty.

### Strengthened our Personal Care Portfolio

The Company secured leadership in baby products and women's beauty care and entered the face and skin care segment.





### Took our Vitamin C Drink Brand to the Next Level

C-Vitt continued to gain momentum, ranking number one market share for Thailand's functional drinks market.



### Continuous Profit Improvement

"Fit Fast Firm" successfully delivered gross saving as planned through reducing materials costs and achieving high production efficiency.



### Prudently Used IPO Proceeds

Net proceeds from the IPO were invested in a new glass factory (SGA2), a new powder plant, and a new beverage filling plant in Myanmar.



### Strategic Moves

#### Invested in Vending Machine Business

OSP aimed to seize growth opportunities from one of the fastest growing retail channels in Thailand.

#### Entered Vietnam

OSP kicked off energy drink product launch in Vietnam with a local partner.

#### Invested in a Glass Factory in Myanmar

The Company invested in the construction and operation of the only glass manufacturing facility in Myanmar.



### Responded to Consumer Trends through Innovation

OSP fostered innovation to offer broad product choices and solidify a foundation for long-term growth.

## COMPANY OVERVIEW

### AWARDS & RECOGNITION



**World Branding Award**

1



**Asian Excellence Awards**

2



**Most Valuable Brand of the Year by Long Tun Man**

3

#### 1. World Branding Award 2019

M-150 received the “Brand of the Year” award at the World Branding Award 2019 event at Kensington Palace in London, England for the third consecutive year.

#### 2. Asian Excellence Awards

Osotspa won Asia’s Best CEO, Asia’s Best CFO, Best Investor Relations Company (Thailand) and Best Corporate Communications awards at the Asian Excellence Award 2019 event, held by Corporate Governance Asia, a leading economic and corporate governance magazine in Asia.

#### 3. Most Valuable Brand of the Year by Long Tun Man

Osotspa was recognized by the Long Tun Man website for the Most Valuable Brand of the Year as the market leader in energy drinks segment in Thailand.

#### 7. COSMOS Certificates

Osotspa was named the first company in Thailand that has been certified by COSMOS, Europe’s most-trusted international organization that certifies organic products standards. The Company reached its highest level as it acquired both the “Certificate of COSMOS Natural” and the “Certificate of COSMOS Organic”.

#### 8. Carbon Footprint for Organization Certificates

Osotspa’s subsidiaries (the glass and beverage filling plants in Ayutthaya province) received Carbon Footprint for Organization certificates from Thailand Greenhouse Gas Management organization (TGO) after registering for the carbon footprint labels and participating in Carbon Footprint Reduction project.

#### 9. Waste Management Awards

Greensville Co., Ltd., a subsidiary of Osotspa, received Waste Management Awards in three categories, namely 3Rs Award, Zero Waste to Landfill Achievement Award, and 3Rs+ Award for creativity, economic return and effective waste reduction (Gold Level) from Department of Industrial Works.



**Thailand's Most Admired Brand**

4



**No.1 Brand Thailand**

5



**FDA Quality Award**

6

#### **4. Thailand's Most Admired Brand Award 2019**

M-150 was presented the "Thailand's Most Admired Brand 2019" award for the second consecutive year as the most trusted brand in the energy drinks category, based on consumer survey and research conducted on a national scale by BrandAge Magazine.

#### **5. No.1 Brand Thailand**

M-150 received the "No.1 Brand Thailand 2018-2019" award as one of the leading brands in the energy drinks category, based on consumer survey conducted by Marketeer magazine and Kadence International (Thailand) Co.,Ltd.

#### **6. FDA Quality Award**

Greensville Co., Ltd., a subsidiary of Osotspa, has been recognized by the Food and Drug Administration (FDA) for FDA Quality Award 2019 in cosmetic product category.

#### **10. Outstanding Agricultural Product Manufacturer Award**

Osotspa marked the first private company in Thailand to receive the Outstanding Agricultural Product Manufacturer Certified by GMP/HACCP Standard Award from Department of Agriculture.

#### **11. Plaque in Honor of the Organization that Creates Welfare among the Disabled**

Osotspa received a plaque in honor of the organization that created welfare among the disabled for two consecutive years from Khon Kaen authorities.

#### **12. Amarin Baby & Kids Awards 2019**

Osotspa received the top branding award for mother and kids products which was voted by mothers from all over the country for best baby wash and best baby shampoo for 2019.



## COMPANY OVERVIEW

### FINANCIAL HIGHLIGHTS

(Unit : THB million)

#### STATEMENT OF INCOME

	2017	2018	2019
Revenue from sales	25,027	24,297	25,611
Total revenue	25,340	24,971	26,187
Gross profit	8,262	7,883	8,946
Earnings before interest and tax (EBIT)	3,722	3,803	3,999
Profit for the year	2,939	3,062	3,268
Profit attributable to owners of the parents	2,834	3,005	3,259

#### STATEMENT OF FINANCIAL POSITION

Total assets	15,198	23,456	24,324
Total liabilities	11,759	5,153	6,301
Total shareholders' equity	3,439	18,303	18,023
Equity attributable to owners of the parent	3,331	18,088	17,871

#### KEY FINANCIAL RATIOS

Gross profit margin (%)	33.0	32.4	34.9
EBIT margin (%)	14.9	15.7	15.6
Current ratio (x)	0.6	2.7	1.8
Total debt to equity (x)	3.4	0.3	0.3
Return on equity (%)	72.1	28.2	18.0
Return on asset (%)	18.5	15.8	13.7

#### PER SHARE DATA (THB/SHARE)

Earnings per share	12.3	1.5	1.1
Dividend per share	17.8	0.7	1.0
Book value per share	14.9	6.1	6.0

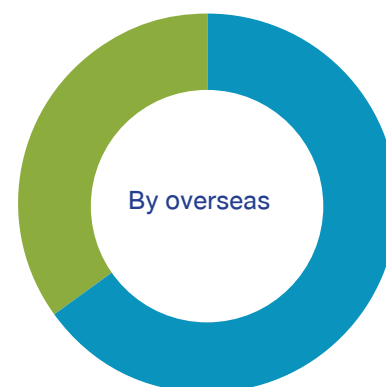
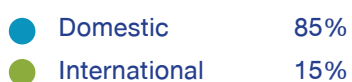
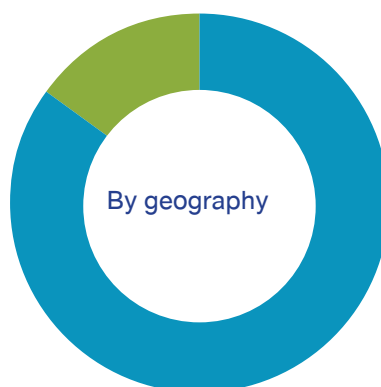
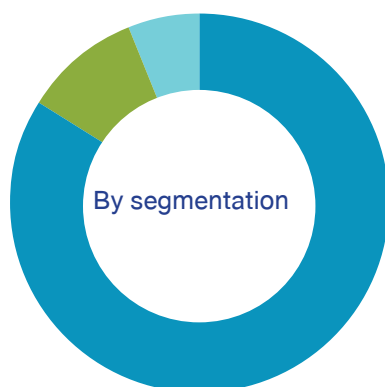
#### SHARE INFORMATION AS THE ENDED PERIOD

Share price (THB)	N/A	24.5	40.5
Issued and paid-up share capital (million shares)	231.0	3,003.8	3,003.8
Market capitalization (THB million)	N/A	73,591.9	121,651.9
Price/earnings or P/E ratio (x)	N/A	16.6	37.5
Price/book value or P/BV ratio (x)	N/A	4.0	6.7

Remark: Data is not applicable as OSP was listed on 17 October 2018.



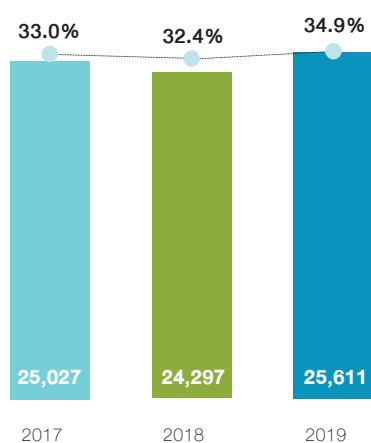
## Revenue Breakdown



## Financial Performance

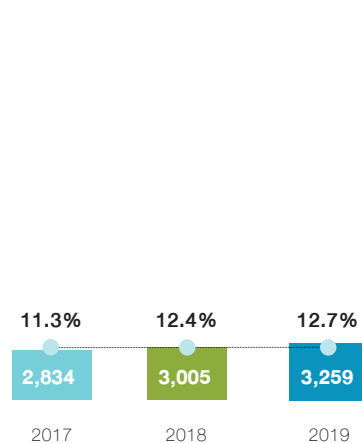
## Revenue from Sales and Gross Profit Margin

Unit : THB million, %



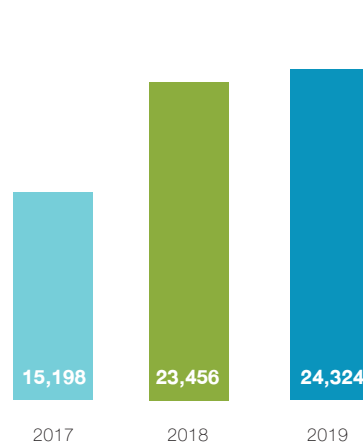
## Net Profit\* and Net Profit\* Margin

Unit : THB million, %



## Total Assets

Unit : THB million



\*Remark: Profit attributable to owners of the parent.

## COMPANY OVERVIEW

# SECURITIES AND SHAREHOLDERS

### Registered capital and paid-up capital

Osotspa Public Company Limited registered capital stood at THB 3,003,750,000 on 31 December 2019, comprising 3,003,750,000 ordinary shares at THB 1 par value per share and fully paid capital totaling THB 3,003,750,000.

### Shareholders

Top 10 major shareholders (as of 31 December 2019)

No.	Major Shareholders	No. of ordinary shares (shares)	% of total shares
1.	The Orizon Group <sup>(1)</sup>	929,639,000	30.94
	• Orizon Limited <sup>(2)</sup>	537,148,600	17.88
	• Mr. Ratch Osathanugrah	122,916,200	4.09
	• Mr. Petch Osathanugrah	149,735,700	4.98
	• Mr. Purat Osathanugrah	29,726,000	0.99
	• Mr. Puree Osathanugrah	30,037,500	1.00
	• Mr. Katha Osathanugrah	30,037,500	1.00
	• Mr. Natee Osathanugrah	30,037,500	1.00
2.	Mr. Niti Osathanugrah	489,081,300	16.28
3.	Sub. Lt. Seri Osathanugrah	114,823,200	3.82
4.	Mr. Pasuree Osathanugrah	87,395,000	2.91
5.	Thai NVDR Company Limited	85,993,392	2.86
6.	Ms. Qesara Osathanugrah	85,086,200	2.83
7.	Mr. Tasharin Osathanugrah	82,448,000	2.75
8.	STATE STREET EUROPE LIMITED	59,150,300	1.97
9.	CREDIT SUISSE AG, SINGAPORE BRANCH	53,233,800	1.77
10.	Mr. Taweerat Prungpattanasakul	52,561,200	1.75

### Shareholding Agreement

-None-

### Other Types of Shares

-None-

<sup>(1)</sup> The Orizon Group consists of seven shareholders: (1) Orizon Limited; (2) Mr. Ratch Osathanugrah; (3) Mr. Petch Osathanugrah; (4) Mr. Purat Osathanugrah; (5) Mr. Puree Osathanugrah; (6) Mr. Katha Osathanugrah; and (7) Mr. Natee Osathanugrah; who are a group of concert parties who intend to exercise their voting rights together with the aim of exercising control over their aggregate voting rights in the Company (acting in concert). Furthermore, the shares of Orizon Limited are directly and indirectly held by Orizon Holding Limited, Diamond Farm International Inc., and Eight Days a Week Inc. Even though, in the current situation, these three companies are not to be the shareholders in the Company, they intend to exercise their voting rights together with the aim of exercising control over their aggregate voting rights in the Company (acting in concert) in the same manner as the Orizon Group.

<sup>(2)</sup> Orizon Limited is a limited company incorporated under the laws of Hong Kong and wholly-owned by Orizon Holding Limited, in which Mr. Petch Osathanugrah, Mrs. Narumon Osathanugrah, Mr. Puree Osathanugrah, and Mr. Purat Osathanugrah are collective beneficiaries of 50% and Mr. Ratch Osathanugrah, Mr. Natee Osathanugrah, and Mr. Katha Osathanugrah are collective beneficiaries of 50%.



### **The Company's Dividend Payment Policy**

The Board of Directors may consider a dividend payment following the regulations, laws, and Articles of Association of the Company which require shareholders' approval. However, the Board of Directors has the authority to approve an interim dividend payment whenever the Company has an appropriate profit. The Board of Directors shall subsequently inform shareholders at the next shareholders' meeting.

The Company has a dividend payout policy to shareholders of at least 60% of consolidated net profit after deducting the legal reserve specified by law or Articles of Association of the Company. Nonetheless, the consideration of a dividend payout shall depend on the Company's performance, financial position, cash flow, contractual obligations (i.e. loan payments), working capital, investment plans, general economic situation, and related factors as deemed appropriate by the Board of Directors and when in compliance with the laws & regulations. Osotspa paid dividends for the 2019 performance two times at the total amount of THB 1.00 per share, which is equivalent to dividend payout ratio of 93% of the consolidated net profit after deducting the legal reserve.

### **The Dividend Payment Policy of The Company's Subsidiaries**

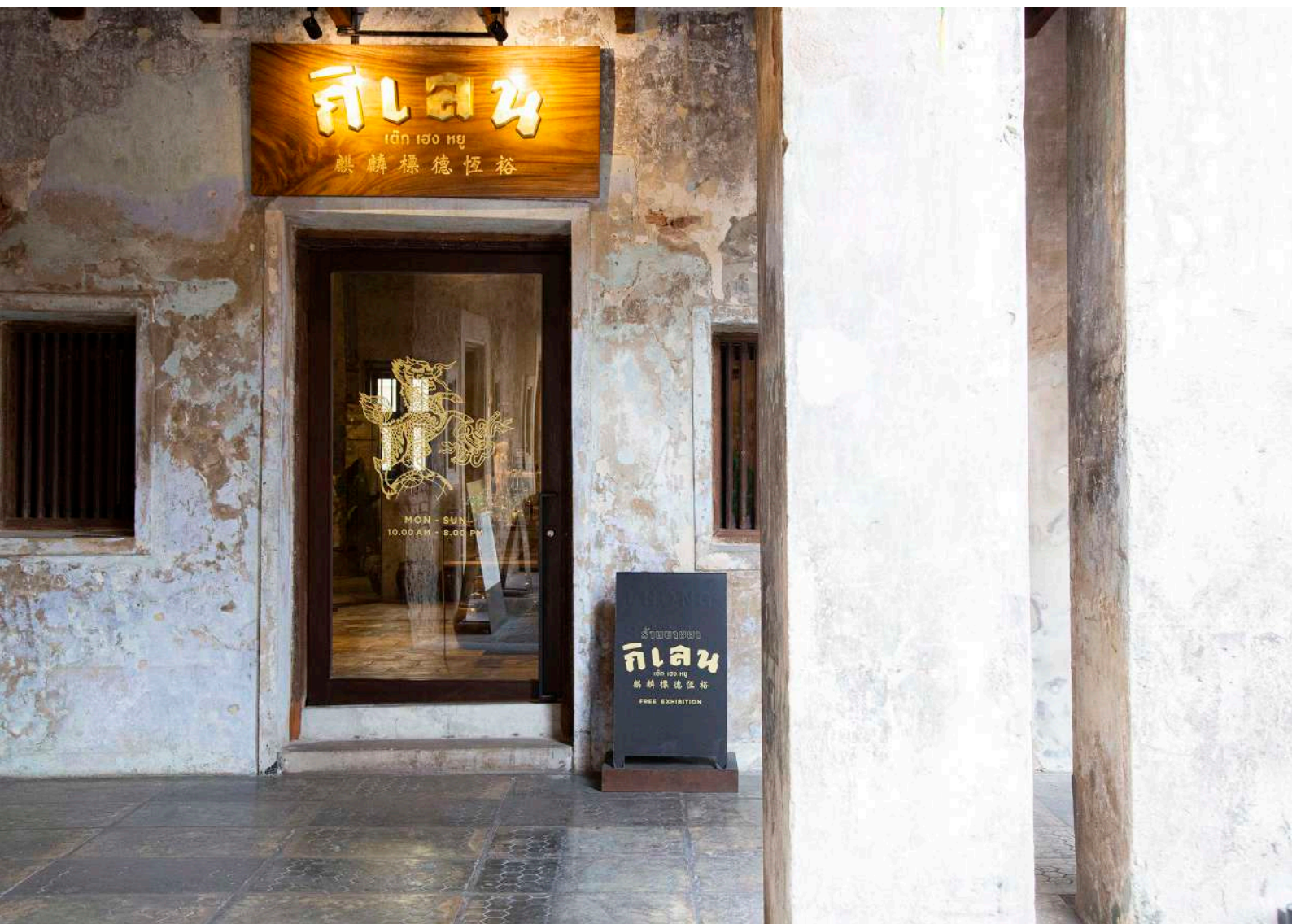
The Board of Directors of the Company's subsidiaries may consider a dividend payment based on the subsidiary's ability to pay the dividend following the regulations, laws, and Articles of Association of the Company's subsidiaries which require shareholders' approval. However, the Board of Directors of the Company's subsidiaries has the authority to approve an interim dividend payment whenever the Company has an appropriate profit. The Board of Directors shall subsequently inform shareholders at the next shareholders' meeting.

The Board of Directors of the Company's subsidiaries may consider a dividend payout in the interest of shareholders, i.e. performance and financial position of the Company's subsidiaries, cash flow, contractual obligations (i.e. loan payments), working capital, investment plans, general economic situation, and related factors as deemed appropriate by the Board of Directors.

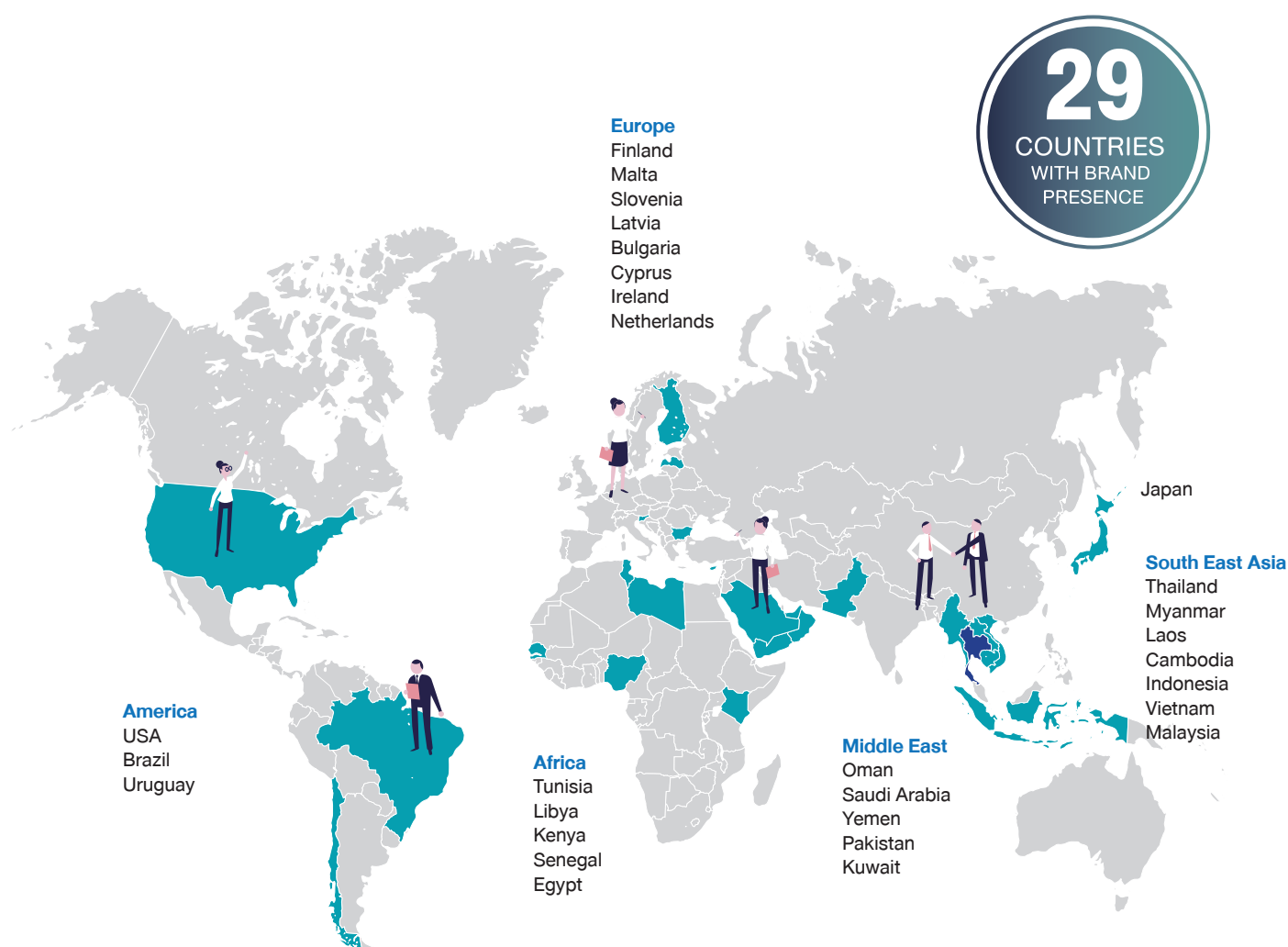
## AT A GLANCE

Osotspa was established by Mr. Pae, the first generation of the Osathanugrah family, under the name “Teck Heng Yoo” in 1891. The Company started as a pharmacy with products that focused on the health of Thai people, including well-known products Krisnaklan Tra Kilane, Tumjai, Utaithip and others. OSP was listed on the Stock Exchange of Thailand (“SET”) on 17 October 2018 with a registered capital of THB 3,003,750,000 and a par value of THB 1 per share to prepare for transition into the global market and to achieve sustainable growth. OSP was added to FTSE All-World Index in June 2019, a stock market index that covers 3,100 companies in 47 countries, and to the MSCI Global Standard Index in November 2019.

Over the past century, OSP has continued to grow and evolve, creating innovative products in the Fast-Moving Consumer Goods (“FMCG”) sector aimed at improving people’s quality of life. OSP’s core businesses comprise the production, marketing and distribution of consumer goods, focusing on beverages, personal care, healthcare and confectionery products, as well as providing product and packaging manufacturing (“OEM”).







## CORE BUSINESSES BY SEGMENT



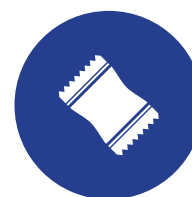
### BEVERAGES

Full portfolio of energy drinks, sport drinks and functional drinks with established market leading position through strong brands in each product category and innovation.



### PERSONAL CARE

Strong pillar for growth through baby care, women's beauty care and male grooming products.



### OTHERS (HEALTHCARE CONFECTIONERY & OEM)

Providing OEM services for glass packaging and personal care products to fully utilize the production capacity. Preserving a well-established heritage and combining brand legacy of healthcare and confectionery that continue to innovate and strive to enhance people's lives and wellbeing.

# BEVERAGES

Energy Drinks  
Functional Drinks  
Sport Drinks

Beverage products are the biggest business segment, accounting for 84% of total sales. OSP's beverage products are categorized as energy drinks, sport drinks, and functional drinks.

OSP has implemented a multi-brand portfolio strategy with different price points for its beverage products. This allows the Company to target specific groups of consumers based on habits, behavior, and disposable income. OSP tailors marketing to increase simultaneously appeal to multiple consumer groups. This strategy allows for synergies between beverage products while responding to a wider range of consumer habits and capturing opportunities for increased consumption.

Beverage products are distributed through an extensive distribution network of traditional and modern trade channels. OSP has over 470,000 points of sale across all provinces in Thailand and relies on a mix of distribution methods depending on the product type, existing level of product recognition, regions, and geography to extend the reach of distribution across all levels of the market. For more established brands such as M-150 and Lipovitan-D, the Company organizes distribution through wholesalers under traditional trade



channels, while other complementary channels like cash vans will be used for certain new products or brands in areas where market penetration is weaker. Responding to changes in lifestyle and technology, OSP is widening product availability and brand visibility while deriving greater value growth from fast-growing channels, including vending machines, social commerce, and online marketplaces like Lazada and Shopee. For example, OSP has started “Osotspa Delivery” via Facebook Messenger to promote in-home consumption to targeted consumers.



## ENERGY DRINKS

Energy drinks make up the main share of OSP's beverages business, constituting 68% of OSP's total sales. Brands under the Company's portfolio include M-150, Lipovitan-D, Chalarm, Som In-Sum, M-Storm, and Shark. The brands are distinguished by taste, pricing, target group, and brand positioning. The portfolio approach provides the Company with flexibility to introduce new brands and products to the market.

OSP is able to promptly address gaps in the market or capture growing trends thanks to the support of its strong R&D team and relevant consumer insights. This can be seen in the Company's response to the growing trend of health and wellness; the Som In-Sum was reactivated in 2017 with a new advertising campaign focusing on the ginseng and honey ingredients. The campaign's communication was enhanced throughout 2018 – 2019 by deploying both above and below the line marketing as well as on-the-ground activation to advertise the product's benefits. By employing these marketing techniques while tapping a non-traditional consumer group, the female consumer, the brand managed to significantly widen its consumer base.

In addition, OSP launched Chalarm black galingale in August 2018, the first-ever energy drink to contain black galingale, an herb which helps stimulate overall health. This new variant of Chalarm received a positive response from the market and helped elevate Chalarm from a regional to a national brand.

Riding the success of herbal variants, OSP launched energy drink M-150 black galingale with honey in 2019, under the concept of "Fitter than your age". The overall herbal energy drinks showed double-digit growth in 2019. Shark natural caffeine with 8 vitamins and Shark zero sugar were also introduced in 2019. The drink aligned with millennials and health conscious groups willing to try a healthier alternative to traditional soft drinks.







**Shark Energy Drinks**



**M-Point**



**OSP Delivery**

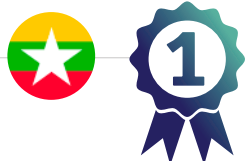
Brand communication strategies vary according to brand image, positioning, and targeted consumers. For example, M-150 used a combination of sports marketing, idol marketing and music marketing. M-150 presenters were well-suited to promote the brand concept “For the fighting spirit of all Thais” to consumers by including Toon - Bodyslam, one of Thailand’s leading rock stars and Srisaket Nakhonluang Promotion, a Thai boxing superstar. These figures represented courage, inspiration to follow dreams, and the empowerment of Thais to fight against any obstacles without fear. In addition, M-150 employed a sports marketing strategy, including football and boxing, serving as the official sponsor of the M-150 Championship (also known as Thai League 2), the Thai National Football Team and several boxing events, including Nakhonluang Promotions boxing camp, aiming to bring a new level of passion and excitement to both sports.

In terms of promotional strategies, OSP applied consumer-centric marketing with the introduction of “M-Point”. This consumer loyalty program on the social platform was suited to the current lifestyles of consumers and served to strengthen the brand’s position and build consumer loyalty. Compared to traditional promotions, the M-Point loyalty program was more advanced yet less complicated to join thanks to the use of technology. Consumers only needed to add “M-Point” to their LINE official account to accumulate points from bottle caps to exchange or win a series of special prizes, including gold gloves, gold belts, gold balls, golden motorcycles, golden pick-up trucks, and a gold championship trophy. Boosting consumer engagement, this program fostered strong long-term brand loyalty while providing deep consumer insight. Backed by successful communication activities, M-150 received the “Brand of the Year” award at the World Branding Awards 2019 for the third consecutive year.

OSP also launched a number of campaigns for Lipovitan-D brand, hosted local activities for the Chalarm brand, used 360-degree communications for Som In-Sum, and promoted Shark natural caffeine through online communication.

Owing to its multi-brand portfolio strategy and strong marketing communications program, market leader OSP played a significant role in stimulating the overall energy drinks market at 7% growth in 2019, compared to the same period last year (source: Nielsen). At the portfolio level, OSP maintained a leadership position in Thailand’s energy drinks with a market share of 54% in 2019. M-150 retained its crown as the market leader and the herbal segments continued to show high growth potential.





## NUMBER ONE POSITION



Myanmar remained on the forefront of the Company's international sales with 65% revenue contribution to total international sales. Both Shark and M-150 are sold in Myanmar; while the former is the clear brand leader in the country, catering to the premium consumer segment, M-150 is targeted at the mass market. In 2019, construction was kicked off of a new beverage filling factory in Thilawa to serve Myanmar with operations expected to commence by the first quarter of 2020. The new factory, under Osotspa Myanmar Company Limited, will harness both local and international talent to boost production flexibility, capture market opportunities, and further enhance margins and product quality. Besides significant cost savings, the factory should significantly strengthen the Company's presence in the Myanmar market. OSP also embarked on a mission in the Myanmar market to expand route-to-market and enable more seamless and transparent sales information to be collected for better decision making.

For Myanmar in 2020, focus remains on strengthening our core brands, Shark and M-150, in order to stay ahead of strong market growth. This is to be done by fully leveraging new local arms, capturing more insightful consumer information from the market, and investing in building the key brands. In addition, OSP is strengthening its position with local marketing strategies and strategic partnerships in other international beverage businesses.

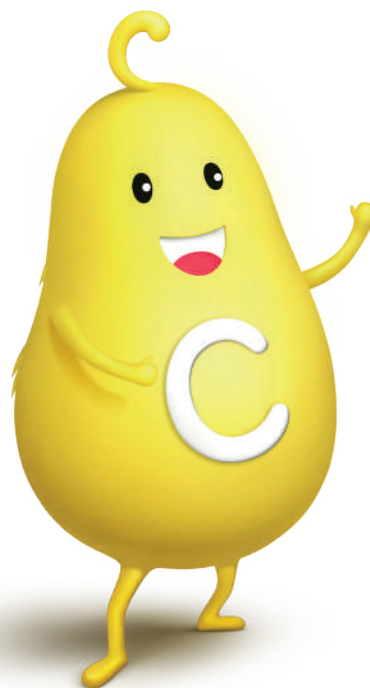
Year 2019 marked another exciting international venture for OSP tapping into Vietnam. Growth potential is huge in this market, underpinned by its robust economy with large and young population. Though consumption level remains relatively low, it is now rapidly gaining steam. To spearhead the entry of M-150 energy drinks into Vietnam at the end of 2019, the Company formed a partnership with a local Vietnamese business boasting 25 years of experience. The strategy for this entry is to offer a better tasting product and a brand that target consumers can relate to. The move followed significant mining of Vietnamese consumer data and development of a broader understanding of the market's habits and attitudes towards beverage consumption.



## FUNCTIONAL DRINKS

OSP is the growth leader in the overall functional drinks market through its portfolio of various brands, including C-Vitt (leading Vitamin C drink under joint venture House Osotspa Foods Co., Ltd.), Peptein (soy peptide drink that provides cognitive and health benefits), Calpis (refreshment that contains lactobacillus under joint venture Calpis Osotspa Co., Ltd.), and other new brands like VPlus, Slimma and Peptein Gold.

Backed by the continued success of C-Vitt and Peptein, OSP has maintained its No. 1 position in the functional drinks market for six consecutive quarters with total market share of 33% in 2019. C-Vitt has maintained the No. 1 position in the functional drinks market since the third quarter of 2018 after doubling manufacturing capacity and expanding distribution. During 2019, C-Vitt further expanded its manufacturing capacity by undergoing maintenance for debottlenecking and introduced the aseptic carton pack. Hence, C-Vitt added to its total capacity and penetrated new channels, specifically school and in-home consumption. With high product quality, good marketing communication and an ability to capture the healthy trend, C-Vitt's market share jumped to 26% in 2019 and the product received an award for "Most Top Rising Brand 2019" from KANTAR Brand Footprint Awards.



**Vitamin C Drink 200%**

**New Formulation!! Less Sugar**





Using consumer feedback and consumer insights, OSP introduced Peptin Plus during the year, resulting in strong growth from the total Peptin portfolio. This move meant that while Peptin retained its existing consumer base with the original product (known for its cognitive and health benefits), it could also tap a new consumer group with Peptin Plus variant. OSP further extended the brand's reach by launching Peptin Gold, a variant containing natural superfoods which provide anti-aging properties, boost the immune system, and reduce inflammation.

OSP continued to expand its functional drinks pipeline in order to address different consumer needs and/or habits, such as health, wellness, and age-related issues. In this vein, the Company launched two new functional products in 2019: VPlus, a drink with electrolytes, vitamin C, and cool mint, and Slimma, a block and burn drink that contains fibersol, L-carnitine, and vitamin B. These new launches represented OSP's start-up spirit as they were launched in selective channels, including e-commerce, sport venues and fitness centers, with additional support from the social media channel.



## SPORT DRINKS

OSP has leveraged the iconic "M" master brand into a sport drink brand, M-Electrolyte (previously known as M-Sport), which replenishes electrolytes lost during sports activities. M-Electrolyte was second in the sport drinks market with a market share of 5% in 2019, according to Nielsen. OSP continued to improve product offerings through consumer insights with a target to increase market share.





## PERSONAL CARE



### BABY CARE

**BATH  
POWDER  
MOISTURIZERS  
UTENSILS  
HOMECARE**

### WOMEN'S BEAUTY

**FRAGRANCE  
POWDER  
DEODORANT  
SKIN CLEANSING  
SKINCARE**

### MALE GROOMING

**FRAGRANCE  
DEODORANT**

The core brands in the personal care segment are Babi Mild (Baby care), Twelve Plus (Women's beauty) and Exit (Male grooming) which hold leading positions in various segments. Meanwhile the Company also launched into the facial and skincare segments under the brands Plantstory and Ole'. OSP produces, markets, and distributes personal care products in Thailand and CLMV markets. While the majority of revenue contribution is from Thailand, the CLMV markets offer high growth potential. Helped by a wide distribution network, 70% of OSP's personal care products are distributed through modern trade channels. Note that the domestic business accounts for 90% of total personal care sales.

According to Nielsen, Babi Mild was the number one brand in the baby liquid soap segment in Thailand with a market share of 35% and was the number two brand in the baby powder segment with a market share of 24%. Twelve Plus was the number one brand in women's perfume (excluding direct sales) according to Euromonitor.



## BABY CARE

**The Babi Mild brand was launched in 1991 with the goal of becoming the most trusted brand among Thai mothers by providing products under the “natural and mild” theme. This focus has allowed Babi Mild to become the number one or strong number two brand in each product sub-category.**

In 2019, OSP bolstered its leading position by launching a sweet almond variant in the Babi Mild Ultra Mild range. The product is formulated with sweet almond essence which contains vitamin E to nourish and lock-in moisture for soft, smooth, and bouncy skin that is pH balanced. The launch covered a range of products, including head & body bath, powder, body lotion and oil. For the baby oil variant, OSP pioneered the oil to milk process, which turns oil to milk as soon as it makes contact with water. The sweet almond range helped solidify Babi Mild’s top position in the baby toiletry market, particularly in baby moisturizer which included the baby oil sub-category, leading to sales growth of 8%.

To keep up with changes in consumer lifestyle and behavior, OSP evolved our communication and channel strategies. This was seen in the rollout of an online campaign by OSP that hit 14 million views and over 98,000 engagement across social media, culminating in Adman awards, one bronze award in Film Craft: Casting, and one finalist award in Experience & Activation: Social Experience as well as a bronze from MAT marketing campaign awards. In addition, Babi Mild won several Amarin Baby & Kids Awards 2019: the Mommy’s choice award for best baby wash (Ultra Mild Pure Natural head & body wash) and best baby shampoo (Baby Mild Kids conditioning shampoo), and the Editor’s choice award for best baby bottle cleanser (Ultra Mild baby utensil cleanser) and best skincare for kids (Organik multi-purpose baby balm).

Our presence in emerging channels which catered to modern moms, such as baby fairs and e-commerce, more than doubled in 2019. OSP will continue to expand communication and distribution channels in accordance with the ever-changing lifestyle of shoppers.

Capitalizing on the widening organic and natural product trends, OSP launched Organik by Babi Mild, targeting highly selective moms who are willing to pay more for the safest, mildest products for their babies. Organik by Babi Mild is truly organic, certified by COSMOS, the world’s leading not-for-profit international association that covers all aspects of sourcing, manufacturing, marketing, and controlling of cosmetic products. To consumers, COSMOS-certified products are guaranteed to have the highest standards for organic and natural cosmetics, while being safe and effective. Organik by Babi Mild is the first brand in Thailand to be certified by COSMOS Organic and COSMOS Natural. This new launch was in line with the Company’s initiative to quickly respond to trends with products that were promoted using e-commerce and selective channels catering to specific consumer segments.



## WOMEN'S BEAUTY CARE

**Women's beauty care aims to widen its portfolio and drive growth by serving the beauty needs of women in the areas of skincare and fragrance.**

The Twelve Plus brand continues to strengthen as it strives to be the leading affordable beauty solution for mass modern young women. While fragrance remains at its heart, Twelve Plus has reinvigorated its product line over the past 2 years to focus on innovative concepts and differentiation in the marketplace. During 2019, Twelve Plus launched the Twelve Plus perfume card, which encouraged more frequent fragrance usage due to its portability, and Twelve Plus Whitening Plus Roll On, a no-alcohol deodorant formulated with natural ingredients, which delivered Twelve Plus's signature of superior perfume scent. These product innovations honed the brand's competitive edge in fragrance and represented a commitment to delivering new offerings with exciting packaging and design concepts.



Twelve Plus was also taking steps to ensure that the brand stays relevant among young women by delivering on new trends and formats in a timely matter. Nowadays young women are entering the beauty personal care segment at an earlier age, while the breadth of their beauty regime has also grown. The market has responded with adoption of new product formats to complement and enhance the core routine of these young women. Hence, Twelve Plus launched Twelve Plus Insta White Peeling Pack for underarms to complement its new Whitening Plus roll-on range. Derived from premium Japanese technology, the product offered in a sachet format which is accessible to young women.







The women's beauty care business continues to focus on bringing high quality, genuine beauty innovations to the market that helps consumers look and feel more confident. This can be seen in the introduction of Plantstory and Ole', new brands aimed at bridging segment gaps.

Plantstory is a masstige Face Care brand that targets the growing natural/wellness trend. The brand has been crafted with the understanding that consumers are seeking a less-harsh skin care solution that offers short-term skin benefits in addition to promotion of long-term skin health. The brand offers essential skincare products ranging from essence, cream masks and soaps to sheet masks. These are formulated from 100% pure plant essence without harsh chemicals that causes skin irritation and are designed to help rejuvenate the health of skin.

Ole' is one of OSP's iconic brands, a fixture in the confectionery market for over 50 years and famous for its unique strawberry flavor and scent, involving a blend of sweet, sour, and fizzy. The brand has now entered a new chapter in its life with the launch of Ole' personal care, a venture within the market trend of gourmand-inspired personal care products which appeal to the senses. Indeed, consumers are now looking not only for functional benefits, but also enjoyment from their personal care product usage — and this where Ole' can thrive. This move also enabled OSP to showcase the crossover potential of its strong brands in the market. Ole' personal care products offered the same iconic Ole' strawberry smell and were designed to bring a sweet and delightful experience to skincare usage from body wash, fragrance mist, hand and body cream, to hand sanitizer.



## MALE GROOMING

**Exit brand's reactivation in 2019 featured a strong partnership with music group BNK48 as the brand sought to reengage with young males, its core target group. Exit has also repositioned itself as an effective body odor solution with products in the fragrance and deodorant portfolio.**

The partnership with BNK48 heralded a new marketing era in which female presenters can be utilized to support a male-focused brand. Tongue-in-cheek communication through the presenters proved helpful in highlighting odor issues among the young male demographic. The marketing partnership also featured the launch of collectible BNK48 cards, which further stimulated the brand's growth. With brand awareness reignited, Exit will continue to introduce innovative men's personal care products to the market.



## OTHERS

### OEM Healthcare Confectionery

OSP categorizes the healthcare, confectionery, OEM and other businesses in the Others segment. Revenues generated under this segment include (i) producing glass packaging and personal care products under OEM agreements, (ii) producing healthcare products, and (iii) producing confectionery products, namely Ole' and Botan.

## ORIGINAL EQUIPMENT MANUFACTURER (OEM)

Most of the revenues under the OEM segment is derived from glass bottles and personal care products for third parties. Our manufacturing facilities can be used in this manner once they have spare capacity after servicing our own production needs. Sales of glass bottles are expected to fluctuate depending on the capacity and use of the facilities for our own beverage products. Sales generated from OEM glass bottles help with the fixed manufacturing costs of glass plants, boosting overall beverage profitability. Under OEM arrangements for personal care products, we use our research and development abilities to provide enhanced products and services to clients.

## HEALTHCARE

OSP operates a healthcare business under a joint venture agreement with Taisho Pharmaceutical Co., Ltd., in which we produce, import, and re-pack health and wellness products that include Krisnaklan Tra Kilane, Yathad 4, Tamjai, Banner and Utaitip.



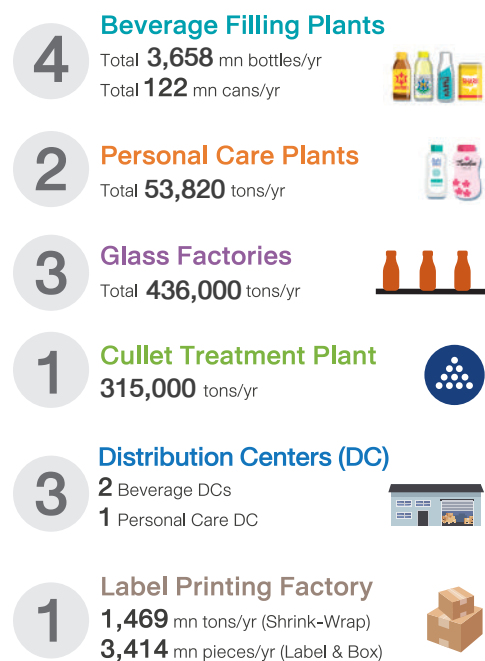
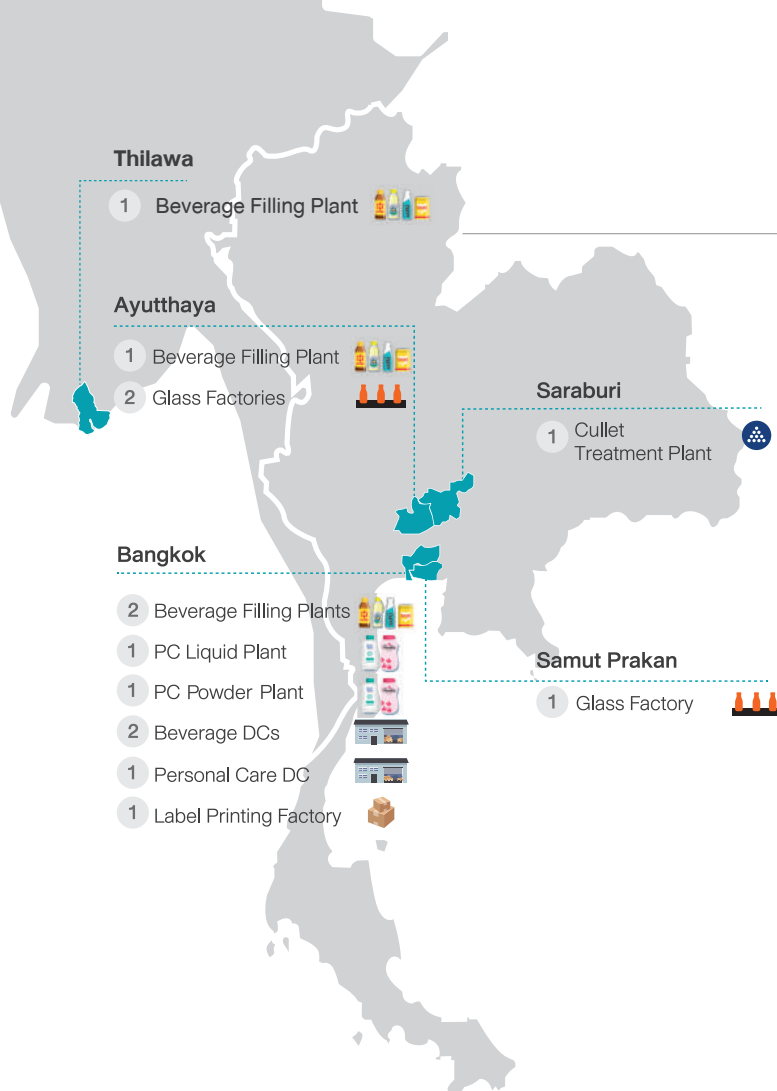


Krisnaklan Tra Kilane is an anti-diarrheal medicine and one of the first traditional medicine brands to be marketed by OSP in Thailand 128 years ago. These products aim to capture the growing health and wellness needs of both young and elderly consumers and to retain their position as traditional household medicine brands. In 2019, OSP opened the Kilane Teck Heng Yoo museum, the first and only museum of traditional Thai-Chinese herbal medicine in Thailand. The museum is located at Lhong 1919 on the bank of the Chao Phraya River where the very first Chinese settlers traded rice and other agriculture commodities. Showcasing OSP's expertise through the story of Krisnaklan Tra Kilane, the museum is housed in the style of an old-time traditional pharmacy and educates the public on how our traditional medicines were developed and embraced by Thai society. Towards the end of 2019, the labeling of Utaitip and Banner was redesigned to catch up with modern product trends.

## CONFECTIONERY

The Company's confectionery products, Botan and Ole, are produced by third-party manufacturers and are distributed through Taisho Pharmaceutical Co., Ltd and our distribution partners. The products are available in both traditional and modern trade channels. In 2019, Ole' expanded its portfolio by introducing Ole' Mini Sugar Free (Strawberry, Watermelon, and Apple), New Ole' Boost (Waterlemon Strawberry and Lemon Strawberry), and Ole' Boom (Spicy Flavor). These new product variants serve to strengthen the Company's overall confectionery portfolio.





## PRODUCTION FACILITIES

OSP owns and operates ten production facilities in Thailand for beverage and personal care products, one production facility in Myanmar and three distribution centers (location of our production facilities and distribution centers are shown in the map above). The Company has a fully integrated value chain for our beverage manufacturing, including a cullet treatment plant, glass bottle manufacturing facilities, beverage filling plants and its own distribution centers. However, the Company sourced bottle caps and aluminum steel cans from third-party suppliers.

On aggregate, the total practical capacity for the glass factory is 436,000 million tons per year, while beverage filling lines are 3,780 million units per year, made up of 3,658 million bottles per year across thirteen bottling lines and 122 million cans per year for two canning lines. The majority of OSP's beverage products are produced internally.

However, the Company may consider using third-party manufacturers depending on need and production capacity. The cullet treatment line has a capacity of 315,000 million tons per year and supports glass production capacity. The cullet treatment factory plays a key role in OSP's Fit Fast Firm project as it allows the Company to purchase dirty cullet at lower cost which are then sent to the treatment line to yield cleaner raw material. This enhances the overall glass production process and yields a better end-product.

OSP remains active in improving the efficiency of production by implementing a "Total Productive Maintenance" program and by digitalizing tools used in both the production and supply chains.

### New Glass Factory

OSP invested heavily to lift efficiency and generate best-in-class operations. This can be seen through the inauguration of a new production line at Siam Glass Ayutthaya 2 (SGA2). The new facility is equipped with state-of-the-art technology that involves robotics and applied machine learning for big data analytics. Use of this modern technology also allowed for higher efficiency, lower the defect rate, and required less manpower. It also contributed to Fit Fast Firm as it produces lighter-weight bottles using a lower amount of cullet compared to conventional bottles and allows high flexibility in terms of cullet ratio usage. This facility was ignited in August 2019, replacing two furnaces at the Samutprakarn factory, and will feed the strong demand seen for glass bottles, improving OSP's total capacity by 10 — 15%. In addition, this facility has received an investment promotion certificate from the Board of Investment (BOI), making it eligible for 100% tax exemption for 8 years plus another 50% tax exemption for another 3 years.





## New Powder Plant

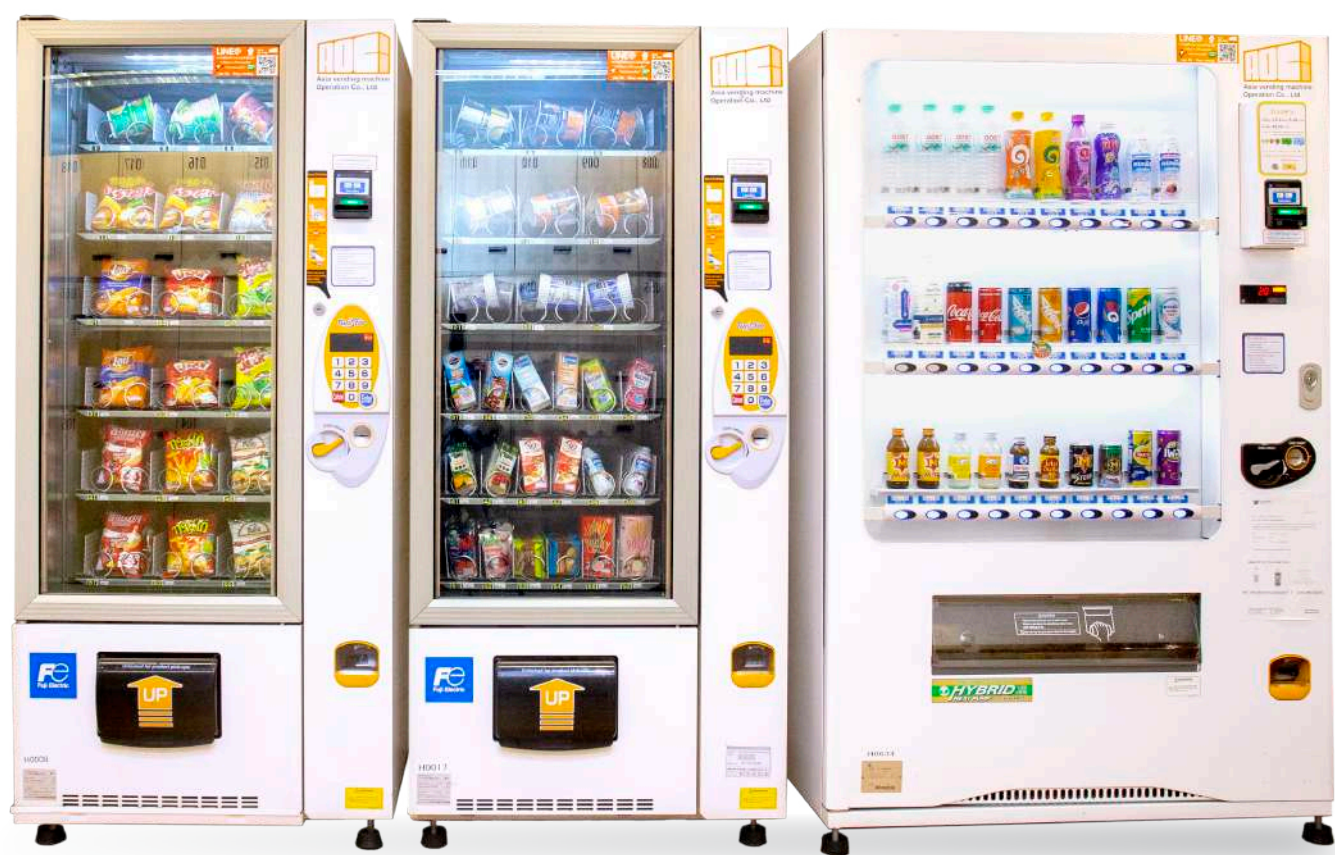
OSP invested in a new powder factory for personal care products at Ladkrabang industrial estate. The manufacturing plant is equipped with cutting-edge equipments, innovative technology, and high-quality systems guaranteed by GMP/ISO. OSP is the first Thai company to be certified by the Cosmetics Organic and Natural Standard (COSMOS Standard). In addition to the current liquid product manufacturing plant, the new facility is designed to support both OSP's personal care products and OEM clients. Featuring more flexible manufacturing capabilities, as well as a personal research and development center, the factory allowed OSP to quickly respond to the changing needs of both OEM and end-customers and to support the future growth of the personal care segment.

## New Beverage Filling Plant in Myanmar

Myanmar accounted for the largest portion of OSP's revenue from non-domestic sales of beverage products. The beverage market of the neighboring country offers big potential for rapid growth, backed by an attractive market size, increasing purchasing power, and rapid urbanization. Thus, to strengthen its presence and penetrate deeper into this dynamic market, OSP announced investment in a new beverage filling plant in Myanmar. The high-tech manufacturing facility is expected to begin commercial operations in the first quarter of 2020 and provides additional flexibility to respond to market demand, allowing OSP to fully capture manufacturing margins.



# STRATEGIC MOVES

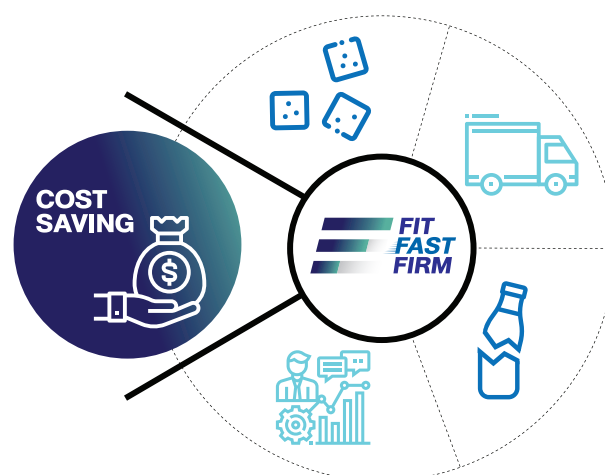


To capture opportunities on the domestic front through one of the fastest-growing channels, OSP invested in Asia Vending Machine Operation Company Limited (“AOC”), a former subsidiary of Fuji Electric, a top global vending machine manufacturer and operator. This investment essentially brings together the robust marketing and sales arms of OSP, the Thai market leader in energy and functional drinks, and Fuji Electric, an expert in vending machine technology, technical and operating expertise, to generate a high-growth synergy. Currently, AOC’s vending machines sell beverages, food, and snack products in captive areas like factories, office buildings, universities and residential neighborhoods.

Broadening its international exposure, OSP launched its energy drinks in Vietnam in the fourth quarter of 2019. The Company expects to capture opportunities from this rapidly growing economy which features a large and young population and relatively low consumption level primed for expansion. The strategy for this entry is to offer a better tasting product and a brand that target consumers can relate to. The move followed significant mining of Vietnamese consumer data and development of a broader understanding of the market’s habits and attitudes towards beverage consumption.

Meanwhile, OSP also moved to leverage its strong expertise in glass manufacturing in the overseas market, investing in Myanmar’s only glass bottle manufacturing facility. The facility, slated to commence its commercial run in 2021, will enable OSP to better capture the country’s strong demand with an import parity price structure.

On margins, the success of “Fitness First”, a profitability improvement program in 2018 that delivered gross savings of THB 800 million, spawned a second profitability improvement program called “Fit Fast Firm” targeting gross savings of THB 2.5 billion over 3 - 5 years (2019 - 2023). This program will coordinate and structure our savings initiatives with the objective of improving efficiency and reducing waste. Savings here will then be reinvested back into the business and redistributed as value to our shareholders.



In 2019, Fit Fast Firm delivered gross savings of THB 775 million on the back of three main pillars:

- Savings on price and/or volume of raw materials, as well as from new formulations and/or packaging designs
- Savings from optimization initiatives targeting the Company’s logistics network (e.g. transportation optimization) and vendor management
- Reduction of administrative expenses by reviewing each incurred expense and identifying opportunities for savings

The new manufacturing facilities also contributed to savings through greater efficiency, higher technology for lighter-weight bottles, production capabilities, flexibility in cullet usage, and reduction of waste during the manufacturing process.

OSP continued to implement a Net Revenue Management (“NRM”) program by focusing specifically on optimizing pricing and promotions, monitoring and optimizing costs, and coordinating delivery of net revenue and gross profit targets across brands and customers.



## OUR BUSINESS

# INDUSTRY AND BUSINESS OUTLOOK

### Industry Outlook

The Office of the National Economic and Social Development Council (NESDC) reports Thailand's economic growth of 2.4% in 2019. This figure was surpassed by the energy and functional drinks markets, which showed robust growth of 5.7% and 19.3%, respectively. As an industry leader, OSP was successful in stimulating the overall energy drinks market by growing the herbal segment, extending its consumer base, and promoting brands through the digital platform. For the functional drinks market, C-Vitt played a key role, gaining traction among consumers and essentially broadening the market landscape. It's noteworthy that Osotspa managed to move the drinks market forward amid ongoing various global risks, specifically US-China trade dispute, global economic slowdown, and softer domestic demand from falling exports and tourism.

Looking ahead to 2020, Thai economy is expected to grow less than 1%, dragged by ongoing global challenges and a weakened domestic demand picture amid the COVID-19 outbreak, drought, and government fiscal budget delays. Osotspa is staying abreast of these challenges with a 2020 operating plan that bolsters the Company's resilience to downturns. Our market leader position remains secure, backed by various marketing activities and product innovations that serve to induce consumer spending. Using the latest data technology, Osotspa seeks to achieve a greater depth of analysis of consumer behavior, allowing the Company to better address the needs of our target consumers.

### Business Outlook for 2020

Despite the challenging 2020 macroeconomic environment, OSP continues to accelerate operations and expects double-digit revenue and profit growth, supported by the opening of additional capacity for beverage products in the second half of 2020. Placing a high value on innovation, the Company plans to launch 2 to 4 new products in both our beverage and personal care portfolios. Domestic energy drinks should ride the momentum generated by the fierce brand loyalty of its customers and overall market growth. Key enablers are product innovations, premiumization, and strengthening of the consumer loyalty program. Functional drinks growth is expected to come from C-Vitt's distribution expansion, and solidification of market leadership through new product formats and health benefits. Personal care segment should continue to deliver growth through Babi Mild and Twelve Plus, underpinned by competitive brand equity and innovations that offer new benefits and exciting formats to customers.

Expanding its market-leading position to regional markets, OSP continues to focus on ASEAN (Association of Southeast

Asian Nations), particularly Myanmar and Vietnam. OSP continues to expand in Myanmar by further strengthening its core brands, Shark Myanmar and M-150, and by increasing market activation and penetration. Meanwhile the new manufacturing facility in Myanmar will increase flexibility to respond to market demand and allow OSP to capture additional manufacturing margins. Entrance to another key ASEAN market, Vietnam, is expected to yield significant growth opportunities thanks to the country's large population, scope for high consumer spending, and favorable market growth.

On the operational side, OSP is embracing the digitalization of its ecosystem, including customers, partners, and suppliers. Further productivity and business process improvement will boost the agility of the entire value chain. This will be implemented through digitalization of its business processes, including supply chain management, procurement, and customer data analytics. OSP continues to implement a robust Trade Promotion Management (TPM) system, which effectively integrates end-to-end trade and marketing promotion management for financial forecasting and claims settlement. It helps optimized all components of the trade promotions and gauges the effectiveness of executions and spending.

Productivity remains at the forefront of OSP's delivery of sustainable top-and bottom-line growth. This is exemplified by the Fit Fast Firm project which targets gross savings of THB 2.5 billion over 3 - 5 years (2019 - 2023). Specifically, the project aims to improve cost efficiency, enhance margins, reinvest in the business, and generate return to shareholders. Key deliverables in 2020 will come from packaging harmonization, product formulation optimization, production efficiency improvement, lighter-weight bottles, and warehouse and distribution optimization. Personal care gross margin improvements will be driven by premiumization and mix transition.

Building a solid base for the future, OSP has seized upon new growth engines, the latest example being the fast-growing vending machine channel. On this end, the Company has invested in Asia Vending Machine Operation Company Limited (AOC), a former subsidiary of Fuji Electric, a top global vending machine manufacturer and operator. In addition, the Company is taking its strong expertise in glass manufacturing to the overseas market by establishing a new glass bottle manufacturing facility in Myanmar. This factory will be the only private glass bottle manufacturing facility in Myanmar and will help OSP capture the country's strong demand with an import parity price structure.

By strengthening its core business through continual product innovations while maximizing production efficiency, OSP is fully-equipped to satisfy the ever-changing needs of consumers in the market.



## OUR BUSINESS

### RISK FACTORS

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Osotspa recognizes and places importance on risk management in order to manage risks that may affect the business operations. The Company has analyzed and assessed the key risks that has significant impact on the Company, divided into four categories consisting of Strategic Risk, Operational Risk, Financial Risk and Compliance Risk. In this regard, the Company has established mitigation actions managing risks to reduce the likelihood of risks or to mitigate their associated consequences to gain business opportunities that create added value for the Company. Key risk factors relating to the Company's business are summarized as follows:

#### STRATEGIC RISK

##### 1. Risk from consumer preferences/behavior changes

Consumer trends and preferences, together with perceptions of, and confidence in, the safety and quality of the products OSP manufactures, markets, and sells, may change due to a variety of factors, all of which affect consumers' spending patterns and their willingness to purchase our products. These factors include: (i) aging of the general population; (ii) consumer concerns or perceptions regarding nutrition profiles; (iii) change in consumption patterns; (iv) negative publicity resulting from regulatory enforcement actions; and (v) negative or inaccurate posts or comments in the media, including social media, about the Company, our products, or advertising campaigns and marketing programs.

##### 2. Risk from increased competition in the business of beverage and personal care segments

The beverage and personal care markets are highly competitive. The principal areas of competition for both markets are brand recognition, taste or scent, price, quality, product variety, production innovation, packaging, product convenience, advertising, marketing and promotional activities, distribution, service, and the ability to anticipate and effectively respond to consumers trends and market conditions. OSP's products compete with a wide range of beverages and personal care products produced by a relatively large number of local and international manufacturers.

##### 3. Risk arising from concentration to a number of key products

OSP's revenue and profitability are, and will remain for the foreseeable future, substantially dependent on sales of our top six brands by sales value: M-150, Shark/Chalarm, Lipovitan-D, C-Vitt, Babi Mild, and Twelve Plus. In addition, the Company

generates the majority of sales from beverage and personal care products in Thailand. Accordingly, any factor adversely affecting the production, and/or sale of our key products (in particular, our M-150 beverage products), would have a material adverse effect on our business, financial results, and prospects.

To manage the aforesaid three risks, the Company has established long-term business strategies covering all areas (marketing, supply chain and distribution, manufacturing, people, etc). The business strategies are translated into an annual plan which is then integrated into operations. The strategies are reviewed and assessed periodically to appropriately respond to current and future changes and uncertainties. In addition, the Company regularly monitors consumer preference, market development, technology and competitors in order to ensure that we have products that meet consumer requirements through introducing new products, variants of existing products and implementing a marketing plan. During the year, OSP launched more than 10 innovations in both beverage and personal care products, responding to the new trend that seeks healthy, natural, low sugar and organic products. Using multi-brand portfolio strategy, OSP responded to various needs in each consumer segment. In addition, as e-commerce and social media now play an important role, OSP started using social commerce for its customer loyalty program "M-Point". This was achieved through the Line application and launch of innovative products through both the e-commerce and social platform channels.

##### 4. Risk from new or foreign investment

In addition to steady business growth, OSP seeks new investments to enhance opportunities for long-term growth and to geographically diversify risks. The Company has expanded its investments to countries outside of Thailand, namely Myanmar, Cambodia, Laos, Indonesia, the United Kingdom, and Vietnam. Given unfamiliarity and differences in business environment and other factors that may disrupt performance, the Company has established risk mitigation guidelines such as analyzing feasibility, and return on investment. Strategies employed include identifying key risks and developing a mitigation plan, resource planning and staff capacity building to develop projects and facilitate management of change. Investment performance is also monitored with actions to address risks and capture opportunities, in addition to an investment reappraisal process. Furthermore, OSP conducts market research, analyzes competition and the market landscape for each business and geography that the Company invests in to enhance formulation of strategies and action plans to drive sustainable growth.



## OPERATIONAL RISK

### 5. Risk from product quality, safety, and integrity

OSP may be liable to consumers if the consumption or use of our products results, or is alleged to result, in undesirable side effects, health or safety issues, or damage. Risk of contamination or deterioration may exist during each stage of the production and distribution cycle. Products sold under our brands by retailers could also be counterfeit products manufactured without our lawful permission, or knowingly mislabeled and misrepresenting our name as the manufacturer, in addition to the ingredients. If any of these counterfeit products were to cause injury to consumers, legal action could be taken against the Company, as it would mistakenly be believed the plaintiff had consumed one of our products. Mitigation of risk focuses on the areas of production control and total quality management throughout the value chain, from suppliers to consumers. The Company has adopted and continuously improves a strategy to ensure high quality standards of production in terms of integrity and safety. For example, in 2019, Organik by Babi Mild became the first Thai brand certified by the COSMOS standard, an international standard for organic and natural cosmetics, indicating safety control standards applied for the whole supply chain. In addition, the manufacturing facilities of OSP received ISO 22716 Cosmetic GMP Certification and Thailand Vision Zero award during the year. These certifications are proof of OSP's manufacturing standards and product quality.

### 6. Risk from human resources management and capability

OSP's success depends on the continued contribution of key personnel, including management, many of whom have many years of experience with our Group and/or in relevant industries and who would be difficult to replace. Our success also depends on ability to recruit and retain skilled, qualified, and experienced managers and personnel, and to motivate and train a sufficient and capable workforce in line with business expansion and direction. In supporting this, the Company has built-up its employer branding in order to attract key talent from various sources, identified key positions and performed the Market Talent Mapping, and has developed a succession plan for key positions.

### 7. Risk from digital security threats

Use of technology and digitization have become important for business as they help elevate the efficiency of operations and accuracy of information. This includes automation in production, digitization in the supply chain, and development of an online communication channel to target customers and collect and analyze data. Online dependency could result in data breaches and cyber-attacks which can arise from insufficient data protection and software vulnerability.

OSP recognizes the importance of safeguarding against digital security threats and therefore has implemented necessary measures including IT Security Policy, Information on Safeguarding Guidelines (data classification), implementation of data leak protection tools for the critical functions which handle confidential data, and set-up of multiple layers of firewall. In addition, only authorized users are allowed to access the Company's information technology systems and the Company has installed anti-virus programs on every computer while promoting awareness among staff through training and various activities that convey proper use of digital technology.

### 8. Natural disaster risk

Climate change and global warming have the potential to impact OSP's business operations, infrastructure and supply chain. This includes risk from droughts and flooding. To stay abreast of these threats and ensure the continuity and efficiency of our operations, the company has implemented various measures, including setting Key Performance Indicators (KPIs) to reduce the quantity of energy and water used in its production and various water treatment processes, reducing CO2 emissions, strictly adhering to water management policies by Reducing, Reusing, and Recycling (3Rs), and increasing the use of renewable energy such as solar power. Data as well as news on natural disasters and implemented solution outcomes are systematically monitored for effective management of these plans.

## FINANCIAL RISK

### 9. Risk from regulatory changes and taxation

Beverages (including energy drinks, sport drinks and functional drinks) are subject to an excise tax in Thailand, which represents a significant portion of our cost of sales of goods. Pursuant to the Excise Act B.E. 2560 (2017), the excise tax to which the Company is subject consists of (i) a flat tax rate assessed on the retail sales price of the drinks and (ii) a variable tax rate that varies based on the sugar content of the drinks. In addition, from time to time, certain government agencies or departments have considered instituting a new tax on beverages which contain certain amounts of sugar or

caloric sweeteners, for example the variable rate component of the excise tax that was increased in October 2019 and is set to continue to increase every two years until 2023. Similar taxes have been discussed, implemented, or are expected to be implemented in a number of foreign tax jurisdictions or their subdivisions. If these tax rates were to increase, or new taxes or duties are imposed on certain products we manufacture, leading to an increase in the amount of tax payable, this could negatively impact the cost of our products and the results of our operations.

To mitigate such taxation risks, the Company has developed a preemptive strategy with R&D involving reformulation of existing products and development of new products to meet market and consumer demand while effectively managing manufacturing costs and other expenses. Additionally, the company has assigned a unit to be responsible for closely monitoring and following up on changes in rules and policies of the various markets the Company is exposed to, including defining action plans for any potential risks.

## **10. Risk from liquidity management**

OSP has significant excess cash, which is reserved for future investment projects. Comprehensive investment analysis is undertaken for each project. In order to manage the excess cash and preserve its value against inflation, the Company has established an investment policy which is approved by the Board and has appointed professional experts to maximize the profitability of money investment. The Corporate Treasury unit monitors the fund managers' performance and regularly reports on it along with the action plan (if any) to senior management, ensuring the effective interest rate meets the Company's target.

## **11. Risk from price volatility of key material supplies and energy resulting in increased production costs**

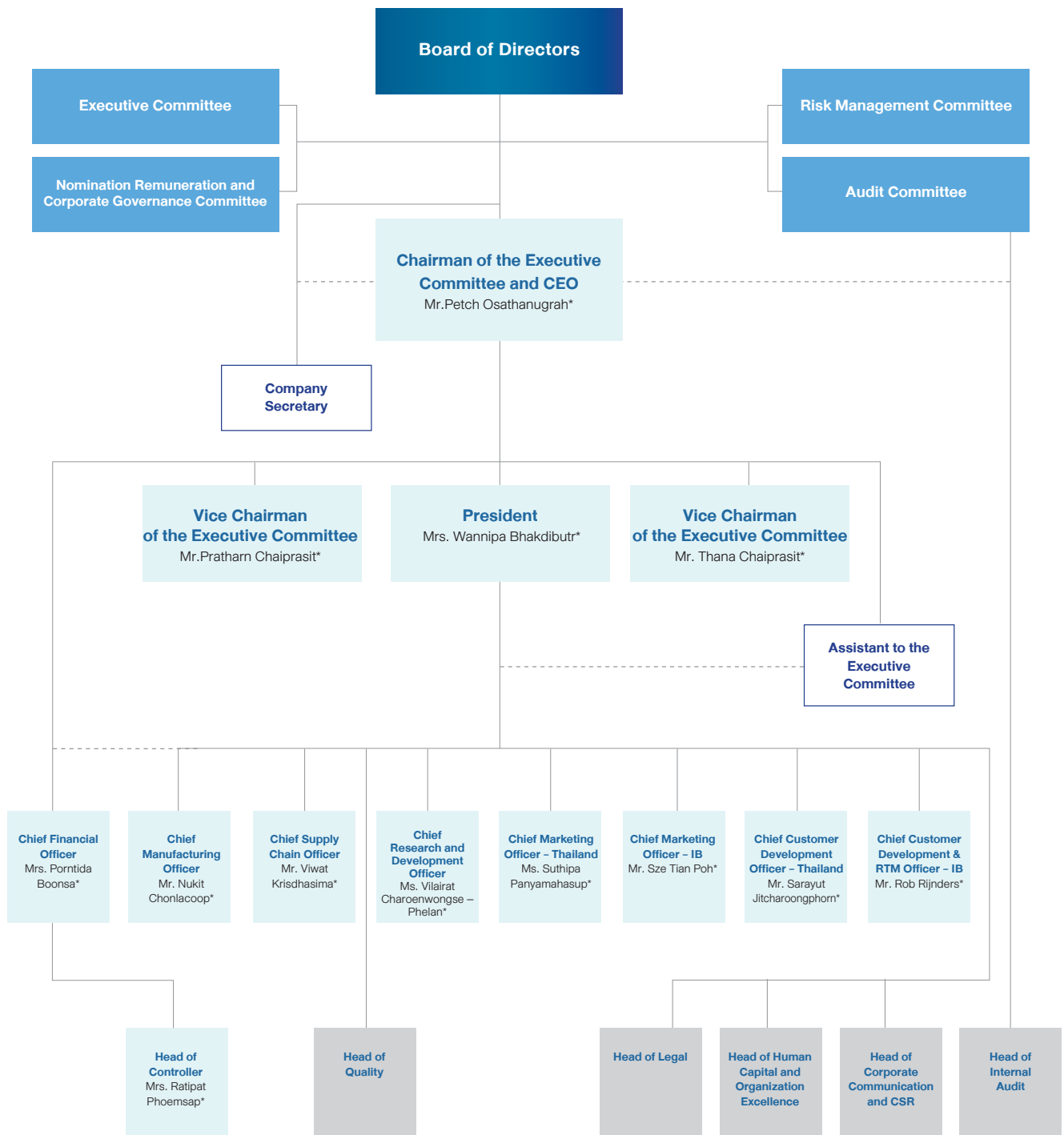
As commodities, the raw materials used for the manufacturing and packaging of OSP's products (including glass cullet) are subject to price volatility caused by many factors beyond our control, including global supply and demand, market shortages, government incentives and controls, taxes and tariffs, and overall economic conditions. The Company may be unable to pass on to our customers any adjustments in prices, or increased costs of raw materials, packaging materials, or energy that the Company uses to manufacture our products, which could have a significant impact on operating results. However, the Company has implemented measures to maintain or reduce production costs, including closely monitoring developments which may lead to changes in production costs and continuing the Fit Fast Firm project which is aimed at improving cost efficiency and enhancing margin.

## **COMPLIANCE RISK**

### **12. Legal and compliance risk**

The Company operates its business in both the domestic and overseas markets. Failure to comply or not being aware of changing laws and regulations and related interpretations could lead to substantial fines and penalties and have a negative impact on the Company's reputation and operations. To minimize these risks, the Company places importance on compliance with laws, regulations and various rules. The Company continuously monitors new laws that are relevant to our business operations as well as disseminates the information to the relevant functions to ensure understanding and acknowledgement of consequences and action plans. The Company also hires local consulting firms to help interpret local laws and provide suggestions on legal compliance.

As of December 31, 2019, the management structure of the Company was as follows:



**Remark:**

\*The person who was the executive as per the definition of the notification of the Securities and Exchange Commission (SEC) Kor Jor. 17/2551  
Re: Determination of Definitions in Notifications relating to the Issuance and Offer for Sale of Securities (as amended)



## The Board of Directors and Sub-committees

### The Board of Directors

As of December 31, 2019, the Board of Directors was comprised of 15 members (including four women) as follows:

1. **Mr. Surin Osathanugrah**  
Chairman of the Board of Directors
2. **Mrs. Kannikar Chalitaporn**  
Vice Chairperson of the Board of Directors, Chairperson of the Risk Management Committee, and Chief Advisor to the Executive Committee
3. **Mr. Somprasong Boonyachai**  
Independent Director, Vice Chairman of the Board of Directors, and Chairman of the Nomination Remuneration and Corporate Governance Committee
4. **Mr. Ratch Osathanugrah**  
Vice Chairman of the Board of Directors
5. **Mr. Petch Osathanugrah**  
Director, Chairman of the Executive Committee and CEO
6. **Mr. Thana Chaiprasit**  
Director and Vice Chairman of the Executive Committee
7. **Mr. Pratharn Chaiprasit**  
Director and Vice Chairman of the Executive Committee
8. **Mr. Tasharin Osathanugrah**  
Director and member of the Executive Committee
9. **Mr. Niti Osathanugrah**  
Director and member of the Nomination Remuneration and Corporate Governance Committee
10. **Mr. Sethaput Suthiwartnarueput**  
Director
11. **Mrs. Wannipa Bhakdibutr**  
Director, member of the Executive Committee, member of the Risk Management Committee and President
12. **Mr. Salin Pinkayan**  
Independent Director, member of the Nomination Remuneration and Corporate Governance Committee, and member of the Risk Management Committee
13. **Ms. Penchun Jarikasem**  
Independent Director and Chairperson of the Audit Committee
14. **Mr. Krirk Vanikkul**  
Independent Director and member of the Audit Committee
15. **Mrs. Sinee Thienprasiddhi**  
Independent Director and member of the Audit Committee

Details about the Board of Directors are provided in the "Information of the Board of Directors, Executives and Company Secretary" section.

### Authorities, Duties and Responsibilities of the Board of Directors

The resolutions of the Board of Directors' Meeting No. 2/2019 on February 27, 2019, specified the authorities, duties, and responsibilities of the Board of Directors as follows:

- (1) The Board of Directors has authorities, duties, and responsibilities in the management and business operations of the Company and in the supervision of the business operations of the Company's subsidiaries to ensure they comply with applicable laws, objectives, and Articles of Association together with the resolutions of shareholders with honesty and prudence in order to protect the interests of the Company and shareholders. This includes monitoring the Company's operations so that they are conducted in accordance with laws applicable to the business conduct of the Company and its subsidiaries, which also include laws relating to bribery or corruption.
- (2) To determine the Company's vision, mission, targets, policies, strategies, directions, business plans, and annual budgets, including managing and supervising the business performance of the Management team to be in line with these criteria, in an efficient manner and in the best interests of the Company and its shareholders.
- (3) To continuously monitor the business performance of the Company and its subsidiaries to be in line with their respective operational plans and budgets.
- (4) To arrange for the Company and its subsidiaries to put in place proper and efficient systems for accounting, financial reporting, and auditing, including the accurate disclosure of important information within a reasonable period of time and in full compliance with applicable regulations and standards. In addition, the Board of Directors shall arrange for the Company to have proper and adequate systems for internal controls, internal audit, and storage of material documents so that all data can be examined or verified at any later date.
- (5) To consider agreeing with the selection and engagement of auditors as well as their remuneration as previously proposed for consideration by the Audit Committee. Such auditors as well as their remuneration will subsequently be submitted to the Annual General Meeting of shareholders for approval.
- (6) To consider establishing policies for risk management to cover all ranges of activities within the Company and to set up systems or processes for risk management, through proper, sufficient, and efficient contingency measures and control methods to lessen the potential impact on the Company's business operations.

- (7) To put in place, and abide by, a written policy on good corporate governance as per the principles of good corporate governance and apply this policy in an efficient and responsible manner towards all people with a concern for fairness.
- (8) To determine the management and administrative structure governing the Company's subsidiaries and associated companies such that the Board of Directors can then efficiently supervise them and be responsible for their business operations.
- (9) To appoint sub-committees and determine their scope of duties so that such sub-committees can assist and support the Board of Directors in performing their responsibilities.
- (10) To put in place performance assessment arrangements and suitable mechanisms for setting remuneration for top Executives.
- (11) To consider selecting and changing the authorized Directors of the Company in accordance with the Articles of Association of the Company.
- (12) To consider and propose the remuneration of Directors including the Board of Directors and sub-committees (as recommended by the Nomination, Remuneration, and Corporate Governance Committee) to the Annual General Meeting of shareholders for approval. In considering such remuneration, such factors as (but not limited to) the Company's business operations and operational results, market conditions, industry practices, and existing economic conditions, as well as scopes of duties and responsibilities of the Directors, shall also be taken into account.
- (13) To consider and appoint the Company Secretary.
- (14) To consider and approve transactions on assets acquisitions and dispositions, and investments in new businesses, as well as to perform any other activities as required by applicable laws, notifications, and regulations.
- (15) To consider and/or give opinions on connected transactions and/or any other transactions entered into by the Company and its subsidiaries (if the value of such transactions does not require consideration and approval from the Annual General Meeting of shareholders) pursuant to applicable laws, notifications, and regulations.
- (16) To monitor, control, and prevent any conflict of interest between the Company's stakeholders and its subsidiaries.
- (17) To arrange for the proper disclosure of information on those persons who have conflicts of interest, on stakeholders, and on related persons in an accurate, complete, proper, and timely manner, and in accordance with applicable laws, notifications, and regulations.
- (18) To prepare annual reports as well as to prepare and disclose financial statements which represent the financial condition and business operation of the Company during the previous year, and to present same to the Annual General Meeting of shareholders for approval.
- (19) The Board of Directors may authorize any Director or any other persons to act on its behalf as deemed appropriate and/or within the period of time specified, provided that such authorization may be canceled, revoked, changed, or amended by the Board.  
In so doing, such authorization shall not be in the nature of a power of attorney or sub-power of attorney that allows such authorized person(s) to have the authority to consider or approve transactions in which they or any third party may have a conflict of interest, have a vested interest in, or have any other sorts of conflicts of interest with the Company or the Company's subsidiaries (if any), except where it is the approval of transactions within the scope of policies and principles already contemplated and approved by the meetings of the Board of Directors or shareholders.
- (20) To seek opinions from external professional advisors as deemed necessary for proper decision-making on related matters.
- (21) Each Director has a duty to report their own vested interest or of those persons related to them who have a vested interest in the management and administration of the business affairs of the Company or its subsidiaries. Each Director also has a duty to report to the Company any transaction to be entered into with the Company, or with its subsidiaries or associated companies, which could give rise to a conflict of interest.
- (22) Every Director, including their respective spouses and children, shall not use any inside information of the Company, or of its subsidiaries or associated companies, for their own benefit or for the benefit of other persons, whether directly or indirectly, and regardless of whether or not they gain a benefit or earn something as a result.
- (23) To regularly examine/review the Board of Directors Charter at least once a year.
- (24) To consider and review on a regular basis, at least once a year, the suitability of the Corporate Governance Policy so as to ensure that it is in line with the Corporate Governance Code and to record it as part of the resolution of the meeting of the Board of Directors. In this regard, each annual report and Form 56-1 shall disclose the outcome of such a review with a statement certifying that the Board has already considered and reviewed the application of the Corporate Governance Code in a context relevant to the business of the Company.

## Directors authorized to sign for the Company with binding effect

The Directors authorized to sign for the Company with binding effect are as follows:

Mr. Surin Osathanugrah, or  
Mr. Niti Osathanugrah, or  
Mr. Petch Osathanugrah, or  
Mr. Ratch Osathanugrah

one of these four jointly sign with

Mr. Pratharn Chaiprasit, or  
Mr. Thana Chaiprasit, or  
Mr. Tasharin Osathanugrah, or  
Mrs. Wannipa Bhakdibutr,

consisting of two persons and the Company's seal duly affixed, or;

Mr. Pratharn Chaiprasit,  
Mr. Tasharin Osathanugrah, or  
Mrs. Wannipa Bhakdibutr

two of these three jointly sign with the Company's seal duly affixed, or;

Mr. Thana Chaiprasit,  
Mr. Tasharin Osathanugrah, or  
Mrs. Wannipa Bhakdibutr

two of these three jointly sign with the Company's seal duly affixed.

## The Audit Committee

As of December 31, 2019, the Audit Committee was comprised of the following three Independent Directors who qualified as prescribed in the Charter of the Audit Committee and the regulations of the Securities and Exchange Commission (SEC):

1. **Ms. Penchun Jarikasem**  
Chairperson of the Audit Committee
2. **Mr. Kirk Vanikkul**  
Member of the Audit Committee
3. **Mrs. Sinee Thienprasiddhi**  
Member of the Audit Committee

Ms. Penchun Jarikasem, the Chairperson of the Audit Committee, is well respected and has a detailed understanding of, and experience in, accounting and finance. Mrs. Kanrawee Sangnikornkiat, Head of Internal Audit, is the Secretary to the Audit Committee.

Details about the Audit Committee are provided in the "Information of the Board of Directors, Executives and Company Secretary" section.

## Authorities, Duties and Responsibilities of the Audit Committee

The resolutions of the Board of Directors' Meeting No. 2/2019 on February 27, 2019, specified the authorities, duties, and responsibilities of the Audit Committee as follows:

- (1) To examine the Company's financial reports to ensure their accuracy and sufficient disclosure.
- (2) To examine the Company's internal controls and internal audit systems to ensure their suitability and efficiency and to determine the Internal Audit unit's independence, as well as to approve the appointment, transfer, and removal of Head of Internal Audit or any other person holding an equivalent position.
- (3) To examine the Company's risk management systems to ensure their suitability and efficiency.
- (4) To examine the Company's compliance with applicable laws on the securities and exchange regulations of the Stock Exchange of Thailand (SET) and laws relevant to the Company's business operations, as well as to examine the Company's subsidiaries so as to ensure that they comply with good corporate governance requirements and measures as described in the Company's Corporate Governance Policy.
- (5) To consider selecting and nominating an independent person(s) with the qualification in accordance to the Securities and Exchange Commission, Thailand (SEC) to be appointed as the auditor(s) of the Company, propose the auditor(s) remuneration, propose the removal of the auditor (s), and attend a meeting with the auditor (s) at least once a year without the presence or attendance of any the Company Executives.
- (6) To consider connected transactions or transactions that may lead to conflicts of interest and the acquisition and disposition of the Company's assets, with each case being in compliance with applicable laws and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET), including those policies relating to connected transactions and good corporate governance of the Company with a view to ensuring that they be reasonable and serve the Company's best interests.
- (7) To perform any other acts as assigned by the Board of Directors, with approval from the Audit Committee.
- (8) To prepare and disclose any other reports which the Audit Committee believes should be informed to shareholders and investors in general, within the scope of duties and responsibilities as assigned by the Board of Directors.
- (9) To prepare the Audit Committee's reports and disclose the same in the Company's annual reports and keep the Board of Directors regularly informed of the Audit Committee's activities.
- (10) In performing its duties, if the Audit Committee discovers, or is in any doubt about a transaction or act which may have a significant impact on the financial status and business operations of the Company, the committee shall report its concerns to the Board of Directors so as to rectify this within the period of time that the committee sees fit. In this circumstance, the types of transactions or acts requiring such reporting are as follows:



- (a) Transactions which constitute any conflict of interest;
- (b) Any fraud, unusual matter, or significant incompetence or defect within the Internal Control unit;
- (c) Breaches of applicable laws and regulations of the Securities and Exchange Commission (SEC), regulations of the Stock Exchange of Thailand (SET), and laws relevant to the Company's business operations.

### Reports of the Audit Committee

- (1) To prepare reports and disclose the same in the Company's annual report, provided that such reports shall cover matters or items as required by the Stock Exchange of Thailand (SET) and assigned by the Chairperson of the Audit Committee.
- (2) To report on the Audit Committee's activities to the Board of Directors on a regular basis including:
  - a. Minutes of the Audit Committee's meetings which expressly contain their opinions on matters requiring their consideration;
  - b. Reporting on matters considered or determined by the Audit Committee during the year;
  - c. Reporting their opinions on financial statements and the outcome of internal audit exercises;
  - d. Any other matter which the Audit Committee believes should be brought to the attention of the Board of Directors.
- (3) If any of the following matters are discovered or detected, the Audit Committee shall report this immediately to the Board of Directors so as to seek the necessary guidelines or solutions:
  - a. Any occurrence of any fraud, unusual matter, or significant incompetence or defect within the Internal Control unit;
  - b. Any occurrence of conflicts of interest;
  - c. Dubious circumstances potentially resulting in a violation of applicable laws or regulations of the Stock Exchange of Thailand (SET) and/or laws relevant to the Company's business operations;
  - d. Any other matter or occurrence which the Audit Committee believes should be brought to the attention of the Board of Directors.
- (4) If the auditor finds any act of corruption or against the law which relates to Directors and Executives, the auditor directly reports to the Audit Committee for initial investigation. The Audit Committee needs to report the investigation result to SEC and auditor within 30 days starts from the date receiving the information from the auditor.

### Self-evaluation of the Audit Committee

The Audit Committee shall conduct a self-evaluation of their performance at least once a year and report the results of such self-evaluations to the Board of Directors. This Charter will be reviewed on a regular basis at least once a year.

### The Risk Management Committee

As of December 31, 2019, the Risk Management Committee was comprised of the following five members:

1. **Mrs. Kannikar Chalitaporn**  
Chairperson of the Risk Management Committee
2. **Mr. Salin Pinkayan**  
Member of the Risk Management Committee
3. **Mrs. Wannipa Bhakdibutr**  
Member of the Risk Management Committee and President
4. **Mrs. Porntida Boonsa**  
Member of the Risk Management Committee and Chief Financial Officer
5. **Mr. Nukit Chonlacoop**  
Member of the Risk Management Committee and Chief Manufacturing Officer

Details about the Risk Management Committee are provided in the "Information of the Board of Directors, Executives and Company Secretary" section.

### Authorities, Duties and Responsibilities of the Risk Management Committee

The resolutions of the Board of Directors' Meeting No. 2/2019 on February 27, 2019, specified the authorities, duties, and responsibilities of the Risk Management Committee as follows:

- (1) To consider and identify key risks of the Company's business operations, such as strategic risks, financial risks, operational risks, legal risks, regulatory risks, marketing risks, and all other risks that may affect the Company's reputation, including suggestions on any protections and risk management measures. In this regard, such matters shall be set as part of the policies together with guidance on how to manage or allocate such risks in a proper and efficient manner, including advising the Board of Directors and the Management team on risk management.
- (2) To prepare risk management plans and processes for the Company.
- (3) To supervise and support risk management measures so that risks can be managed successfully by way of evaluating all risk factors for appropriate decision making. The Risk Management Committee has the duty to follow and assess the Company's compliance with the risk management framework. In addition, it shall also review the sufficiency of the risk management policies

and systems and improve operational procedures with a view to continually minimizing risks to suit the business conditions of the Company.

- (4) To communicate with the Audit Committee on significant risks in order to evaluate the adequacy of the Company's internal control systems.
- (5) To regularly report on the outcome of risk assessments and performance, with acknowledgement by the Board of Directors. Any significant occurrence or issue that may have a material impact on the financial status and results of the Company's performance must promptly be reported to the Board of Directors for consideration.
- (6) To perform any other acts as assigned by the Board of Directors.
- (7) To seek an independent opinion(s) from any professional advisor(s) as deemed necessary at the expense of the Company.
- (8) To request data from other units of the Company and its subsidiaries as supporting information for further consideration on related issues.
- (9) The Risk Management Committee shall have a duty to report the outcome of their work performance and their operational results to the Board of Directors at least once a year. This Charter will be reviewed on a regular basis at least once a year.

### **The Nomination, Remuneration, and Corporate Governance Committee**

As of December 31, 2019, the Nomination, Remuneration, and Corporate Governance Committee was comprised of the following three members:

1. **Mr. Somprasong Boonyachai**  
Chairman of the Nomination, Remuneration, and Corporate Governance Committee
2. **Mr. Salin Pinkayan**  
Member of the Nomination, Remuneration, and Corporate Governance Committee
3. **Mr. Niti Osathanugrah**  
Member of the Nomination, Remuneration, and Corporate Governance Committee

Details about the Nomination, Remuneration, and Corporate Governance Committee are provided in the "Information of the Board of Directors, Executives and Company Secretary" section.

### **Authorities, Duties and Responsibilities of the Nomination, Remuneration, and Corporate Governance Committee**

The resolutions of the Board of Directors' Meeting No. 2/2019 on February 27, 2019, specified the authorities, duties, and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee as follows:

#### **(1) Nomination**

- (a) To consider the structure and composition of the Board of Directors ensuring suitability to the business organization, its operations, and state of affairs;
- (b) To define the procedure and criteria for the nominations, including the qualifications of persons to be nominated as Directors and the Chairman of the Executive Committee;
- (c) To consider selecting and screening any person who is suitably qualified to be a Director, Chairman of the Executive Committee, as well as other sub-committee members, and to propose their nominations at meetings of the Board of Directors and/or shareholders for approval.

#### **(2) Remuneration**

- (a) To determine policies and criteria on remuneration, whether in monetary or non-monetary terms, for the Board of Directors and Chairman of the Executive Committee, including the remuneration structure for senior Company Executives and other sub-committees, ensuring fairness, with recommendations made at meetings of the Board of Directors and/or shareholders for approval;
- (b) To conduct any other activities as assigned by the Board of Directors that involve remuneration and nominations.

#### **(3) Corporate Governance**

- (a) To determine policies on good corporate governance involving the Company's business conduct as well as policies on corporate social responsibility, and to present such policies at the meetings of the Board of Directors and/or shareholders for approval;
- (b) To offer practical guidelines and suggestions on good corporate governance to the Board of Directors;
- (c) To foster an ethical organizational culture and good corporate governance, and to monitor compliance by Company personnel, as per the Company's principles of good corporate governance and the Company's Code of Conduct;
- (d) To review and improve the suitability of the policy on good corporate governance and present the same to the Board of Directors;
- (e) To conduct any other activities as assigned by the Board of Directors which are concerned with remuneration and nominations.

- (4) **The Nomination, Remuneration, and Corporate Governance Committee is authorized to seek an independent opinion(s) from professional advisor(s) as deemed necessary at the expense of the Company.**

- (5) **The Nomination, Remuneration, and Corporate Governance Committee is empowered to request data from other divisions** of the Company and those of its subsidiaries as supporting information for further consideration on any related matters.

### Executive Committee

As of December 31, 2019, the Executive Committee was comprised of the following 6 members:

1. **Mr. Petch Osathanugrah**  
Chairman of the Executive Committee and CEO
2. **Mr. Thana Chaiprasit**  
Vice Chairman of the Executive Committee
3. **Mr. Pratharn Chaiprasit**  
Vice Chairman of the Executive Committee
4. **Mr. Tasharin Osathanugrah**  
Member of the Executive Committee
5. **Mrs. Wannipa Bhakdibutr**  
Member of the Executive Committee and President
6. **Mrs. Porntida Boonsa**  
Member of the Executive Committee and Chief Financial Officer

*Remark: Mr. Niti Osathanugrah resigned as a member of the Executive Committee effective May 29, 2019.*

Mrs. Kannikar Chalitaporn is Chief Advisor to the Executive Committee.

Details about the Executive Committee are provided in the “Information of the Board of Directors, Executives and Company Secretary” section.

### Authorities, Duties and Responsibilities of the Executive Committee

The resolutions of the Board of Directors' Meeting No. 3/2018 on February 28, 2018 specified the authorities, duties, and responsibilities of the Executive Committee as follows:

- (1) To manage the Company's business affairs in its ordinary course of business, including considering and setting targets, policies, business plans, and business strategies and directions, as well as the annual budgets of the Company and those of companies within the Group. This includes any expansion of the Company's business, investments, financial plans, management structure, and policies on human resource management, as well as considering and scrutinizing any proposal made by Management before being presenting to the Board of Directors for approval.
- (2) To supervise the Company's business operations and follow up on operational results and the financial condition of the Company, ensuring they are in line with the policies, strategies, plans, targets, and budgets as approved by the Board of Directors. Supervising and following up on operational results and the financial condition of companies within the Group, including efficient and effective resource allocation and management, consideration of the impact and development of resources through the value chain in order to sustainably achieve the objectives and main targets, and reporting on these results and developments on a regular basis to the Board of Directors.
- (3) To manage information technology to be in line with the Company's business requirements, as well ensuring that information technology is implemented to enhance business opportunities and to develop business operations such that the Company can achieve its objectives and targets.
- (4) To oversee management and set up policies on the management structure of the Company's subsidiaries and associated companies so that the Executive Committee can manage, and be accountable to the management and business operations of such subsidiaries and associated companies, in an efficient manner. To follow up on the management of such subsidiaries and associated companies so as to preserve investments made by the Company. In this regard, the Executive Committee is authorized by the Board of Directors to consider nominating any appropriate person to represent the Company by way of acting as Directors of such subsidiaries and associated companies, including defining the scope of duties and responsibilities of those Directors in such subsidiaries and associated companies.
- (5) To consider and approve the entry into contracts or the conduct of ordinary business or ancillary activities in support of such ordinary business under general commercial terms, the opening and closure of bank and financial institution accounts, the use of financial services within credit limits and/or within the budget as approved by the Board of Directors or as approved in principle by the Board, as well as in accordance with the Schedule of Authority as approved by the Board of Directors.
- (6) To consider the Company's profits and losses and to propose interim dividend payments to the Board of Directors for approval.
- (7) To consider annual dividend payments and propose the same to the Board of Directors for approval prior to further submitting the same to the Annual General Meeting of shareholders.
- (8) To issue any power of attorney delegating its authority to any one person(s) to perform any act under the supervision of the Executive Committee or to issue any power of attorney delegating such person(s) to have the authority and within a period of time as deemed appropriate by the Executive Committee. The Executive Committee may cancel, revoke, change, or amend any person(s) to be so authorized or such power of attorney. In so doing, the delegation of such authority or the issue



of the power of attorney shall not be of a nature that allows such authorized person(s) to have authority or power to approve transactions in which they or any third party may have a conflict of interest (as this term is so defined in any applicable regulation or notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand (SET), and/or competent agencies), have a vested interest in, or have any other sorts of conflicts of interest with the Company, its subsidiaries and/or related companies. In this regard, the Executive Committee shall also not have the authority to approve such matters, and such matters must be proposed to the meetings of the Board of Directors and/or shareholders (as the case may be) for approval, except where such matters are transactions in the Company's ordinary course of business with general commercial terms as per any applicable regulation or notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand (SET), and/or competent agencies.

- (9) To consider and give an opinion on issues which require the approval of the Board of Directors, except where such issues are otherwise authorized by the Board of Directors to be handled by any sub-committee.
- (10) To seek independent opinions from any other professional advisors as deemed necessary at the expense of the Company.
- (11) To invite and solicit the management team or any person related to the Company for their opinion, to meet, or gain information, as well as to request data from other divisions of the Company and those of its subsidiaries as supporting information for further consideration on any

related matters.

- (12) To perform any other duties as assigned by the Board of Directors.
- (13) The Executive Committee shall have a duty to report on the outcome of their work performance and their operational results to the Board of Directors at least once a year. This Charter will be reviewed on a regular basis at least once a year.

### Board of Directors and Sub-Committees Meetings

The Company has scheduled the Board of Directors' Meetings for the whole year. As per the Company's policy, the Board of Directors' Meeting shall be convened at least once in each quarter. The meeting should be held no less than six (6) times per one fiscal year. Such meeting schedule was informed to the Directors in advance including fixed crucial agenda for the Board of Directors Meeting. In convening any meeting of the Board of Directors, the Chairman of the Board of Directors shall send an invitation letter to all directors of no less than seven (7) days in advance of the date of meeting. In the case of necessity or urgency, the meeting can be convened by any other means or be convened with a shorter advance notice. The Sub-Committees' Meetings would be in accordance with the charter of each committee.

In case of the Chairman of the Board of Directors and the Chairman of the Executive Committee do not distinctly separated, the Board of Directors would act in supporting the balance of power between the Board of Directors and the Management i.e. considering the appointment of one (1) Independent Director to consider the agenda of the Board of Directors' Meeting.

In 2019, the Company convened a total of 12 Board of Directors' Meetings, with an attendance ratio of 91%. The meeting and attendance details for Sub-committees' Meetings that the Company also convened are listed below:

Name	No. of attended Meetings/Total Meetings						
	The Board of Directors (12 times)	The Audit Committee (8 times)	The Nomination, Remuneration, and Corporate Governance Committee (9 times)	The Risk Management Committee (4 times)	The Executive Committee (14 times)	The Non-Executive Director Committee (2 times)	Joint Meeting of the Audit Committee and the Risk Management Committee (1 times)
1. Mr. Surin Osathanugrah	11/12	-	-	-	-	2/2	-
2. Mr. Ratch Osathanugrah	9/12	-	-	-	-	2/2	-
3. Mr. Somprasong Boonyachai	11/12	-	9/9	-	-	2/2	-
4. Mrs. Kannikar Chalitaporn	12/12	-	-	4/4	-	2/2	1/1
5. Mr. Petch Osathanugrah	11/12	-	-	-	13/14	-	-
6. Mr. Thana Chaiprasit	11/12	-	-	-	11/14	-	-
7. Mr. Pratham Chaiprasit	12/12	-	-	-	11/14	-	-
8. Mr. Tasharin Osathanugrah	10/12	-	-	-	8/14	-	-
9. Mr. Niti Osathanugrah <sup>(1)</sup>	12/12	-	9/9	-	6/6	2/2	-
10. Mr. Sethaput Suthiwartnarueput	9/12	-	-	-	-	2/2	-

Name	No. of attended Meetings/Total Meetings						
	The Board of Directors (12 times)	The Audit Committee (8 times)	The Nomination, Remuneration, and Corporate Governance Committee (9 times)	The Risk Management Committee (4 times)	The Executive Committee (14 times)	The Non-Executive Director Committee (2 times)	Joint Meeting of the Audit Committee and the Risk Management Committee (1 times)
11. Mrs. Wannipa Bhakdibutr	12/12	-	-	4/4	13/14	-	1/1
12. Mr. Salin Pinkayan	10/12	-	9/9	4/4	-	2/2	1/1
13. Ms. Penchun Jarikasem	11/12	8/8	-	-	-	2/2	1/1
14. Mr. Krirk Vanikkul	12/12	8/8	-	-	-	2/2	1/1
15. Mrs. Sinee Thienprasiddhi	11/12	8/8	-	-	-	2/2	1/1

Remark

<sup>(1)</sup> Mr. Niti Osathanugrah resigned as a member of the Executive Committee effective May 29, 2019.

## Executives

As of December 31, 2019, the Executives of the Company were comprised of the following 13 persons:

- Mr. Petch Osathanugrah**  
Chairman of the Executive Committee and CEO
- Mr. Thana Chaiprasit**  
Vice Chairman of the Executive Committee
- Mr. Pratharn Chaiprasit**  
Vice Chairman of the Executive Committee
- Mrs. Wannipa Bhakdibutr**  
President
- Mrs. Porntida Boonsa**  
Chief Financial Officer
- Mr. Nukit Chonlacoop**  
Chief Manufacturing Officer
- Ms. Suthipa Panyamahassup**  
Chief Marketing Officer - Thailand
- Mr. Sarayut Jitcharoongphorn**  
Chief Customer Development Officer - Thailand
- Mr. Rob Rijnders**  
Chief Customer Development & RTM Officer - International Business
- Mr. Viwat Krisdhasima**  
Chief Supply Chain Officer
- Ms. Vilairat Charoenwongse-Phelan**  
Chief Research and Development Officer
- Mr. Sze Tian Poh**  
Chief Marketing Officer - International Business
- Mrs. Ratipat Phoemsap**  
Head of Controller

“Executive” is defined according to the definition of the Notification of the Securities and Exchange Commission (SEC) No. KorChor.17/2551 Re: Determination of Definitions in Notifications relating to the Issuance and Offer for Sale of Securities (as amended). The information of Executives and the

Head of Controller are shown in the “Information of the Board of Directors, Executives and Company Secretary” section.

## Company Secretary

The Board of Directors Meeting No. 12/2018 on December 12, 2018, resolved to appoint Ms. Palica Mokkhavesa as the Company Secretary pursuant to section 89/15 of the Securities and Exchange Act B.E 2535.

The Company Secretary performs functions on matters as prescribed under section 89/15 of the Securities and Exchange Act and Corporate Governance policy as follows:

- Preparing and keeping the following documents:
  - A register of Directors;
  - A notice calling the Board of Directors meeting and minutes of the meeting of the Board of Directors;
  - A notice calling the Shareholders meeting and minutes of the Shareholders meeting;
  - Annual report of the Company.
- Keeping a report on areas of interest of the Directors and the Executives and submitting a copy of the report under section 89/14 of the Securities and Exchange Act to the Chairman of the Board of Directors and the Chairperson of the Audit Committee within seven (7) business days from the date on which the Company has received such a report.
- Convening the Board of Directors meeting and the Shareholders meeting.
- Advising on rules and regulations to the Board of Directors and Executives.
- Arranging training sessions and orientations and providing the necessary information for being a Director to current and new Directors.
- Co-ordinating and ensuring the Company is complying with all laws, objectives, Articles of Association of the Company, and the resolutions of the Board of Directors and the Shareholders meetings including the Corporate Governance Policy.

- (7) Performing any other acts as specified by the Board of Directors or in notifications of the Capital Market Supervisory Board.

The information of the Company Secretary is shown in the “Information of the Board of Directors, Executives and Company Secretary” section.

## Remuneration of Directors and Executives

### Monetary remuneration

#### (1) Director's remuneration

The 2019 Annual General Meeting of Shareholders held on April 24, 2019, approved the remuneration of the Board of Directors and Sub-committees for 2019 as follows:

##### (A) Attendance fee

A rate of 50,000 baht/person/meeting is paid to every Director who is not a Company employee or Company advisor and who attends the Board of Director meeting and Sub-committee meeting.

##### (B) Monthly remuneration

The following rates are paid to every Director who is not a Company employee or a Company advisor:

#### The Board of Directors

Chairman	30,000 baht/month
Vice Chairman	20,000 baht/month
Director	15,000 baht/month

#### The Audit Committee

Chairman	20,000 baht/month
Director	15,000 baht/month

#### The Nomination, Remuneration, and Corporate Governance Committee

Chairman	20,000 baht/month
Director	-

#### The Risk Management Committee

Chairman	20,000 baht/month
Director	-

#### The Executive Committee

Chairman	-
Vice Chairman	-
Director	-

#### Chief Advisor to

the Executive Committee	360,000 baht/month
-------------------------	--------------------

In 2019, the Company paid remuneration and gratuity of 2018 totalling 23,911,430 baht as follows:

Director	Remuneration <sup>(1)</sup> (Baht)						Gratuity for Year 2018	Total
	The Board of Directors	The Audit Committee	The Nomination, Remuneration, and Corporate Governance Committee	The Risk Management Committee	The Executive Committee	Chief Advisor to the Executive Committee		
1. Mr. Surin Osathanugrah	910,000	-	-	-	-	-	745,143	1,655,143
2. Mr. Ratch Osathanugrah	690,000	-	-	-	-	-	745,143	1,435,143
3. Mr. Somprasong Boonyachai	790,000	-	690,000	-	-	-	745,143	2,225,143
4. Mrs. Kannikar Chalitaporn	840,000	-	-	490,000	-	4,320,000	745,143	6,395,143
5. Mr. Petch Osathanugrah <sup>(2)</sup>	-	-	-	-	-	-	-	-
6. Mr. Thana Chaiprasit <sup>(2)</sup>	-	-	-	-	-	-	-	-
7. Mr. Pratham Chaiprasit <sup>(2)</sup>	-	-	-	-	-	-	-	-
8. Mr. Tasharin Osathanugrah <sup>(2)</sup>	-	-	-	-	-	-	-	-
9. Mr. Niti Osathanugrah <sup>(3)</sup>	780,000	-	450,000	-	300,000	-	745,143	2,275,143
10. Mr. Sethaput Suthiwartnareeput	630,000	-	-	-	-	-	745,143	1,375,143
11. Mr. Salin Pinkayan	680,000	-	450,000	250,000	-	-	745,143	2,125,143
12. Ms. Penchun Jarikasem	730,000	690,000	-	-	-	-	745,143	2,165,143
13. Mr. Kirik Vanikkul	780,000	630,000	-	-	-	-	745,143	2,155,143
14. Mrs. Sinee Thienprasiddhi	730,000	630,000	-	-	-	-	745,143	2,105,143
15. Mrs. Wannipa Bhakdibutr <sup>(2)</sup>	-	-	-	-	-	-	-	-
Total	7,560,000	1,950,000	1,590,000	740,000	300,000	4,320,000	7,451,430	23,911,430

#### Remarks:

<sup>(1)</sup> In 2019, the Company paid remuneration to Directors based on the number of meetings attended and paid monthly remuneration as aforementioned rate. Remuneration was also paid as specified by the Company to Directors who are not Company employees or advisors.

<sup>(2)</sup> The Director received a monthly salary and advisory remuneration but did not receive remuneration as a Director.

<sup>(3)</sup> Resigned his position as a member of the Executive Committee effective May 29, 2019.



### Gratuity of Directors for Year 2018

The gratuity was paid to all Directors who were not the Company employee or the Company advisor. The payment was made in accordance of the position term in 2018, in the rate not exceeding 0.5 times of the total remuneration of Board of Directors and Sub-Committees for the year 2018.

The total remuneration of the Board of Directors and Sub-Committees for the year 2018 was 16.32 million baht, the remuneration rate was in accordance with regulation which was approved in the 2019 Annual General Meeting of Shareholders. Therefore, the gratuity payment for the year 2018 paid in May 2019 was the total of not exceeding 8.16 million baht which was not exceeding 0.5 times of the total remuneration of Board of Directors and Sub-Committees for the year 2018. The Nomination, Remuneration, and Corporate Governance Committee considered and allocated the Directors gratuity for the year 2018 appropriately.

### Executive Remuneration

For the financial years ended December 31, 2019, the total remuneration paid to the Executives (excluding the Head of Controller), including salary, annual bonus, and other considerations such as provident fund contributions, details compared with previous year as follows;

Year	Amount (THB)
2018	201,249,390 THB
2019	241,052,574 THB

### Other Remuneration

The Board of Directors' Meeting No. 7/2019 convened on July 17, 2019, passed the resolution of the approval of the Employee Joint Investment Program (EJIP) in accordance with the Notification of the Office of the Securities and Exchange Commission (SEC) No. SorJor. 38/2018, Re: Preparation of Report on Changes to the Securities and Derivatives Holding of Director, Executive, Auditor, Plan Preparer and Plan Administrator, dated July 16, 2018. EJIP is an investment program on accumulative buying of OSP shares on a periodic basis, serving as a mean of remuneration given to the employees of the Company and of its subsidiaries.

The period of EJIP starts from April 1, 2020 to March 31, 2025, the total duration of 5 years.

### Human Resources

#### Number of Employees

As of December 31, 2019, the Company had a total workforce of 3,590.

Business	No. of Employees
<b>Main business</b>	
Sales and Marketing Division (Domestic)	372
Sales and Marketing Division (Overseas)	244
Supply Chain Division	2,450
Support Division	524
<b>Total</b>	<b>3,590</b>
<b>By location</b>	
Thailand	3,308
Overseas	282
<b>Total</b>	<b>3,590</b>

Types of Employees	No. of Employees
<b>No. of employees (type)</b>	
Company employees	3,590
Contractors <sup>(1)</sup>	826
<b>Total</b>	<b>4,416</b>

Remarks:

<sup>(1)</sup> Contractors were mainly hired for production, logistics, and cargo.

The Company's employee turnover rate referring to Sustainability of Osotspa part under "Good Labor Practice"

### Employee Remuneration

In 2019, the remuneration to the employees (monthly salary, bonus and other benefits) of the Company and its subsidiaries totaled 2,721 million baht.

### Provident Fund

The company establishes a Provident Fund program for our employees to support financial security after retirement or resignation. The fund is formed under defined contribution plan managed by third party- Tisco securities. The company makes a monthly contribution at a rate of 3-5 percent of employees' basic monthly salary.

## Other Welfare

The Company realized the importance of employees' welfare. Apart from employee remuneration and provident fund, the Company also provided other welfare to help supporting employees i.e. supporting on employees' health such as nursing room with specialist, exercise centre, annual health check-up, medical treatment for inpatient/outpatient and get well soon gifts, supporting on employees' families such as marriage expense, congratulation gift on first child, educational fund for first child, subsidy in case employees or family members passed away and subsidy in case disaster on resident, supporting on organization bond such as Osotspa Club, labor relation consultant in/out office hours, supporting on financial such as employee saving cooperative, saving support and residential loan programme.

## Human Resources Development Policy

The Company is committing to strengthen our employees' capabilities to support business expansion domestically and internationally. The Company believe in lifelong learning development and well balance between today's required skills with skills of future need. The company is reviewing what we capabilities that need to be re-skill or up-skill in order cope with rapid changes of business environment and digital trend. And to deliver learning effectively, the Company emphasize on blended learning approach where we not only focus on class room, but also utilize e-Learning, coaching, and through hands-on experience from project assignments. The Company created Learning Model to enhance employees' capabilities in four dimensions: 1) "Mandatory Program" to improve skill and knowledge in accordance with a good Corporate Governance Policy via employees' orientation, quality control training, safety, health & environment programs. The Company commits to create organization culture under good Corporate Governance practices i.e. transparency, honesty, integrity

and equality. The Company provides "Code of Conduct" training to all employees every year as well as conducts Deep Drive Activity by function to strengthen our governance policy for sustainable growth of the Company. 2) "Knowing the Business Program" to ensure our employees understand how we run the business and linkage of their work towards company goal. 3) "Functional Programs" to focuses on specific functional knowledge that required to perform work well and 4) "Leadership Program" to develop leadership capabilities which is key enablers for employees to work effectively and help them to reach their potential.

The Company regularly review employees' performances and provide feedback for employees development. The company also has succession plans in place for key positions at all levels to nurture talented employees to be ready to move up to during leadership and Executive positions.

To build employees engagement, the Company has set up the "Osotspa Club" to strengthen relationships between Company Executives and employees through Company activities such as Family Day, Sports Day, domestic and international travel program, etc. The Company also launched Employee Experiences Survey and formed Taskforce with representatives from different Functions to come up with projects and activities to increases employees' happiness. And for this year, we focused on three dimensions: Talent & Staffing, Rewards & Recognition and Collaboration. The Company will continue to launch Employee Experiences Survey to get feedback from employees every year.

In 2019, the Company had training for employees details as follows;

Training	2019
Face to Face Training	24,200 Hrs.
Digital Online Learning	6,531 Hrs.
<b>Total Average Training (F2F+Online)</b>	<b>9.3 Hrs./Employee</b>

## DIRECTORS

### Mr. Surin Osathanugrah

Age 87

#### POSITION

- Chairman of the Board of Directors
- Authorized Director

APPOINTMENT DATE AS DIRECTOR 22 March 2018

#### SHARE POSSESSION (%)

- None

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- Father of Mr. Niti Osathanugrah
- Uncle of Mr. Petch Osathanugrah
- Uncle of Mr. Ratch Osathanugrah
- Uncle of Mr. Thana Chaiprasit
- Uncle of Mr. Pratharn Chaiprasit
- Uncle of Mr. Tasharin Osathanugrah

#### EDUCATION

- Bachelor of Business Administration, Babson College, US

#### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Certification Program (DCP) 28/2003
- Audit Committee Program (ACP) 10/2005
- The Role of the Chairman Program (RCP) 27/2012
- The Role of the Chairman Program (RCP) 38/2016
- The Board's Role in Mergers and Acquisitions (M&A) 1/2011

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position as Director/Executive in other listed companies in SET

- 2005-Present • Director Rajadamri PCL
- 1980-Present • Vice Chairman of the Board of Directors  
Safety Insurance PCL

##### Position in other companies/businesses

- 2012-Present • Chairman Osathanugrah Foundation
- 1993-Present • Chairman Pichaisawat Co., Ltd.
- 1982-Present • Chairman Bangkok Rinvest Co., Ltd.
- 1962-Present • Director Osathanugrah Holding Co., Ltd.

### Mrs. Kannikar Chalitaporn

Age 72

#### POSITION

- Vice Chairperson of the Board of Directors
- Chief Advisor to the Executive Committee
- Chairperson of the Risk Management Committee

APPOINTMENT DATE AS DIRECTOR 22 March 2018

#### SHARE POSSESSION (%)

0.026

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- Advanced Management Program (AMP), Harvard University, US
- Bachelor of Business, University of Colorado, US

#### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Accreditation Program (DAP) 149/2018
- The Role of the Chairman Program (RCP) 7/2002

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position as Director/Executive in other listed companies in SET

- 2018-Present • Chairperson Index Living Mall PCL
- 2018-2019 • Member of the Risk Oversight Committee  
• Chairperson of the Corporate Social Responsibility Committee  
The Siam Commercial Bank PCL
- 2015-2019 • Director The Siam Commercial Bank PCL
- 2016-2018 • Vice Chairman of the Corporate Social Responsibility Committee  
The Siam Commercial Bank PCL
- 2015-2018 • Executives The Siam Commercial Bank PCL
- 2008-2016 • Director of the Corporate Social Responsibility Committee  
The Siam Commercial Bank PCL
- 2007-2015 • President The Siam Commercial Bank PCL
- ##### Position in other companies/businesses
- 2018-2019 • Chairperson Siam Commercial Foundation
- 2016-2018 • Vice Chairperson  
Siam Commercial Foundation



## Mr. Somprasong Boonyachai

Age 64

### POSITION

- Independent Director
- Vice Chairman of the Board of Directors
- Chairman of the Nomination, Remuneration, and Corporate Governance Committee

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

### SHARE POSSESSION (%)

- None

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

### EDUCATION

- Master's Degree in Engineering, Asian Institute of Technology
- Bachelor of Engineering, King Mongkut's University of Technology Thonburi

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Certification Program (DCP) 65/2005
- Director Accreditation Program (DAP) 30/2004
- The Role of the Chairman Program (RCP) 21/2009

### OTHER TRAINING

- High Performance Board by IMD

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

2017-Present	• Independent Director Dusit Thani PCL
2017-Present	• Director BEC World PCL
2008-Present	• Vice Chairman of the Board of Directors Advanced Info Service PCL
2007-Present	• Director INTOUCH Holdings PCL
2006-Present	• Director Thaicom PCL
2002-Present	• Independent Director Audit Committee Power Light Engineering PCL
2016-2017	• Independent Director Pruksa Real Estate PCL
2008-2017	• Chairman of the Board of Executive Directors INTOUCH Holdings PCL

#### Position in other companies/businesses

2004-2016	• Director Praram 9 Hospital Co., Ltd.
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## Mr. Ratch Osathanugrah

Age 63

### POSITION

- Vice Chairman of the Board of Directors
- Authorized Director

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

### SHARE POSSESSION (%)

- Acting in concert with Mr. Petch Osathanugrah and other shareholders, 30.94

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- Nephew of Mr. Surin Osathanugrah
- Brother of Mr. Petch Osathanugrah
- Cousin of Mr. Niti Osathanugrah
- Cousin of Mr. Thana Chaiprasit
- Cousin of Mr. Pratharn Chaiprasit
- Cousin of Mr. Tasharin Osathanugrah

### EDUCATION

- Master of Business Administration, Southern Illinois University, US
- Bachelor of Business Administration, Southern Illinois University, US
- Bachelor of Business Administration, Bangkok University

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Accreditation Program (DAP) 124/2016

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

- None

#### Position in other companies/businesses

Present	• Director	Angelys Balek Co., Ltd.
Present	• Director	Doisawasdee Hill Co., Ltd.
Present	• Director	Shiseido (Thailand) Co., Ltd.
Present	• Director	Isetan (Thailand) Co., Ltd.
Present	• Director	Dream Loft Co., Ltd.
Present	• Director	Bangkok Creative Elements Co., Ltd.
Present	• Director	Osathanugrah Holding Co., Ltd.
Present	• Director	Osotsa USA Inc.
Present	• Director	Kampus Land Co., Ltd.
Present	• Director	Kampus Co., Ltd.

**Mr. Petch Osathanugrah**

Age 65

**POSITION**

- Director
- Chairman of the Executive Committee and CEO
- Authorized Director

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018**SHARE POSSESSION (%)**

- Acting in concert with Mr. Ratch Osathanugrah and other shareholders, 30.94

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- Nephew of Mr. Surin Osathanugrah
- Brother of Mr. Ratch Osathanugrah
- Cousin of Mr. Niti Osathanugrah
- Cousin of Mr. Thana Chaiprasit
- Cousin of Mr. Pratham Chaiprasit
- Cousin of Mr. Tasharin Osathanugrah

**EDUCATION**

- Bachelor of Marketing, Southern Illinois University, US

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Accreditation Program (DAP) 127/2016

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

2015-Present	• President	Bangkok University
2013-Present	• Chief Executive Officer	Bangkok University
1992-Present	• Director of the University Council	Bangkok University
1992-Present	• Chairman	Shiseido (Thailand) Co., Ltd.
2010-2019	• Director	Bangkok Art and Culture Centre Foundation
Present	• Director	O Ground Co., Ltd.
Present	• Director	Osathanugrah Holding Co., Ltd.
Present	• Director	Bangkok Creative Elements Co., Ltd.
Present	• Director	Digiday Co., Ltd.
Present	• Director	BU property Co., Ltd.
Present	• Director	Silent Bark Co., Ltd.
Present	• Director	Doisawasdee Hill Co., Ltd.
Present	• Director	Diamond Farm Holding Co., Ltd.
Present	• Director	Kampus Land Co., Ltd.
Present	• Director	Kampus Co., Ltd.
Present	• Director	Dib Enterprise Co., Ltd.
Present	• Director	Osotspa Myanmar Co., Ltd.

**Mr. Thana Chaiprasit**

Age 65

**POSITION**

- Director
- Vice Chairman of the Executive Committee
- Authorized Director

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018**SHARE POSSESSION (%)**

1.704

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- Nephew of Mr. Surin Osathanugrah
- Brother of Mr. Pratham Chaiprasit
- Cousin of Mr. Niti Osathanugrah
- Cousin of Mr. Petch Osathanugrah
- Cousin of Mr. Ratch Osathanugrah
- Cousin of Mr. Tasharin Osathanugrah

**EDUCATION**

- Ph.D (Honorary) Doctor of Philosophy in Education, Ramkhamhaeng University
- Ph.D (Honorary) Doctor of Business Administration in General Management, Chandrakasem Rajabhat University
- Ph.D (Honorary) Doctor of Arts in Innovation in Sports Management, Suan Sunandha Rajabhat University
- Mini-MBA, Thammasart University
- Bachelor of Business Administration, Bangkok University

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Accreditation Program (DAP) 132/2016

**OTHER TRAINING**

- The National Defense College (combination of military officers and civilians) NDC 388
- 5<sup>th</sup> Training Course on Administrative Justice for Executives, Institute of Administrative Justice, the Office of the Administrative Courts of Thailand

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- 2003-Present • Chairman of the Board  
Advanced Information Technology PLC

**Position in other companies/businesses**

- Present • Director Osotspa Myanmar Co., Ltd.
- Present • Directors  
The International Table Tennis Federation
- Present • Treasurer  
The National Olympic Committee of Thailand
- Present • Chairman of the Board  
Thanarom Co., Ltd.
- Present • Director Osotspa Beverage Co., Ltd.

## Mr. Pratharn Chaiprasit

Age 61

### POSITION

- Director
- Vice Chairman of the Executive Committee
- Authorized Director

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

### SHARE POSSESSION (%)

- None

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- Nephew of Mr. Surin Osathanugrah
- Brother of Mr. Thana Chaiprasit
- Cousin of Mr. Niti Osathanugrah
- Cousin of Mr. Petch Osathanugrah
- Cousin of Mr. Ratch Osathanugrah
- Cousin of Mr. Tasharin Osathanugrah

### EDUCATION

- Master of Commerce, Takushoku University, Japan
- Bachelor of Business Administration, Bangkok University

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Accreditation Program (DAP) 124/2016

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

- None

#### Position in other companies/businesses

Present	• Director	Osotspa Beverage Co., Ltd.
Present	• Director	Siam Glass Industry Co., Ltd.
Present	• Director	Osotspa Loi Hein Co., Ltd.
Present	• Director	Osotspa Enterprises Singapore Pte. Ltd.

## Mr. Tasharin Osathanugrah

Age 52

### POSITION

- Director
- Member of the Executive Committee
- Authorized Director

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

### SHARE POSSESSION (%)

2.745

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- Nephew of Mr. Surin Osathanugrah
- Cousin of Mr. Niti Osathanugrah
- Cousin of Mr. Petch Osathanugrah
- Cousin of Mr. Ratch Osathanugrah
- Cousin of Mr. Thana Chaiprasit
- Cousin of Mr. Pratharn Chaiprasit

### EDUCATION

- Secondary Ravena High, US

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Accreditation Program (DAP) 124/2016

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

- None

#### Position in other companies/businesses

Present	• Director	Osotspa Beverage Co., Ltd.
Present	• Director	Siam Glass Industry Co., Ltd.
Present	• Director	Greensville Co., Ltd.
Present	• Director	Osotspa Europe Ltd.
Present	• Director	Osotspa Myanmar Co., Ltd.

**Ms. Petchun Jarikasem**

Age 64

**POSITION**

- Independent Director
- Chairperson of the Audit Committee

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018**SHARE POSSESSION (%)**

- None

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- Master of Science (Business Administration), Thammasat University
- Bachelor of Arts, Faculty of Arts, Chulalongkorn University

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Certification Program (DCP) 113/2009
- Board Matters and Trends (BMT) 6/2018
- Risk Management Program for Corporate Leaders Class (RCL) 13/2018
- Ethical Leadership Program (ELP) 11/2018
- Director Accreditation Program (DAP) 75/2008
- Audit Committee Program (ACP) 28/2009
- The Role of the Chairman Program (RCP) 36/2015
- Monitoring Fraud Risk Management (MFM) 6/2011
- Monitoring the Quality of Financial Reporting (MFR) 9/2009

**OTHER TRAINING**

- The Executive Program in Energy Literacy for a Sustainable Future TEA (Class 6), Thailand Energy Academy (TEA)
- Bhumipalung Phandin for Top Executives (Class 3), Chulalongkorn University
- Capital Market Academy Leadership Program (CMA 4), Capital Market Academy (CMA)
- Senior Executive Program No. 77 (SEP 77), London Business School, UK

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- |                     |  |
|---------------------|--|
| <b>2018-Present</b> | <ul style="list-style-type: none"> <li>• Director</li> <li>• Member of the Risk Management Committee PTT Exploration and Production PCL</li> </ul> |
| <b>2016-2018</b>    | <ul style="list-style-type: none"> <li>• Advisor PTT Exploration and Production PCL</li> </ul>   |
| <b>2011-2015</b>    | <ul style="list-style-type: none"> <li>• Executive Vice President, Finance and Accounting Group PTT Exploration and Production PCL</li> </ul>      |

**Position in other companies/businesses**

- |                     |   |
|---------------------|---|
| <b>2018-Present</b> | <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Chairperson of the Audit Committee Ritta Holdings Co., Ltd.</li> </ul>   |
| <b>2017-Present</b> | <ul style="list-style-type: none"> <li>• Advisory Committee for Fund Raising and Listed Company Oversight The Securities and Exchange Commission (SEC)</li> </ul>   |
| <b>2016-Present</b> | <ul style="list-style-type: none"> <li>• Member of the Sub-committee for Consideration of Regulations on the Issuance and Offering of Debt Securities, Derivatives, and Structured Products The Securities and Exchange Commission (SEC)</li> </ul> |
| <b>2018-2019</b>    | <ul style="list-style-type: none"> <li>• Director</li> <li>• Chairperson of the Sub-committee for Finance and Accounting State Railway of Thailand</li> </ul>   |
| <b>2016-2018</b>    | <ul style="list-style-type: none"> <li>• Sub-committee for Finance and Budgeting Improvements Office of the Public Sector Development Commission (OPDC)</li> </ul>  |



## Mr. Krirk Vanikkul

Age 65

### POSITION

- Independent Director
- Member of the Audit Committee

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

### SHARE POSSESSION (%)

- None

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

### EDUCATION

- Bachelor of Law, (2<sup>nd</sup> Class Hons.), Chulalongkorn University
- Barrister-at-Law, Thai Bar Association
- BA in Jurisprudence (Hons. Oxon), Oxford University, UK
- Barrister-at-Law, Middle Temple, UK
- Advanced Management Program (AMP), Harvard University, US

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Certification Program (DCP) 42/2004
- Finance for Non-Finance Directors (FN)
- Improving the Quality of Financial Reporting (QFR) 3/2006
- Charter Director Course (CDC) 2008

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

- |                     |   |
|---------------------|---|
| <b>2018-Present</b> | <ul style="list-style-type: none"><li>• Independent Director</li><li>• Member of the Audit Committee</li><li>• Member of the Nomination, Remuneration, and Corporate Governance Committee</li></ul> |
| <b>2018-Present</b> | <ul style="list-style-type: none"><li>• L.P.N. Development PCL</li></ul>  |
| <b>2018-Present</b> | <ul style="list-style-type: none"><li>• Chairman of the Risk Oversight Committee</li></ul>  |
| <b>2015-Present</b> | <ul style="list-style-type: none"><li>• The Siam Commercial Bank PCL</li></ul>  |
| <b>2015-Present</b> | <ul style="list-style-type: none"><li>• Independent Director</li></ul>  |
| <b>2017-2018</b>    | <ul style="list-style-type: none"><li>• The Siam Commercial Bank PCL</li></ul>  |
| <b>2017-2018</b>    | <ul style="list-style-type: none"><li>• Member of the Executive Committee</li></ul>   |
| <b>2015-2017</b>    | <ul style="list-style-type: none"><li>• The Siam Commercial Bank PCL</li></ul>  |
| <b>2015-2017</b>    | <ul style="list-style-type: none"><li>• Independent Director</li></ul>  |
| <b>2015-2017</b>    | <ul style="list-style-type: none"><li>• Italian-Thai Development PCL</li></ul>  |

#### Position in other companies/businesses

- |                     |  |
|---------------------|--|
| <b>2012-Present</b> | <ul style="list-style-type: none"><li>• Member of the Council of State</li></ul>                                       |
| <b>2012-Present</b> | <ul style="list-style-type: none"><li>• Office of the Council of State</li></ul>                                       |
| <b>2015-2018</b>    | <ul style="list-style-type: none"><li>• Expert Commission Member</li></ul>   |
| <b>2015-2018</b>    | <ul style="list-style-type: none"><li>• Office of Knowledge Management and Development (Public Organization)</li></ul> |
| <b>2014-2015</b>    | <ul style="list-style-type: none"><li>• Chairman</li></ul>   |
| <b>2014-2015</b>    | <ul style="list-style-type: none"><li>• Government Housing Bank</li></ul>  |
| <b>2009-2014</b>    | <ul style="list-style-type: none"><li>• Deputy Governor, Financial Institutions Stability Bank of Thailand</li></ul>   |

## Mr. Niti Osathanugrah

Age 46

### POSITION

- Director
- Member of the Nomination Remuneration, and Corporate Governance Committee

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

### SHARE POSSESSION (%)

16.282

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- Son of Mr. Surin Osathanugrah
- Cousin of Mr. Petch Osathanugrah
- Cousin of Mr. Ratch Osathanugrah
- Cousin of Mr. Thana Chaiprasit
- Cousin of Mr. Pratharn Chaiprasit
- Cousin of Mr. Tasharin Osathanugrah

### EDUCATION

- Master of Arts in Economic Law, Chulalongkorn University
- Bachelor of Economics and Political Science, Amherst College, US

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- DCP Refresher Course 2/2009
- Director Accreditation Program (DAP) 27/2004
- Audit Committee Program (ACP) 42/2013
- Role of the Compensation Committee (RCC) 13/2011
- Monitoring the Quality of Financial Reporting (MFR) 17/2013
- Monitoring Fraud Risk Management (MFM) 9/2013
- Board Reporting Program (BRP) 10/2013
- Monitoring the System of Internal Control and Risk Management (MIR) 15/2013
- Successful Formulation & Execution of Strategy (SFE) 18/2013
- Company Secretary Program (CSP) 49/2013
- Monitoring the Internal Audit Function (MIA) 14/2013
- Company Reporting Program (CRP) 5/2013
- The Board's Role in Mergers and Acquisitions (M&A) 1/2011
- Director Certification Program DCP 253/2018

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

**Mr. Niti Osathanugrah (continue)****Position as Director/Executive in other listed companies in SET**

- 2019-Present • Member of Risk Management Committee  
Minor International PCL
- 2018-Present • Director  
Minor International PCL
- 2004-Present • Director  
Safety Insurance Public
- 2004-2018 • Director
  - Member of Risk Management Committee
  - Nomination and Remuneration Committee
 Charn Issara Development PCL

**Position in other companies/businesses**

- 2019-Present • Member of the Executive Committee  
The Thai Chamber of Commerce
- 2017-Present • Director
  - Member of Risk Management Committee
  - Member of Internal Trade Committee
  - Member of Tax, Law and Regulation Committee
 The Thai Chamber of Commerce
- 2015-Present • Managing Director Pichaisawat Co., Ltd.
- 2015-Present • Managing Director Bangkok Rinvest Co., Ltd.
- 2012-Present • Director Osathanugrah Foundation
- 1991-Present • Director Osathanugrah Holding Co., Ltd.
- 2011-2016 • Director Osotsa Beverage Co., Ltd.
- 2011-2016 • Director Siam Glass Ayutthaya Co., Ltd.

**Mr. Salin Pinkayan**

Age 51

**POSITION**

- Independent Director
- Member of the Risk Management Committee
- Member of the Nomination Remuneration, and Corporate Governance Committee

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018**SHARE POSSESSION (%)**

- None

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Engineering, University of Pennsylvania, US

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Accreditation Program (DAP) 84/2010
- Board Nomination and Compensation Program (BNCP) 1/2017

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

- 2011-Present • President  
Southeast Asia Technology Co., Ltd.
- 2003-Present • Managing Director  
Thai Developer Co., Ltd.
- 1993-Present • Director  
Dynamic Engineering Consultants Co., Ltd.
- 1993-Present • Director  
Modern Technology Consultants Co., Ltd.
- 1993-Present • Director  
Bangkok Engineering Services & Technology Co., Ltd.

## Dr. Sethaput Suthiwartnarueput

Age 54

### POSITION

- Director

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

**SHARE POSSESSION (%)**

0.003

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

### EDUCATION

- PhD Economics, Yale University, US
- MPhil Economics, Yale University, US
- BA (Highest Honors) Economics, Swarthmore College, US

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Accreditation Program (DAP) 94/2012
- Advance Audit Committee Program (AACP) 20/2015
- Risk Management Committee Program 6/2015

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

- |              |   |
|--------------|---|
| 2018-Present | • Member of the Audit Committee<br>PTT Exploration and Production PCL                           |
| 2016-Present | • Member of the Nominating Committee<br>PTT Exploration and Production PCL                      |
| 2014-Present | • Director<br>• Chairman of the Risk Management Committee<br>PTT Exploration and Production PCL |
| 2014-2017    | • Member of the Audit Committee<br>PTT Exploration and Production PCL                           |

#### Position in other companies/businesses

- |              |  |
|--------------|--|
| 2017-Present | • Member of the Board of Directors<br>The Bank of Thailand (BOT)                             |
| 2015-Present | • Director, Puey Ungphakorn Institute for<br>Economic Research<br>The Bank of Thailand (BOT) |
| 2014-Present | • Member of the Monetary Policy Committee<br>The Bank of Thailand (BOT)                      |

## Mrs. Sinee Thienprasiddhi

Age 61

### POSITION

- Director
- Member of the Audit Committee

**APPOINTMENT DATE AS DIRECTOR** 22 March 2018

**SHARE POSSESSION (%)**

0.003

### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

### EDUCATION

- The MacDuffie School, Springfield, US

### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Director Certification Program (DCP) 65/2005
- Director Accreditation Program (DAP) 9/2004
- Finance for Non-Finance Directors (FN) 22/2005
- Improving the Quality of Financial Reporting (QFR) 1/2006
- DCP Refresher Course 2/2009

### OTHER TRAINING

- Advances for Corporate Secretaries 29
- Fundamental Legal and Regulations for the Listed Company 8/2012

### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

#### Position as Director/Executive in other listed companies in SET

- |              |  |
|--------------|--|
| 1979-Present | • Director<br>• Executive Director<br>Dusit Thani PCL    |
| 2008-2016    | • Company Secretary<br>Dusit Thani PCL                   |
| 1980-2016    | • Secretary to the Board of Directors<br>Dusit Thani PCL |

#### Position in other companies/businesses

- |              |            |                                   |
|--------------|------------|-----------------------------------|
| 2011-Present | • Director | DMS Property Investment Pvt. Ltd. |
| 2010-Present | • Director | Philippine Hoteliers, Inc.        |
| 2010-Present | • Director | Chanut and Children Co., Ltd.     |
| 1976-Present | • Director | Piyasiri Co., Ltd.                |

**Mrs. Wannipa Bhakdibutr**

Age 56

**POSITION**

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

**APPOINTMENT DATE AS DIRECTOR** 13 December 2018**SHARE POSSESSION (%)**

0.023

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- MBA, San Diego State University, US
- Bachelor of Economics Program, Kasetsart University

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Certification Program (DCP) 246/2017

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

- |              |   |   |
|--------------|---|---|
| 2018-Present | • President   | Energy Drink Manufacturers Association                      |
| 2017-Present | • Director  | Uni.Charm (Thailand) Co., Ltd.                              |
| 2017-Present | • Chairperson of the Marketing Sub-Committee        | Thailand Institute of Scientific and Technological Research |
| 2016-Present | • Director  | Osotspa Beverage Co., Ltd.                                  |
| 2016-Present | • Director  | Siam Glass Industry Co., Ltd.                               |
| 2016-Present | • Director  | Siam Glass Ayutthaya Co., Ltd.                              |
| 2016-Present | • Director  | Greensville Co., Ltd.                                       |
| 2016-Present | • Director  | Osotspa Loi Hein (Thailand) Co., Ltd.                       |
| 2016-Present | • Director  | Osotspa Taisho Pharmaceuticals Co., Ltd.                    |
| 2016-Present | • Director  | House Osotspa Foods Co., Ltd.                               |
| 2016-Present | • Director  | Calpis Osotspa Co., Ltd.                                    |
| 2016-Present | • Director  | Yamamura International (Thailand) Co., Ltd.                 |
| Present      | • Director  | Osotspa Enterprise Co., Ltd.                                |
| Present      | • Director  | Oventure Pte. Ltd.  |
| Present      | • Director  | Osotspa Myanmar Co., Ltd.                                   |
| 2015-2018    | • Director  | Government Savings Bank                                     |
| 2015-2017    | • Director  | Thailand Institute of Scientific and Technological Research |
| 2014-2016    | • Director  | The Zoological Park Organization                            |
| 2014-2016    | • Vice-President, Marketing, Personal Care and Food |   |
|              | • Director  | Unilever Thai Trading Co., Ltd.                             |

**EXECUTIVES****Mrs. Porntida Boonsa**

Age 53

**POSITION**

- Chief Financial Officer
- Member of the Executive Committee
- Member of the Risk Management Committee

**SHARE POSSESSION (%)**

0.011

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- MBA with Distinction, Finance & Accounting, The Wharton School, University of Pennsylvania, US
- Bachelor of Accountancy, Chulalongkorn University, First Class Honors, Gold Medal

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Accreditation Program (DAP)
- Corporate Governance for Executives (CGE) 11/2018

**OTHER TRAINING**

- TFRS for financial instruments
- TFRS15 Revenue from contracts with customers

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

- |           |                          |                                 |
|-----------|--------------------------|---------------------------------|
| 2011-2017 | • Director               |                                 |
|           | • Vice President Finance | Unilever Thai Trading Co., Ltd. |

**Ms. Suthipa Panyamahasp**

Age 46

**POSITION**

- Chief Marketing Officer-Thailand

**SHARE POSSESSION (%)**

0.007

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- MBA, Monash University, Australia
- Bachelor of Arts (Communication Arts), Chulalongkorn University

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

- |           |                             |                                 |
|-----------|-----------------------------|---------------------------------|
| 2014-2016 | • VP Homecare and Ice Cream | Unilever Thai Trading Co., Ltd. |
|-----------|-----------------------------|---------------------------------|



### Mr. Nukit Chonlacoop

Age 46

#### POSITION

- Chief Manufacturing Officer
- Member of the Risk Management Committee

#### SHARE POSSESSION (%)

0.007

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position as Director/Executive in other listed companies in SET

2015-2018	• SSHE Manager Esso (Thailand) PCL
2014-2015	• Global Project Advisor Esso (Thailand) PCL
2009-2014	• Block 3/4 Operation Manager Esso (Thailand) PCL

##### Position in other companies/businesses

2018-Present	• Director	Siam Glass Industry Co., Ltd.
2018-Present	• Director	Siam Glass Ayutthaya Co., Ltd.
2018-Present	• Director	Siam Cullet Co., Ltd.
2018-Present	• Director	Greensville Co., Ltd.

### Mr. Rob Rijnders

Age 51

#### POSITION

- Chief Customer Development and RTM Officer - International Business

#### SHARE POSSESSION (%)

0.003

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- Master's Degree Economics, Free University Amsterdam, The Netherlands
- Bachelor's Degree Business Economics, Hogeschool Utrecht, The Netherlands

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position as Director/Executive in other listed companies in SET

- None

##### Position in other companies/businesses

Present	• Director	Basecamp Brews Ltd
Present	• Director	PT.M-150 Indonesia
Present	• Director	Osotsa Myanmar Co.,Ltd.
2013-2017	• VP Customer Development	Unilever Thai Holdings Co.,Ltd.

### Mr. Sarayut Jitcharoongphorn

Age 49

#### POSITION

- Chief Customer Development Officer-Thailand

#### SHARE POSSESSION (%)

0.007

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- MBA, University of Wisconsin, Whitewater, US
- Bachelor of Business Administration, University of Wisconsin, Stevens Point, US

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position as Director/Executive in other listed companies in SET

- None

##### Position in other companies/businesses

2010-2015	• Senior Vice President	CPF Trading Co., Ltd.
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**Mr. Viwat Krisdhasima**

Age 55

**POSITION**

- Chief Supply Chain Officer

**SHARE POSSESSION (%)**

0.007

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- PhD Engineering, Chemical Engineering, Oregon State University, US
- Master of Engineering (Chemical Engineering), Oregon State University, US
- Bachelor of Science (Chemical Engineering), Chulalongkorn University

**TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**

- Director Accreditation Program (DAP) 143/2017

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- |              |                        |                  |
|--------------|------------------------|------------------|
| 2016-Present | • Independent Director | Shera PCL        |
| 2017-2019    | • Independent Director | Zarina Group PCL |

**Position in other companies/businesses**

- |              |                               |                                   |
|--------------|-------------------------------|-----------------------------------|
| 2016-Present | • Director                    | Bell Pepper Co., Ltd.             |
| 2017-Present | • Director                    | Bell Pepper Development Co., Ltd. |
| 1994-2015    | • Vice President-Supply Chain | Unilever Thai Services Ltd.       |

**Ms. Vilairat Charoenwongse-Phelan**

Age 50

**POSITION**

- Chief Research and Development Officer

**SHARE POSSESSION (%)**

- None

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- Master of Food Science, The University of Reading, UK
- Bachelor of Food Science & Technology, Chulalongkorn University

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

- |           |                                    |                                    |
|-----------|------------------------------------|------------------------------------|
| Present   | • Director                         | Osotsa Innovation Center Co., Ltd. |
| 2015-2018 | • Vice President, R&D - Innovation | Ferrara Candy Company, US          |
| 2013-2015 | • R&D Director                     | Pinnacle Food, US                  |
| 2010-2013 | • Senior R&D Program Manager       | PepsiCo North America, US          |

**Mr. Sze Tian Poh**

Age 53

**POSITION**

- Chief Marketing Officer - International Business Marketing

**SHARE POSSESSION (%)**

- None

**RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES**

- None

**EDUCATION**

- Master's Degree in Business Administration, University of Chicago, US
- Bachelor's Degree, Social Science, Science University of Malaysia

**PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS****Position as Director/Executive in other listed companies in SET**

- None

**Position in other companies/businesses**

- |           |                                    |                               |
|-----------|------------------------------------|-------------------------------|
| 2018      | • Premium Skin Care Vice President | Unilever (based in Singapore) |
| 2014-2018 | • Personal Care Cluster Lead SEAA  | Unilever (based in Singapore) |

### Mrs. Ratipat Phoemsap

Age 48

#### POSITION

- Head of Controller

#### SHARE POSSESSION (%)

0.001

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- Master of Accountancy, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

#### TRAINING

- Corruption and Violation of the Accounting Standards of Listed Companies 2/62 (6 Hours)
- TFRS15 Revenue from Contracts with Customers (7 Hours)
- TFRS16 Leases (3 Hours)
- TFRS for Financial Instruments (7 Hours)
- TFAC Conference 2019 : Future of Finance - Digital Disruption (6.30 Hours)
- TAS12 Income Taxes (6 Hours)

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position as Director/Executive in other listed companies in SET

- None

##### Position in other companies/businesses

Present	• Director	Osotspa USA Inc.
2014	• Finance Manager	Nanyang Textile Co., Ltd.
2010-2013	• Assistant Controller	Pepsi-Cola (Thai) Trading Co., Ltd.

### COMPANY SECRETARY

### Ms. Palica Mookhavesa

Age 38

#### POSITION

- Company Secretary

#### SHARE POSSESSION (%)

- None

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Law, Thammasat University

#### TRAINING OF THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)

- Company Secretary Program (CSP 95/2019)

#### OTHER TRAINING

- Advances for Corporate Secretaries 2/2017 by TLCA

#### PROFESSIONAL EXPERIENCE DURING THE PAST 5 YEARS

##### Position in other listed companies in SET

2014-2016	• Assistant Company Secretary	Sappe PCL
2011-2014	• Manager, Legal and Contract Department	Thanachart Bank PCL

## Directors of Subsidiaries and Associated/JV Companies

Company	OSP	Subsidiaries																		Associated/JV							
Name		OB	SGA	SGI	GVL	SSB	SCL	INV	OS PD	OLH	OEN	OEL	OSP US	OE NS	OVT	OM	AV MO	O2C	OCL	OVJ SC	PTM	OTP	HOF	CO	YA MA	BCB	MGE
Mr. Surin Osathanugrah	X																										
Mrs. Kannikar Chalitaporn	///, V, Rx																										
Mr. Ratch Osathanugrah	///											/															
Mr. Somprasong Boonyachai	///,/, Nx																										
Mr. Petch Osathanugrah	/,Ex,0														/												
Mr. Thana Chaiprasit	/,E,0	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/										
Mr. Pratharn Chaiprasit	/,E,0	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/				/	/	/				
Mr. Tasharin Osathanugrah	/,E	/	/	/	/	/		/	/			/			/		/										
Ms. Penchun Jarikasem	//, Ax																										
Mr. Krirk Vanikkul	//, A																										
Mr. Niti Osathanugrah	/,E,N																										
Mr. Salin Pinkayan	//,R,N																										
Dr. Sethaput Suthiwartnarueput	/																										
Mrs. Sinee Thienprasiddhi	//, A																										
Mrs. Wannipa Bhakdibutr	/,E,R,0	/	/	/	/					/				/	/	/	/				/	/	/	/			
Mrs. Porntida Boonsa	E,R,0																/		/							/	
Mr. Nukit Chonlacoop	0,R		/	/	/		/																			/	
Ms. Suthipa Panyamahasup	0																										
Mr. Rob Rijnders	0														/					/					/		
Mr. Sarayut Jitcharoongphorn	0																										
Mr. Sze Tian Poh	0																		/								
Mr. Viwat Krisdhasima	0																	/									
Ms. Vilairat Charoenwongse-Phelan	0						/																				
Mrs. Ratipat Phoemsap	0											/															

OSP = Osotspa Public Company Limited.

## Subsidiaries

SGI = Siam glass industry Co.,Ltd

GVL = Greenville Co., Ltd

SGA = SIAM GLASS AYUTTHAYA Co., Ltd.

SCL = Siam Cullet Co., Ltd.

INV = Osotspa Innovation Center Co., Ltd.

SSB = SSB Enterprise Co., Ltd.

OLH = Osotspa Loi Hein Co., Ltd.

OSPD = Osotspa Dairy Co., Ltd.

OSPUS = Osotspa USA Inc.

OEL = Osotspa Europe Ltd.

OEN = Osotspa Enterprise Co., Ltd.

OB = Osotspa Beverage Co., Ltd.

OENS = Osotspa Enterprises Singapore Pte. Ltd.

OVT = Oventure Pte. Ltd.

OM = Osotspa Myanmar Company Limited

AVMO = Asia Vending Machine Operation Company Limited

O2C = O2C Co., Ltd.

OCL = Oyura Company Limited

OVJSC = Osotspa VTA Joint Stock Company

PTM = PT. M-150 Indonesia

## Associated/JV Companies:

OTP = Osotspa Taisho Pharmaceuticals Co., Ltd.

HOF = House Osotspa Foods Co., Ltd.

CO = Calpis Osotspa Co., Ltd.

YAMA = Yamamura International (Thailand) Co., Ltd.

BCB = Basecamp Brews Ltd.

MGE = Myanmar Golden Eagle Company Limited

## Remark

x = Chairman of the Board of Directors

Ax = Chairperson of the Audit Committee

Nx = Chairman of the Nomination Remuneration &amp; Corporate Governance Committee

/// = Vice Chairman of the Board of Directors

A = Member of the Audit Committee

N = Member of the Nomination Remuneration &amp; Corporate Governance Committee

// = Independent Director

Ex = Chairman of the Executive Committee

Rx = Chairperson of the Risk Management Committee

/ = Director

E = Member of the Executive Committee

R = Member of the Risk Management Committee

0 = Executive

V = Chief Advisor to the Executive Committee



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE POLICY

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The Board of Directors is committed to ensuring that the Company operates by following the principles of good corporate governance for long-term sustainable growth and is fully transparent to build confidence among shareholders, investors, and other stakeholders. The aim is to generate solid business performance and benefits for the Company under the guidance of the Securities and Exchange Commission of Thailand (SEC)'s Corporate Governance Code for listed companies 2017. Doing so will increase the Company's existing business performance to a higher level; establish clear, practical, and standardized guidelines; promote understanding; and create a positive work culture in the Company and Group of Companies as a whole. By working towards these objectives, the Company will be stronger and grow more sustainably in the future.

The Company's Corporate Governance Policy is based on eight principles:

#### Principle 1

Role and Responsibilities of the Board of Directors to Lead the Company and Create Sustainable Value:

- The Board of Directors understands their role and responsibilities as the principal body that supervises the Company to ensure good corporate governance, which covers: (i) setting objectives and targets; (ii) determining strategies and operating policy, as well as allocating significant resources to achieve Company objectives and targets; and (iii) monitoring, evaluating, and supervising reporting about the Company's performance in this regard;
- The Board of Directors has policies on corporate governance to create a sustainable business that will enable the Company to achieve its business targets;
- The Board of Directors has an obligation to supervise Directors and Executives to perform their obligations responsibly and with accountability, duty of care, and loyalty in the best interests of the Company, as well as in compliance with laws, objectives, Articles of Association, Board of Directors' resolutions, and Shareholders Meetings' resolutions, including the Company's policies such as the Connected Transaction Policy, Anti-Corruption Policy, Schedule of Authority, and so on;
- The Board of Directors understands their role and responsibilities which include delegating duties and responsibilities to sub-committees and management, as well as monitoring and supervising their performance.

#### Principle 2

Define Key Business Objectives and Targets for a Sustainable Business:

- The Board of Directors places great emphasis on setting key objectives and targets for the Company so that it grows in parallel with society in a sustainable manner; creates value and benefits for the Company, customers, partners, employees, shareholders, other stakeholders, and society as a whole; and builds an organizational culture within the framework of good corporate governance;
- The Company's business objectives, targets, and strategies, both annual and medium-term, shall incorporate and be aligned with relevant and trusted innovations and technologies.

#### Principle 3

Structure, Composition, and Qualifications of Directors:

- The Board of Directors has the duties and responsibilities to establish and review its structure in terms of composition, qualifications, expertise, experience, and appropriate number of Directors for the business, and the proportion of Independent Directors that is appropriate and necessary to accomplish the established objectives and key targets. Details relevant to these duties and responsibilities are described in the Board of Directors' Charter;
- The Board of Directors shall select a suitable person to be the Chairman of the Board of Directors, and ensure that the Board of Directors' member composition and operation facilitate the exercising of discretion in making independent decisions;
- The Board of Directors shall supervise and ensure that the process of Director nominations for each committee is transparent and clear and that the qualifications of each member of the Board of Directors and sub-committees meet the specified criteria;
- The shareholders' meetings have authority to approve remuneration of Directors. Therefore, in proposing the remuneration of Directors to the shareholders' meetings, the Board of Directors shall consider a remuneration structure and rate that are suitable for the responsibilities and serve as an incentive for the Board of Directors to lead the organization to reach short-term and long-term goals;
- The Board of Directors shall supervise to ensure that each Director is responsible for their own duties and allows sufficient time to fulfil such duties;
- The Board of Directors has provided the framework and mechanism for regulating policies and operation of subsidiaries and associated companies which fit in with their respective businesses, as well as to ensure that subsidiaries and associated companies have the same understanding;

- The Board of Directors has a policy to conduct an annual performance evaluation of the Board of Directors, sub-committees and each individual Director. The evaluation result will be used in improving their performance;
- The Board of Directors shall supervise and ensure that each Director has knowledge and understanding of their roles and duties, manner of business operation, and laws relating to the business operation, as well as support every Director to constantly develop the skills and knowledge required for their performance of duties;
- The Board of Directors shall supervise and ensure that its operation is smooth and they can gain access to necessary information, and have a Company Secretary who has the appropriate knowledge and experience necessary to support the Board of Directors' operation.

#### Principle 4

Nomination and Development of Top Executives and Human Resources Management:

- The Board of Directors shall ensure that the Chairman of the Executive Committee, CEO, and top Executives, who possess the knowledge, skills, experience, and attributes required to drive the Company to achieve its targets, have been nominated and advanced;
- The Board of Directors shall supervise the development of a proper remuneration structure and evaluation processes;
- The Board of Directors has a policy to understand the shareholding structure and relationships that may affect the management of the Company and their authority to control the operations of the business. This understanding will help avoid any obstacles to the Board of Directors performance of its duties. The Board of Directors shall ensure that all information that may affect the management of the business is properly disclosed;
- The Board of Directors shall monitor human resource management and development to ensure appropriate staffing levels, and that personnel are motivated and equipped with the proper knowledge, skills, and experience.

#### Principle 5

Nurturing Innovation and Responsible Business Operations:

- The Board of Directors strongly supports innovation to add business value together with generating benefits for all relevant stakeholders, and to be socially and environmentally responsible;
- The Board of Directors shall supervise and ensure that Management operates the business in a socially and environmentally-responsible way. These priorities will be integrated into the Company's operational plans to allow every division in the organization to operate according to the Company's objectives, key targets, and business strategies. The Board of Directors shall establish a mechanism to ensure

that the operations of the Company are ethical, socially and environmentally responsible, and do not infringe on the rights of stakeholders. In this regard, the Board of Directors has established guidelines on how to treat stakeholders as part of the Code of Conduct and will disclose all relevant and necessary information to stakeholders in an adequate, reliable, and timely manner;

- The Board of Directors shall supervise and ensure that Management efficiently and effectively allocates resources with regard to the impact on, and development of, resources throughout the value chain, so that the Company's objectives and key targets can be achieved in a sustainable way;
- The Board of Directors shall establish an organizational framework to regulate and manage information technology in order that it is consistent with the requirements of the Company, and ensure that information technology is utilized to increase business opportunities and operational developments as well as improve risk management, so that the Company can achieve its objectives and key targets.

#### Principle 6

Appropriate Risk Management and Internal Control Systems:

- The Board of Directors shall supervise and ensure that the Company has put in place risk management and internal control systems in order to achieve its objectives in an efficient manner and in compliance with all laws and relevant standards;
- The Board of Directors has appointed an Audit Committee, which shall be free to perform its duties efficiently and independently;
- The Board of Directors shall monitor and manage any potential conflicts of interest between the Company, Management, Board of Directors, and shareholders, as well as prevent any misuse of the Company's assets, data, opportunities, and transactions with persons related to the Company in an undue manner;
- The Board of Directors has a clear anti-corruption policy outlined in the Code of Conduct. The anti-corruption policy shall be communicated and distributed to employees at all levels as well as third parties, in order that it be implemented and put into practice accordingly. The Board of Directors shall develop an anti-corruption program or guidelines and support activities that encourage employees to comply with all laws and regulations with respect to anti-corruption;
- The Board of Directors shall ensure the efficient and proper handling of complaints and whistleblowers. The guidelines for all employees to follow is explicitly outlined in the Whistleblowing Policy, which includes: (i) the scope of complaints and whistleblowing; (ii) guidelines for making complaints and whistleblowing; (iii) protective measures afforded to employees who make complaints or are

whistleblowers, as well as witnesses and any related persons; and (iv) appropriate channels for making complaints and whistleblowing, which must be available through more than one channel at a minimum. In this regard, the channels for making complaints and whistleblowing shall be disclosed on the Company's website or in the annual report.

## Principle 7

Maintaining Financial Credibility and Information Disclosure:

- The Board of Directors is responsible for ensuring that the preparation of financial reports and the disclosure of significant information is accurate, adequate, provided in a timely manner, and in accordance with all applicable regulations, standards, and relevant guidelines;
- The Board of Directors shall monitor the Company's financial position to ensure sufficient financial liquidity and debt repayment capacity;
- In cases where the Company is facing financial difficulties or possible financial difficulties, the Board of Directors shall ensure that the business has a contingency plan in place or mechanisms to handle such difficulties with due regard to the rights of stakeholders;
- The Board of Directors has a policy to prepare sustainability reports as appropriate;
- The Board of Directors shall supervise and ensure that Management sets up an Investor Relations department to communicate and publicize news and information in a timely manner that may be useful to shareholders, investors, analysts, and related persons;
- The Board of Directors encourages the use of information technology for information dissemination purposes. In addition to information dissemination as required by specified rules, and through channels such as the Stock of Exchange of Thailand, the Board of Directors shall ensure that the information is disseminated in both Thai and English through other channels such as the Company's website, as well as providing information which is always up-to-date.

## Principle 8

Ensure Engagement and Communications with Shareholders:

- The Company appreciates and emphasizes the rights of shareholders, such as the right to trade or transfer shares; to share in profits from the business; to receive adequate and complete news and information about the Company; to attend meetings and independently and equally exercise voting rights at shareholders meetings; to participate in major decisions that impact the Company (e.g. appointing/removing Directors, determining the remuneration of Directors, appointing/removing the auditor, determining the auditor's remuneration, dividend allocation, establishing and amending the Articles of Association and Memorandum of Association, capital reductions or increases, approving special transactions as required by law, and so on).

Shareholders meetings are one of the important channels for the Company's shareholders to exercise their rights. Furthermore, the Company adheres to the principle of the equitable treatment of all shareholders;

- The Board of Directors has guidelines when organizing the Company's shareholders meetings that encourage and facilitate shareholders to exercise their rights, and respects the principle of the equal treatment of all shareholders as follows:
  - The Board of Directors shall supervise and ensure that shareholders are involved in the Company's major decision-making;
  - The Board of Directors shall supervise and ensure that each shareholders meeting is carried out in a smooth, transparent, and efficient manner, and is conducive to shareholders exercising their rights;
  - The Board of Directors shall supervise and ensure that the disclosure of resolutions from shareholders meetings and the preparation of the minutes are precise and complete.

## Director's Structure

The structure of the Company's directorship comprises the Board of Directors and four sub-committees-the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination, Remuneration, and Corporate Governance Committee.

## The Board of Directors

### Composition

- (1) The Board of Directors shall be composed of no less than five (5) Directors, the majority of whom shall reside in the Kingdom of Thailand.
- (2) Structure of the Board of Directors: At least one-third (1/3) of the total number of Directors shall be independent, provided that the total number of Independent Directors is not less than three (3) Directors.

Each Independent Director shall be free from any undue influence by Executives and major shareholders, and shall have no involvement or interest in financial matters or business management. Furthermore, they shall be fully qualified as required by applicable regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), and other relevant laws. The Board of Directors shall consist of the members of the Audit Committee of no less than three (3) persons. In this regard, the members of the Audit Committee shall be fully qualified with duties and responsibilities as required by applicable rules of the Securities and Exchange Commission (SEC), the Office of the SEC, the Stock Exchange of Thailand (SET), and other relevant laws.

- (3) The Board of Directors shall select one Director to be the Chairman of the Board of Directors and, if appropriate, the Board of Directors may select one or more Directors to be Vice Chairman of the Board of Directors.
- (4) The appointment of Directors shall be made in compliance with the Company's Articles of Association and in accordance with all applicable legal requirements. The appointment shall be clear and transparent. The educational background and professional work experience of such persons with sufficient details shall be taken into account by the Board of Directors and shareholders in making their decisions on the appointments.

#### **Qualifications of the Board of Directors**

- (1) Each Director shall possess knowledge, abilities, and experience which are of benefit to the Company's business operations. They shall have honesty, integrity, and ethics in conducting business operations. They shall also have sufficient time to fully dedicate their knowledge and abilities, as well as to perform their duties, for the Company.
- (2) Each Director shall not possess characteristics prohibited by the laws on public limited companies, securities and exchange, and any other applicable laws governing the business operations of the Company. They shall possess the credible attributes as required by the Securities and Exchange Commission (SEC).
- (3) Each Director on the Board of Directors can serve as a Director in other companies, provided that such Directorship shall not hinder their performance of duties and their expression of independent opinion in their capacity as a Director of the Company.
- (4) No Director may engage in any business of a nature similar to, and in competition with, the business of the Company or that of the Company's subsidiaries and may not become a partner or Director in any juristic entity engaging in any business of a nature similar to, and in competition with, the business of the Company or that of the Company's subsidiaries, whether such engagement will be in the interest of such Director or other persons, except where such engagement is notified to the meeting of shareholders prior to such Director being appointed by the resolution of shareholders.
- (5) Each Director shall promptly inform the Company and the Company's subsidiaries if such Director has any vested interest, whether directly or indirectly, in any contract made by the Company or the Company's subsidiaries, or increases or decreases their shareholding in the Company or the Company's subsidiaries (as the case may be).

#### **Qualifications of Independent Directors**

Independent Directors shall be free from any undue influence from Company Executives and major shareholders, shall have no interest in financial matters and business management, and shall be fully qualified by the Securities and Exchange Commission (SEC) and relevant laws as follows:

- (1) Holds no more than 1% of all shares with voting rights of the Company, the parent company, a subsidiary, a joint/associated company, a major shareholder, or an entity with controlling authority. This includes shares held by anyone who is affiliated with them.
- (2) Not involved in the management, employees, staff, consultants with monthly salary or entities with controlling authority over the Company, the parent company, a subsidiary, a joint/associated company, a major shareholder, or an entity with controlling authority, either at the present time or within two years prior to his/her appointment as an Independent Director.
- (3) No connection by blood or legal registration as father, mother, spouse, sibling, son/daughter, or spouse of the son/daughter of another Director. Further, an Independent Director has no such connection with an Executive, a major shareholder, or an entity with controlling authority or an individual who will be nominated as a Director, Executive, or entity with controlling authority over the Company or the subsidiary.
- (4) No business relationship with the Company, the parent company, a subsidiary, a joint/associated company, a major shareholder, or an entity with controlling authority in such a manner that may obstruct their exercise of independent discretion. Furthermore, an Independent Director is not a significant shareholder or an entity with controlling authority over a party with a business relationship with the Company, the parent company, a subsidiary, a joint/associated company, a major shareholder, or an entity with controlling authority, either at the present time or within two years prior to his/her appointment as an Independent Director.

Such business relationships include a trading transaction occurring on a conventional basis for the conduct of business; a rent or lease of property; a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, or the use of an asset as collateral against debt; and other similar actions which result in the Company or the party to the contract having a debt to be repaid to another party for an amount greater than three (3%) of net tangible assets (NTA) of the Company, or greater than twenty (20) million baht, whichever is lower. This amount is determined by the calculation of



Related Transaction value as per the announcement of the Securities and Exchange Commission (SEC). It includes debt(s) arising within one year prior to the day of the business relationship with the same party.

- (5) An Independent Director is not an auditor of the Company, the parent company, a subsidiary, a joint/associated company, a major shareholder, or an entity with controlling authority, and not a significant shareholder (holding more than 10% of all shares with voting rights of the Company, including shares held by linked entities), an entity with controlling authority, or a partner to the audit office with which the auditors of the parent company, a subsidiary, a joint venture/associated company, a major shareholder, or an entity with controlling authority are associated at the present time, or have been within two years prior to his/her appointment as an Independent Director.
- (6) Not a person rendering any professional service or a legal or financial consultant who is paid more than two million baht in service fees per year by the Company, the parent company, a subsidiary, a joint company, a major shareholder, or an entity with controlling authority, and not a significant shareholder or an entity with controlling authority over the Company or a partner to such a professional service provider at the present time or within two years prior to his/her appointment as an Independent Director.
- (7) Not a Director who is appointed to be a nominee of a Director of the Company, a major shareholder, or a shareholder who is connected to a major shareholder.
- (8) An Independent Director does not engage in a business of the same nature as, and which is significantly competitive to, that of the Company, the parent company, or a subsidiary. An Independent Director is not a significant partner in a partnership, or a Director with involvement in the management, employees, staff, consultant with a monthly salary, or who holds more than 1% of all shares with voting rights, of another company which is engaged in a business of the same nature as, and which is significantly competitive to, that of the Company or a subsidiary.
- (9) An Independent Director does not have any other characteristic which prevents him or her from opining freely on the operations of the Company.

Following their appointment, Independent Directors may be assigned by the Board of Directors to make collective decisions involving the business of the Company, the parent company, a subsidiary, a joint/associated company, a subsidiary of equal level, a major shareholder, or an entity with controlling authority, as a collective decision.

#### **Tenure and Election of Members of the Board of Directors**

- (1) The election of directors shall be made in accordance with the Company's Articles of Association and applicable laws. In so electing, the structure, size, and composition of the Board of Directors, together with the current demands and future development plans of the Company, shall be taken into consideration. The composition of the Board of Directors shall be appropriate and correspond with the Company's demands in terms of expertise, capacity, diversity, gender, and age.
- (2) In each annual general meeting of shareholders, one-third (1/3) of the Directors shall retire from the office. If the number of Directors is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire from the office.
- (3) Each Director who retires by the end of their tenure is eligible for re-election.
- (4) In addition to retiring by the end of their tenure, each Director shall retire in the following cases:
  - (a) Death;
  - (b) Resignation;
  - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
  - (d) Removal by a resolution of the shareholders' meeting with a vote of not less than three-fourths (3/4) of the total number of shareholders present in such meeting and having the right to vote, provided that the total number of shares held by those shareholders is in aggregate not less than half of the total number of shares held among them;
  - (e) Removal by a court order.
- (5) If any Director of the Board of Directors wishes to resign from their position, they shall submit a written resignation letter to Chairman of Board of Directors. Such resignation shall be effective from the time the resignation letter reaches the Company.

In the case where any position on the Board of Directors becomes vacant due to any reason other than retirement by the end of such individual's tenure, the Board of Directors (acting upon a resolution of the meeting of the Board of Directors with votes of no less than three-fourths (3/4) of the total number of remaining Directors) will appoint any person (as so recommended by the Nomination, Remuneration, and Corporate Governance Committee) with qualifications meeting the requirements of, and having no characteristics prohibited by, the laws on public limited companies and/or securities and exchange as well as related regulations, to assume such position in the next Board of Directors' meeting (unless the tenure of such Director is less than two (2) months). Such appointed person shall remain in the office for the period

equal to the remaining duration of the Director whom such person replaces.

### The Audit Committee

The Audit Committee is appointed by the Board of Directors to monitor, review, and promote good corporate governance in the Company and confirm that the Company conducts its business operations in line with business strategies and policies; complies with all applicable requirements and laws; manages and controls business risks; prepares accurate financial reports and selects a proper accounting policy; puts in place adequate and suitable internal control systems and effective internal audit systems; and prepares connected transactions with related persons in order to avoid conflicts of interest.

### Composition

- (1) The Audit Committee shall be composed of at least three (3) Independent Directors.
- (2) The Board of Directors is empowered to appoint the members of the Audit Committee and select one of the members to be the Chairman of the Audit Committee.
- (3) The Head of Internal Audit or any other person holding an equivalent position shall act as the Secretary to the Audit Committee.

### Qualifications

- (1) Each member of the Audit Committee must be an Independent Director and possess full qualifications as required in the Board of Directors Charter and applicable rules of the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), the Office of the SEC, as well as other applicable laws.
- (2) Each member of the Audit Committee shall have sufficient knowledge and experience to perform their duties in their capacity as members of the Audit Committee. The Audit Committee shall include at least one member with adequate knowledge and experience in examining the reliability of financial statements.
- (3) Each member of the Audit Committee shall not be any Director authorized by the Board of Directors to make decisions on the business operations of the Company, its parent company, its subsidiaries, its associated companies, its subsidiaries at the same level in the organization, its major shareholders, or its controlling persons.
- (4) Each member of the Audit Committee can serve as a Director in other companies, provided that such directorship shall not hinder their performance of duties in their capacity as a Director of the Company.
- (5) Each member of the Audit Committee shall not serve as a Director of any parent company or subsidiary, or of any other listed company of similar status or level.

### Tenure and Election of Members of the Audit Committee

- (1) Each member of the Audit Committee shall have their terms of service equal to the tenure of their Directorship of the Company. Each member who retires by the end of their tenure is eligible for re-appointment. In addition to retiring by the end of their tenure as described above, each member shall retire in the following cases:
  - (a) Death;
  - (b) Resignation;
  - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
  - (d) Removal by a resolution of the Board of Directors;
  - (e) Removal by a court order;
  - (f) Retiring from being a Director of the Company.
- (2) If any member of the Audit Committee to resign from their position, they shall submit a resignation letter one month in advance to the Chairman of the Audit Committee, together with the reason(s) for this resignation, in which case the Chairman of the Audit Committee will propose such resignation to the Board of Directors for consideration and approval, as well as submit such resignation letter to the Stock Exchange of Thailand (SET). It is for the Board of Directors to consider appointing any other fully-qualified person as a substitute for the resigning member.
- (3) In the case where any member of the Audit Committee resigns or retires before their respective terms of service, the Company shall promptly report the same to the Stock Exchange of Thailand (SET). The resigning or retiring member of the Audit Committee can explain the reasons for such resignation or retirement to the Office of the Securities and Exchange Commission (SEC).
- (4) In the case where all members of the Audit Committee retire as a group from their terms of service, all such members shall continue as acting members of the Audit Committee and carry on with their duties until the new Audit Committee is put in place.
- (5) In the case where any position in the Audit Committee becomes vacant due to reasons other than retirement by the end of a member's tenure, which results in the number of members of the Audit Committee falling below three (3) persons, the Board of Directors will appoint any qualified person as recommended by the Nomination, Remuneration, and Corporate Governance Committee to assume such position within three months following the date on which the number of members falls below the minimum number, so that the Audit Committee shall maintain the number of members as required by law.

- (6) In the event of a necessary increase of, or reduction in, the number of members of the Audit Committee, such increase or reduction shall be in accordance with a resolution of the Board of Directors.

### **The Executive Committee**

The Executive Committee is appointed by the Board of Directors and is responsible for managing business operations to be in line with the Company's strategy, mission, policies, targets, and business plans. The Executive Committee is also responsible for controlling, scrutinizing, supervising, and performing any act as assigned by the Board of Directors. The purpose of this Charter is to ensure that the members of the Executive Committee understand their roles, duties, and responsibilities, and this Charter be adopted and followed accordingly as a guideline for the performance of their duties.

#### **Composition**

- (1) The Executive Committee shall be composed of Directors and Executives and have at least five (5) members.
- (2) The Board of Directors is empowered to appoint one member of the Executive Committee to be the Chairman of the Executive Committee.
- (3) The President and Chief Financial Officer are ex-officio members of the Executive Committee.
- (4) The Company Secretary shall act as the Secretary to the Executive Committee, unless assigned otherwise by the Executive Committee.

#### **Qualifications**

- (1) Each member of the Executive Committee shall possess the knowledge, abilities, and experience which are of benefit to the Company's business operations. They shall have honesty, integrity, and ethics in conducting business operations and also have sufficient time to fully dedicate their knowledge and abilities, as well as to perform their duties, for the Company.
- (2) Each member of the Executive Committee shall be fully qualified and not possess any characteristics prohibited by the laws on public limited companies, securities and exchange, and any other applicable laws governing the business operation of the Company. They shall not lack any credible attributes which are required to be possessed by the Securities and Exchange Commission (SEC).
- (3) Each member of the Executive Committee shall immediately notify the Company if they have any vested interest, whether directly or indirectly, in any contract entered into by the Company or if they hold, or increase or decrease the holding of, shares in the Company or in any Company subsidiary.

### **Tenure and Election of Members of the Executive Committee**

- (1) Each member of the Executive Committee shall retire in the following cases:
  - (a) Death;
  - (b) Resignation;
  - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
  - (d) Removal by a resolution of the Board of Directors;
  - (e) Removal by a court order;
  - (f) Retiring from being a Director or a member of the Company's management team.
- (2) If any member of the Executive Committee wishes to resign from their position, they shall submit a written resignation letter to the Chairman of the Executive Committee. Such resignation will be effective from the time the resignation letter is received by the Chairman of the Executive Committee.
- (3) In the case where any position in the Executive Committee becomes vacant, the Board of Directors shall appoint any qualified person as recommended by the Nomination, Remuneration, and Corporate Governance Committee to assume such position, provided that the number of members of the Executive Committee shall in no circumstances fall below the required minimum number.

### **Risk Management Committee**

The Risk Management Committee is appointed by the Board of Directors and is responsible for determining a policy on risk management covering certain types of risks, including ensuring that risk management systems and processes be put in place to control and minimize the impact of risks on the Company's business. The key role of the Risk Management Committee is to identify risks which are relevant to the conduct of the Company's business, as well as to establish risk prevention measures and to monitor the Company's observance of such measures.

#### **Composition**

- (1) The Risk Management Committee shall be composed of Directors and Executives and have at least three (3) members.
- (2) The Board of Directors is empowered to appoint one member of the Risk Management Committee to be the Chairman of the Risk Management Committee.
- (3) The President, Chief Financial Officer, and Chief Manufacturing Officer are ex-officio members of the Risk Management Committee.
- (4) The Head of Risk Management & Internal Control or any other person holding an equivalent position shall act as the Secretary of the Risk Management Committee unless the Risk Management Committee instructs otherwise.

**Qualifications**

- (1) Each member of the Risk Management Committee shall possess the knowledge, abilities, and experience which are of benefit to the Company's business operations. They shall have honesty, integrity, and ethics in conducting business operations. They shall also have sufficient time to fully dedicate their knowledge and abilities, as well as to perform their duties, for the Company. In particular, they shall be knowledgeable on the management of relevant risks which may arise and affect the business operations of the Company.
- (2) Each member of the Risk Management Committee shall not possess any characteristics prohibited by the laws on public limited companies, securities and exchange, and any other applicable laws governing the business operation of the Company. They shall not lack any credible attributes which are required to be possessed by the Securities and Exchange Commission (SEC).
- (3) Each member of the Risk Management Committee shall immediately notify the Company if they have any vested interest, whether directly or indirectly, in any contract entered into by the Company, or if they increase or decrease the holding of shares in the Company or in any Company subsidiary.

**Tenure and Election of Members of the Risk Management Committee**

- (1) Each member of the Risk Management Committee shall retire in the following cases:
  - (a) Death;
  - (b) Resignation;
  - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
  - (d) Removal by a resolution of the Board of Directors;
  - (e) Removal by a court order;
  - (f) Retiring from being a Director or a member of the Company's management team.
- (2) If any member of the Risk Management Committee wishes to resign from their position, they shall submit a written resignation letter to the Chairman of the Risk Management Committee. Such resignation will be effective from the time the resignation letter is received by the Chairman of the Risk Management Committee.
- (3) In the case where any position in the Risk Management Committee becomes vacant, the Board of Directors shall appoint any qualified person as recommended by the Nomination, Remuneration, and Corporate Governance Committee to assume such position, provided that the number of members of the Risk Management Committee shall in no circumstances fall below the required minimum number.

**The Nomination, Remuneration, and Corporate Governance Committee**

The Nomination, Remuneration, and Corporate Governance Committee is appointed by the Board of Directors and is responsible for determining a policy on the nomination and screening of any appropriate person to be a Director and/or senior Executive prior to proposing such person to a meeting of the Board of Directors and/or the shareholders for appointment. The Nomination, Remuneration, and Corporate Governance Committee also establishes the criteria for the amount of remuneration for Directors and senior Executives at a level which is proper and reflects their performance. The Nomination, Remuneration and Corporate Governance Committee also plays an important role in developing the policy on corporate governance and monitoring the compliance of the business operation to be in line with good corporate governance for the Company.

**Composition**

- (1) The Nomination, Remuneration, and Corporate Governance Committee shall be composed of the Company's Directors and have at least three (3) members, the majority of whom (more than half) are Independent Directors.
- (2) The Board of Directors is empowered to appoint a member of the Nomination, Remuneration, and Corporate Governance Committee to be the Chairman of the Nomination, Remuneration, and Corporate Governance Committee, provided that the Chairman is an Independent Director.
- (3) The Company Secretary shall act as the Secretary to the Nomination, Remuneration, and Corporate Governance Committee, unless assigned otherwise by the Nomination, Remuneration, and Corporate Governance Committee.

**Qualifications**

- (1) Each member of the Nomination, Remuneration, and Corporate Governance Committee shall possess the knowledge, abilities and experience which are of benefit to the Company's business operations. They shall be knowledgeable on corporate governance and have honesty, integrity and ethics in conducting business operations. They shall also have sufficient time to fully dedicate their knowledge and abilities, as well as to perform their duties, for the Company.
- (2) Each member of the Nomination, Remuneration, and Corporate Governance Committee shall be fully qualified and not possess any characteristics prohibited by the laws on public limited companies, securities and exchange, and any other applicable laws governing the business operation of the Company. They shall not lack any credible attributes which are required to be possessed by the Securities and Exchange Commission (SEC).



- (3) Each member of the Nomination, Remuneration, and Corporate Governance Committee shall immediately notify the Company if they have any vested interest, whether directly or indirectly, in any contract entered into by the Company, or if they increase or decrease the holding of shares in the Company or in any Company subsidiary.

#### **Tenure and Election of Members of the Nomination, Remuneration and Corporate Governance Committee**

- (1) Each member of the Nomination, Remuneration, and Corporate Governance Committee shall retire in the following cases:
- (a) Death;
  - (b) Resignation;
  - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
  - (d) Removal by a resolution of the Board of Directors;
  - (e) Removal by a court order;
  - (f) Retiring from being a Director of the Company.
- (2) If any member of the Nomination, Remuneration, and Corporate Governance Committee wishes to resign from their position, they shall submit a written resignation letter to the Chairman of the Nomination, Remuneration, and Corporate Governance Committee, and such resignation will be effective from the time the resignation letter is received by the Chairman of the Nomination, Remuneration, and Corporate Governance Committee.
- (3) In the case where any position in the Nomination, Remuneration, and Corporate Governance Committee becomes vacant, the Board of Directors will appoint any qualified Director of the Company as recommended by the Nomination, Remuneration, and Corporate Governance Committee to assume such position, provided that the number of members of the Nomination, Remuneration, and Corporate Governance Committee shall in no circumstances fall below the required minimum number.

#### **The Nomination and Appointment of Directors and Executives**

In order to nominate Company Directors and Executives, the Nomination, Remuneration, and Corporate Governance Committee drafts policies to seek appropriate Directors and/or Executives before proposing their nominations at Board of Directors and/or shareholders meetings in compliance with the Company's related charters, Articles of Association, related laws, and Corporate Governance Policy. In order to protect minority shareholders, the Company arranges the nomination of Directors individually at shareholders meetings.

#### **Chairman of Executive Committee and CEO and President**

The Board of Directors ensures that the Chairman of the Executive Committee and CEO and the President are appointed in an appropriate manner by assigning the Nomination, Remuneration, and Corporate Governance Committee to conduct the procedure and nominate an appropriate person. The Board of Directors also monitors the Chairman of Executive Committee and CEO to make sure Executive person appropriately qualifies. The Nomination, Remuneration and Corporate Governance Committee and the Chairman of Executive Committee and CEO are responsible for consideration, recruitment and appointment of the President.

The Board of Directors specifically indicates roles and duties of the Chairman of Executive Committee and CEO and President in order to balance the authorization and power as follows;

- (1) Roles and Duties of Chairman of the Executive Committee and CEO
- (a) to be the leader of the Management by working with the Board of Directors in setting and reviewing strategies, missions, financial targets, business plans and annual budgets;
  - (b) to manage, supervise and perform regular work according to normal business for the interest of the Company, and in accordance with the key objectives and targets, visions, missions, strategies, business plans, and budgets as assigned and/or approved by the Board of Directors and/or shareholders' meetings;
  - (c) to issue orders, rules and notifications relating to the Company's operation to ensure consistency with the Company's policies and for the purpose of the Company's efficient management;
  - (d) to monitor, audit, and control performance of the Company, its subsidiaries, and/or associated companies to ensure good performance according to the targets, and report the same to the Board of Directors on a quarterly basis in order to enhance or improve business performance;
  - (e) to consider and approve normal business transactions, including operations that are supportive of the Company's normal business having general trade and business conditions, all of which shall be subject to the regulations of the Securities and Exchange Commission as well as the Stock Exchange of Thailand relating to connected transactions and asset acquisition and deposition transactions;

- (g) to sub-authorize and/or delegate any other persons or group of persons to perform certain specified tasks on behalf of the Chairman of the Executive Committee and CEO, in this regard such sub-authorization and/or delegation must be under the scope of authority specified in the Power of Attorney, rules, procedures, or resolutions of the Board of Directors' meetings. However, the above delegation cannot be made if it would allow the Chairman of the Executive Committee and CEO or any authorized attorney who has a conflict of interest or a personal conflict with the Company to approve such transaction.
- (2) Roles and Duties of President
- (a) to report directly to the Chairman of the Executive Committee and CEO and to have a duty to oversee the Company's business operation and/or daily management, and to support the Chairman of the Executive Committee and CEO's performance to prepare policies, strategies, missions, financial targets, business plans and annual budgets to be proposed to the Board of Directors for consideration and approval;
- (b) to manage and operate business to ensure that business performance is aligned with policies, strategies, missions, financial targets, business plans and annual budgets as approved by the Board of Directors and/or the Executive Board, and has the authority to manage and undertake actions as permitted within the scope of the "Schedule of Authority";
- (c) to issue appropriate orders, regulations, rules, procedures, and practices, and supervise personnel in various divisions to operate according to the strategic plans and targets of each division efficiently and effectively, including to keep developing personnel continuously;
- (d) to develop organization to ensure good business performance and results, and regularly and constantly improve them for the sake of sustainable growth of the organization;
- (e) to monitor, inspect and control to ensure good business performance according to the targets, and report overall business performance of the Company, its subsidiaries, and/or associated companies to the Chairman of the Executive Committee and CEO on a regular basis, and report to the Board of Directors on a quarterly basis.
- (f) to evaluate investment opportunities in new projects by conducting technical and financial studies carefully and prudently to support decision making;
- (h) to sub-authorize and/or delegate any other individuals or group of individuals to perform tasks on behalf of the President and such delegate must be under the scope of authority specified in the Power of Attorney and/or resolutions of Board of Director's meetings. However, the above delegation must not be made if it would allow the President or any authorized attorney who has a conflict of interest with the Company to approve such transaction.

### Performance Evaluation of the Board of Directors

According to the good Corporate Governance, the Board of Directors and Directors of Sub-Committees will evaluate the performance at least once a year. The Nomination, Remuneration and Corporate Governance Committee considers and approves self-evaluation of the Board of Directors and Directors of Sub-Committees in order to review the performance and obstacle in the past year. The results will be analyzed and concluded as development plan. The total score is 4 point, the results of each subject are as follows; 1) Structure and Qualification of Directors is 3.72 point ; 2) Roles and Responsibilities of Directors is 3.76 point; 3) Board of Directors' Meetings is 3.88 point. As for individual self-evaluation, considering from 4) Duties of Directors is 3.71 point.

The evaluation of the Directors of Sub-Committees is considered from 1) Structure and Qualification of Directors of Sub-Committees; 2) Meeting of Sub-Committees; 3) Roles and Responsibilities of Sub-Committees. As for individual self-evaluation, considering from 4) Duties of Directors of Sub-Committees.

### Performance Evaluation of the Chairman of Executive Committee and CEO

The Company has performance evaluation of the Chairman of Executive Committee and CEO every year. The Nomination, Remuneration and Corporate Governance Committee considers and consents the goal and performance evaluation of the Chairman of Executive Committee and CEO and endorses to the Board of Directors to further consider and approve.

### Training and Development Program of Directors and Executives

The Company realizes the importance of knowledge development and capability improvement of Directors and Executives. The Company encourages Directors and Executives to attend programs, activities and seminars from related institution to develop skills and capabilities such as Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Thai Institute of Directors (IOD) and other government and private institutions. All the Directors, Chief Financial Officer and Head of Controller attended training in related programs accordingly.

## Subsidiaries and Associated Companies' Governance

The Board of Directors has provided the framework and mechanism for regulating the policies and operations of the Company's subsidiaries and associated companies that fit in with their respective businesses. The Board of Directors also ensures that subsidiaries and associated companies have the same understanding on the following matters:

(1) Management Structure of Subsidiaries and Associated Companies

The Company has set up a management structure that subsidiaries and associated companies must adopt, as their management are responsible for their own business performance, which can be monitored efficiently. There is also a mechanism to monitor the business operations of subsidiaries and associated companies to protect and preserve the Company's investments, as follows:

1.1 Nomination of Individuals as Directors of Subsidiaries and Associated Companies

The Company will nominate individuals who have qualifications and competency suitable for the business operation of subsidiaries and associated companies to be Directors in numbers that reflect the proportion of shares the Company holds in the subsidiaries or associated companies. The Board of Directors will assign the Executive Committee to nominate suitable individuals to be the Company's representative as Directors in the subsidiaries and associated companies.

1.2 Scope of Duties and Responsibilities of Directors in Subsidiaries and Associated Companies

Directors who have been appointed to serve in each subsidiary or associated company shall have the scope of duty and responsibility defined in the objectives, Articles of Association, and resolutions of the Board of Directors' meetings, as well as those required in the resolutions of shareholders' meetings of that subsidiary or associated company. Directors also have the duty to supervise executives and employees of subsidiaries and associated companies to ensure that their conduct is in accordance with the objectives, articles of association, and resolutions of the Board of Directors' meetings, as well as resolutions of the Company's shareholders' meetings.

Directors of subsidiaries have the duty to comply with business operations policies that support the Group to achieve long-term objectives and targets, and must exercise discretion in managing subsidiaries in the interests of both the subsidiaries and the Group as a whole. They will also present

reports on the business performance of the subsidiaries and associated companies to the Executive Committee or Board of Directors on a regular basis.

Directors of subsidiaries must perform in accordance with the Company's Code of Conduct and policies, as well as the Corporate Governance Policy established by the Company. They also have the duty to supervise subsidiaries to ensure that there are internal control and risk management systems that are sufficiently proper, efficient, and comprehensive.

(2) Disclosing Information about Subsidiaries

Subsidiaries must report to the Company any plan regarding business operations, business expansion, major investment projects, and participation in joint investments with other operators. In this regard, the Company may request subsidiaries to provide explanations or submit documents to back up its consideration of such plans, to which the subsidiaries must strictly and immediately comply. In the case where the Company finds any significant issue, the Company may notify a subsidiary to provide further explanation and/or submit additional documents for the Company's consideration.

(3) Using Inside Information of Subsidiaries

Directors, Executives, employees, staff, or assignees of subsidiaries including their spouses and children, as well as any individual who is related to those persons, are prohibited from using inside information about the Company and its subsidiaries, either obtained from performing their duties or by any other means, which has or may have significant impact on the Company and/or its subsidiaries, for their interest or others' interest, either directly or indirectly, and whether or not there is anything given or obtained in return.

(4) Transactions Executed by Directors, Executives, or Individuals who are Related to Subsidiaries

Directors, Executives, or individuals who are related to subsidiaries must strictly comply with the Company's policy on transactions that may lead to a conflict of interest with the Group.

(5) Financial Control of Subsidiaries

Subsidiaries must submit monthly performance and financial statements as required by law, as well as provide information supporting the preparation of these financial statements. They consent that the Company may use this information to support the preparation of consolidated financial statements or the Company's performance reports. Subsidiaries have the duty to report any major financial problems to the Company when they are detected, or after any request is made by the Company to perform an audit and provide a report on the findings.

## Schedule of Authority

The Board of Directors approve the Company's Schedule of Authority to improve work efficiency by assigning Directors and Executives to operate under their authority in areas such as budgets, human resources, domestic and export sales, marketing and product development, treasury, operations management, withdrawals, accounts and financing, and so on. Significant transactions such as major investments, business expansion, mortgages, acquisition and disposition of assets, or connected transactions require the Board of Directors or shareholders approval beforehand.

## Code of Conduct

The Company runs the business with transparency, ethics, responsibility and determination to follow the good Corporate Governance Policy which makes the Company sustainably grows. The Company implemented Code of Conduct as the guideline for Directors, Executives and employees to help the Company achieving transparent and ethics business in accordance with laws and avoid any circumstances that may lead to conflict of interest of the Company's business. This may help building trust and domestic & international recognition including sustainability growth.

In 2019, the Company launched mandatory program of Code of Conduct through e-Learning system so that Executives and employees can access for self-learning and acknowledge the Code of Conduct annually. The result showed that Executives and employees access the e-Learning and acknowledge the Code of Conduct in the rate of 100% of all Executives and employees. The Board of Directors signed Code of Conduct on the form that the Company provided and the Company Secretary collected the original document.

## Whistleblowing

The Company provided channels for complaint and comment for employees and stakeholders to be able to freely comment and to report any illegal acts or corruption or Code of Conduct violation. The Company will protect the information of informant and process the investigation cautiously for sustainable development.

The informant can report and stated the confidentiality of the document through one of the channels as follows;

1. Report to responsible supervisor directly
2. Hotline +66 (0) 2351-1234
3. Call Center of Osotspa +66 (0) 2351-1000 ext. 1234
4. Letter to complaint box of the Company and its affiliates
5. E-mail to hotline@osotspa.com or write to complaint box at www.osotspa.com
6. Contact Head of Internal Audit at  
Osotspa Public Company Limited, 132 Klongchan Post Office, Klongchan, Bangkok, Bangkok 10240  
Tel. +66 (0) 2351-1270 Fax. +66 (0) 2351-1030

7. Letter to Chairperson of Audit Committee or Directors at  
Osotspa Public Company Limited, 348, Ramkhamhaeng Road, Huamak, Bangkok, Bangkok 10240

## Policy on the Prevention of Insider Trading

The Company realizes the importance of preventing the use of inside information about the Group for one's own interest or for the interest of others, if such information is material and not yet disclosed to the public. Therefore, the Company has a policy that prohibits Directors, Executives, and employees of the Group, as well as related persons, from insider trading. The disclosure of the Company's inside information to third parties or non-related persons prior to the public disclosure of such information through the Stock Exchange of Thailand (SET) is forbidden. Directors, Executives, and employees of the Group are required to strictly comply with insider trading prohibitions and restrictions as prescribed in the Securities and Exchange Act, B.E. 2535 (1992) (as amended), as follows:

- (1) Directors, Executives, and the employees of the Group are prohibited from informing, disclosing, or endorsing any false information, or any information that may be materially misleading, about the Company's financial status, business performance, securities price, or any other information related to the Company, in a manner which is likely to adversely affect the prices of the Company's securities or investors' decisions to invest in the Company's securities.
- (2) Directors, Executives, and employees as well as all related persons of the Group are not allowed to analyze or forecast any financial status, business performance, securities price, or any other information relating to the Company, by using any false, incomplete, or materially misleading information for the purpose of such analysis or forecast. In addition, they shall not neglect to consider the accuracy of such information nor distort any information to be used in such analysis or forecast, and shall not give an opinion on such analysis or forecast to the public in a manner that is likely to adversely affect the price of the Company's securities or investors' decisions to invest in the Company's securities.
- (3) Directors, Executives, and employees as well as all related persons of the Group who are aware of, or possess, the Company's insider information, shall not:
  - a. Purchase or sell securities, or enter into any future contracts for securities (as the case may be) in their own names, or in the names of other persons, unless it falls under the exemptions as specified by The Securities and Exchange Act B.E. 2535 (1992), as amended;
  - b. Disclose any insider information to other persons, whether directly or indirectly and by whatever means, with knowledge that, or in a manner they should know that, the recipient of such information



may make use of it to engage in securities trading or enter into future contracts (as the case may be), in their own names or in the names of other persons, except when such an act would not constitute any undue advantage over others, or otherwise as specified by the Securities and Exchange Commission (SEC).

For the above purposes:

“insider information” means any information which is not yet disclosed to the public in general and which is material to the changes in price or value of securities.

“affect the securities price” means any impact which causes the price of securities to rise, decline, or stay, or which stabilizes the price of securities.

Directors, Executives, and individuals holding senior executive positions in the accounting and finance department (including spouse, person who lives together as husband and wife, minor child and juristic persons which hold shares more than 30% of total eligible vote and have shares proportion more than mentioned juristic persons) must report any change in securities holding to the Securities and Exchange Commission (SEC) as per Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) (as amended) within three (3) working days of the purchase, sale, or transfer of such securities, and send a copy to the Company Secretary for information and to summarize the same for presentation at a Board of Director’s meeting on a quarterly basis.

**Report of the Company’s Securities Holding of Directors** (including spouse, person who lives together as husband and wife, minor child and juristic persons which hold shares more than 30% of total eligible vote and have shares proportion more than mentioned juristic persons) details as of December 31, 2019

Directors	No. of Share(s)		
	As of February 13,2019	As of December 31,2019	Increase/ (Decrease) During the Year
1. Mr. Surin Osathanugrah Chairman of the Board of Directors	-	-	-
2. Mr. Somprasong Boonyachai Vice Chairman of the Board of Directors and Independent Director	100,000	-	(100,000)
3. Mrs. Kannikar Chalitaporn Vice Chairperson of the Board of Directors	708,000	792,500	84,500
4. Mr. Thana Chaoprasit Director	51,188,500	51,188,500	-
5. Persons Acting in Concert according to Public Company Act	956,770,000	929,639,000	(27,131,000)
5.1 Mr. Ratch Osathanugrah Vice Chairman of the Board of Directors	149,735,700	122,916,200	(26,819,500)
5.2 Mr. Petch Osathanugrah Director	149,735,700	149,735,700	-
5.3 Mr. Katha Osathanugrah	30,037,500	30,037,500	-
5.4 Mr. Natee Osathanugrah	30,037,500	30,037,500	-
5.5 Mr. Purat Osathanugrah	30,037,500	29,726,000	(311,500)
5.6 Mr. Puree Osathanugrah	30,037,500	30,037,500	-
5.7 Orizon Limited	537,148,600	537,148,600	-
6. Mr. Pratharn Chaiprasit Director	-	-	-
7. Mr. Tasharin Osathanugrah Director	87,395,000	82,448,000	(4,947,000)
8. Mr. Niti Osathanugrah Director	489,081,300	489,081,300	-
9. Mr. Sethaput Suthiwartnarueput Director	100,000	100,000	-
10. Mr. Salin Pinkayan Independent Director	-	-	-

Directors	No. of Share(s)		
	As of February 13,2019	As of December 31,2019	Increase/ (Decrease) During the Year
11. Ms. Penchun Jarikasem Independent Director	100,000	-	(100,000)
12. Mr. Krirk Vanikkul Independent Director	100,000	-	(100,000)
13. Mrs. Sinee Thienprasiddhi Independent Director	100,000	100,000	-
14. Mrs. Wannipa Bhakdibutr Director and President	565,000	703,500	138,500

**Report of the Company's Securities Holding of Executives** (including spouse, person who lives together as husband and wife, minor child and juristic persons which hold shares more than 30% of total eligible vote and have shares proportion more than mentioned juristic persons) details as of December 31, 2019

Executives	No. of Share(s)		
	As of February 13,2019	As of December 31,2019	Increase/ (Decrease) During the Year
1. Mrs. Porntida Boonsa Chief Financial Officer	340,000	340,000	-
2. Ms. Suthipa Panyamahasup Chief Marketing Officer - Thailand	200,000	200,000	-
3. Mr. Sarayut Jitcharoongphorn Chief Customer Development Officer - Thailand	200,000	200,000	-
4. Mr. Nukit Chonlacoop Chief Manufacturing Officer	200,000	200,000	-
5. Mr. Viwat Krisdhasima Chief Supply Chain Officer	200,000	200,000	-
6. Mr. Rob Rijnders Chief Customer Development Officer and RTM Officer - International Business	200,000	105,000	(95,000)
7. Mr. Sze Tian Poh Chief Marketing Officer - International Business	-	-	-
8. Ms. Vilairat Charoenwongse-Phelan Chief Research and Development Officer	-	-	-
9. Mrs. Ratipat Phoemsap Head of Controller	40,000	46,000	6,000

In 2019, there was no share and/or changing of the Company's share which was held by spouse, person who lives together as husband and wife, minor child and juristic persons of Directors and Executives.

### Policy on the Prevention of Conflict of Interest

In order to ensure that Directors, Executives, and employees are given guidelines on their performance of duties with integrity and without seeking personal interest that conflicts with the Company's interests, and to fully adhere to securities and exchange laws, the Company has established a policy on preventing conflicts of interest as follows:

- (1) Directors, Executives, and employees are prohibited from business operation or participation in any business that is of the same nature or competes with the business of the Company or its subsidiaries, and from becoming partners or Directors in other juristic entities that are of the same nature and compete with the business of the Company or its subsidiaries, whether for personal interest or for the interest of others.

- (2) Directors, Executives, and employees must avoid performing actions that would lead to a conflict of interest and avoid transactions that are connected to themselves or related persons. In the event that such transactions are required to be made, the Directors, Executives, and employees must notify the Company of the relationship or connection to themselves or related persons in such transactions and shall not take part in approving such transactions.
- (3) Connected transactions and conflict of interest transactions are subject to all relevant regulations of The Office of the Securities and Exchange Commission (Office of the SEC), The Capital Market Commission, and The Stock Exchange of Thailand (SET). Such transactions must be presented to the Audit Committee and the Board of Directors for careful consideration of the appropriateness of those transactions. Those transactions must also be disclosed according to the rules of The Stock Exchange of Thailand (SET) and/or other relevant agencies.
- (4) Directors and Executives must prepare interest reports for themselves and their respective related persons, to be used as basic information for supervision in terms of vested interest every year, and must always prepare such reports when any change occurs. The Board of Directors has assigned the Company Secretary to collect such information and prepare reports to the Chairman of Audit Committee and the Chairman of Board of Directors to be used for audit and supervision in terms of conflict of interest.

Directors have a duty to report their interest prior to the consideration of the agenda in question in a Board of Director's meeting and shall have it recorded in the minutes of the same meeting to ensure that Directors with a significant interest that may cause them not to express an opinion independently be excluded from attending the meeting while the agenda in question is being considered.

- (5) Directors and Executives have the duty to report the holding of securities issued by the Company that belong to them, their respective spouses, cohabitation partner, or children. In addition, they shall have the duty to report holding of securities issued by any juristic person in which such Directors or Executives, their spouses, cohabitation partner, or children have a combined shareholding of more than 30% of all eligible voting shares and hold the largest shareholding proportion in such juristic person. This report shall be made to The Office of the SEC within seven (7) working days from the date of purchase, sell, transfer, or acquisition of securities (only in the case where the names of such Directors or Executives do not yet appear in the database of The Office of the SEC,

except if the Company has already provided the names of such Directors and Executives to The Office of the SEC), or within three (3) working days from the date of purchase, sale, transfer, or acquisition of securities (only in the case where the names of such Directors and Executives are already recorded in the database of The Office of the SEC). This is for the purpose of compliance with Section 59 of The Securities and Exchange Act, B.E. 2535 (1992) (as amended).

- (6) In regulating the use of insider information, the Company forbids Directors, Executives, or employees from exploiting or publishing the Company's insider information which has not yet been publicly disclosed for illegitimate benefits. Further, the Company also forbids Directors, Executives, or employees in the unit that receives inside information from exploiting such information to trade on the Company's securities during a period of one month prior to the public disclosure of the Company's financial statements and for a period of 24 hours after the time of such disclosure to the public.

### **Fair Business Practices**

Osotspa is determined to conduct our business with transparency and fairness, in compliance with applicable laws and regulations as well as with the full co-operation of government directives and policies. The Company strives to be a good corporate citizen by building credibility with investors and all stakeholders, creating added value and promoting sustainable growth. This includes managing the Company to international standards, encouraging employees to recognize the importance of regulatory compliance, fair competition in achieving our business goals, and maintaining operational excellence in producing and delivering high-quality products to consumers as one of our core values of being a leading company.

### **Anti-Corruption**

Osotspa is committed to and has a policy to counter corruption in any form. The Company values and promotes a high standard of integrity, business ethics, and transparency in the course of doing business according to our Code of Conduct, as well as an effective management system that is transparent and auditable, supports ongoing training to raise employees' awareness of business ethics and the importance of honesty, and monitors anti-corruption compliance. The Company has established key principles related to anti-corruption as follows:

- a. Employees are prohibited from accepting gifts, entertainment, and any benefits from distributors, business partners, and suppliers to ensure business dealings or decisions are not influenced by such actions. Non-compliance or alleged misconduct shall be investigated, and the confirmed cases shall be subject to disciplinary actions as per the Company's regulations.

- b. Osotspa manages procurement activities through a systematic approach with required authorization levels clearly defined in the Schedule of Authority. Procurement procedures outline transactions requiring competitive bidding or quotation comparisons, including fair and transparent selection and the basis for awarding contracts.
- c. Osotspa has an Internal Audit function to perform business unit audits. Internal Audit also has a dedicated investigator who examines and investigates any irregularities, working closely with the Human Resources and Legal functions.
- d. Osotspa has established well-defined and transparent procurement guidelines. High-value transactions require a review by the Procurement Committee, including a review by the external auditor.

### Specific Policy and Guideline on Anti-Corruption

Recognizing the importance of anti-corruption, the Board of Directors approved a specific policy explicitly addressing Anti-Corruption, which was added to the Code of Conduct. The objective is to reaffirm the Company's position, and promote programs that increase awareness among personnel at all levels about having an anti-corruption mindset. This policy sets out guidelines that are in line with the principles of good corporate governance, which must be strictly adhered to by everybody at Osotspa including Directors, management, and employees.

### Anti-Corruption Guidelines

Employees at all levels must follow the guidelines set out as follows:

1. Adhere to the Anti-corruption Policy, Code of Conduct, and the Company's rules and regulations, and not engage in any form of corruption directly or indirectly.
2. Do not act dishonestly or with the intent to corrupt, nor give or accept bribes to/from stakeholders to achieve business assignments or objectives for the Company, oneself, or others.
3. Do not neglect or ignore any acts which may involve the Company in any corruption. It is the duty of employees to report such acts to their supervisors or to a responsible person, and to fully co-operate in any investigation.
4. Be cautious with activities that may be sensitive or create a risk involving corruption.
5. Do not accept or demand gifts, both monetary and non-monetary, from business counterparts or other related parties, which could affect decision making in performing job duties.

- Giving or accepting gifts, entertainment, and donations must not have the intent as a bribe, kickback, support for a political movement, or facilitating or exchanging for an illegitimate benefit or advantage. The Gifts, Entertainment and Donations Policy announced by the Company's Chairman of the Executive Committee, which provides practical guidance, must be observed.
- Donations to charities must be made under the name of the Company to organizations operating for social benefit and wellness, and which are well-recognized. The donation must be transparent, made through an established process, legal and monitored, and checked that it is not used for bribery. Contributions, in the form of money, company products, or assets provided to any events or activities, must be conducted under the name of the Company, with the aim of promoting the Company's business and image. Again, the process must be transparent, legal, and follow the Company's operating procedures.

6. Business dealings and procurement with the government or private sector, including interactions with personnel of government agencies or the private sector, whether local or foreign, must be transparent, honest, and in compliance with relevant laws.
7. The Company has a policy of political neutrality. Individual employees have their own political rights and freedoms under the law. In political actions or activities, the Company's name or resources shall not be involved, in order to maintain the Company's neutral position or as protection from reputational damage caused by involvement in political movements.

### Measures and Compliance Program

1. The Company supports and encourages employees at all levels to recognize the importance of and to have a mindset to combat corruption. We have a system of internal controls in place to prevent corruption and bribery in all forms, including to risk-assess business processes that may be vulnerable to corruption or fraud.
2. The compliance program also extends to human resource management processes including recruitment, promotion, training, performance appraisals, and compensation administration. Supervisors have a responsibility to communicate and make sure that their subordinates have an understanding of the program and to monitor their compliance in ongoing works.
3. The Company will fairly treat and protect employees or persons who report clues or evidence involving corruption related to the Company and its affiliates, including employees who refuse corruption, by using protection measures for those who report and/or co-operate in reporting incidents as specified in the Whistleblowing Policy.



4. Engaging in corruption is considered a guilt according to personnel administration regulations. Employees involved in acts of corruption are subject to disciplinary actions as well as legal penalties, if such action is against the law.
5. The Company will review the guidelines and compliance program on a regular basis to keep them in line with changes in laws, regulations, and our operating conditions.

## Disclosure of Information and Transparency

OSP gives utmost importance to disclose information to public in an accurate, sufficient, timely, and equally available to all parties with easy access to source of information. The responsible departments for providing information and replying to external queries are the Investor Relations (IR) and Corporate Communications Department.

Osotspa prepared the annual report, financial report, and corporate sustainability to communicate business performance and operations, consisting of both financial information and non-financial information. The financial information is disclosed through financial statements, reviewed and audited by external auditor to confirm its accuracy and complied with the Thai Financial Reporting Standards (TFRS). The financial statements are subsequently approved by the Audit Committee and the Board prior to being disclosed to the public. The Board reports their responsibilities with respect to the financial statements in the OSP Annual Report. Other non-financial information includes related party transaction, dividend payments, acquisition and disposal of assets, management discussion and analysis, invitation letter to shareholders' meetings, minutes of meetings, and others according to the SET's and the Securities and Exchange Commission (SEC)'s requirements. The Company also disclosed annual corporate governance report in the annual report and annual registration statement (Form 56-1).

## Investor Relations

Osotspa places a high value on professionalism in investor relations (IR) functions. Objectives are to create and maintain healthy channels of communication with related parties, including existing and potential shareholders and investors. Information disclosed on the website [www.osotspa.com](http://www.osotspa.com) includes Management Discussion and Analysis and financial statements filed with the SET. In addition, Osotspa regularly presents information to analysts, investors, and employees at analyst meetings, roadshows, conference calls, and conferences organized by various entities. Osotspa also holds joint activities with the SET to meet minor investors (Opportunity Day). Relevant persons can make appointments for company visits and meet OSP executives for updates on the business. Such meetings conducted during the year are summarized below:

Investor Relations Key Statistics	FY2019 (times)
Company visits and conference calls	67
Domestic roadshows	7
International roadshows	2
Site visits	5
Analyst meetings	4
Opportunity day	2

The Company held quarterly earnings review conferences (within 3 business days of the release of financial statements) and documentation was made available on the Company's website within 24 hours of the meeting date. Osotspa was also active with SET Opportunity Day, participating at least twice a year and arranging company visits regularly to ensure shareholders and investors received the most accurate, up-to-date information.

## Investor Relations Contact Information

All stakeholders have equal access to OSP's public information through its website, by phone, letter, or e-mail. Contact information for the Investor Relations Department can be seen below

<b>Telephone:</b>	+66 (0) 2351-1152
<b>Website:</b>	<a href="http://www.osotspa.com">http://www.osotspa.com</a>
<b>E-mail:</b>	<a href="mailto:ir@osotspa.com">ir@osotspa.com</a>
<b>Address:</b>	348 Ramkhamhaeng Road, Huamak, Bangkok, Bangkok 10240
<b>Shareholder Registrar:</b>	Thailand Securities Depository Company Limited Telephone: +66 (0) 2009-9999

Queries, comments, and recommendations will be directed to the relevant department. Follow-up is completed through e-mail and/or telephone and takes no longer than seven business days. Information about OSP, its performance, financial statements, and reports filed with the SET can also be found at [www.set.or.th](http://www.set.or.th), and the Osotspa website.

## Respect and Non-Violation of Human Rights

The Company conducts our business with respect for human rights. We promote the protection of human rights and freedoms as well as equal treatment as a foundation of our human resource management and development. We do not discriminate against people of different nationalities, genders, or classes, nor do we employ minors.

## Fair Labor Treatment

The Company has developed our human resources management function on the basis of fair treatment for our employees and respect for human rights, while enhancing opportunities for job advancement. We implement our human resources management function based on the following guidelines:

- (1) To understand and comply with all laws applicable to the Company's operations in all locations.
  - a. We do not employ illegal workers or use child labor.
  - b. We do not discriminate against any individual based on a personal relationship with that individual, or his or her ethnicity, nationality, gender and sexual preference, age, religion, disability, personal views, or any other conditions or characteristics that are not related to the workplace.
- (2) To set up and regularly review compensation and benefit packages to ensure fairness for both the Company and our employees.
- (3) To recruit, select, and employ people based on their qualifications, experience, and ability to work. Both internal and external job candidates are fairly treated during our transparent recruitment process.
- (4) To enhance employees' knowledge, skills, and capabilities by providing human resources development programs in four dimensions:
  - a. A Mandatory Program to introduce the Company's Corporate Governance Policy.
  - b. A Leadership Program to enhance employees' leadership skills so they match with each level of job functions in the Company.
  - c. A Functional Program to strengthen the necessary skills and capabilities of our employees so they can perform functional operations.

- d. A Knowing the Business Program to provide employees with end-to-end business knowledge about the Company.

- (5) To ensure a safe working environment, the Company aims to reduce the number of work-related accidents to zero. The Company also provides food courts, a fitness center, relaxation rooms, and a health care center for all employees to encourage a happy workplace.

## Additional Guideline for Executives and Employees

The Company forbids Executives and employees in any departments whom acknowledge insider trading information from using the information after the end date of fiscal year financial statements and quarterly financial statements until the financial statements is published after 24 hours.

## Audit fee

In 2019, the Company and its subsidiaries paid audit fees totaling THB 13.2 million to the audit firm, which engaged the auditor.

## Non-audit fee

In 2019, the Company and its subsidiaries obtained other non-audit services from the audit firm and other related parties of the audit firm that employed the auditor, totaling THB 6.8 million. This included auditing compliance with the conditions of the BOI Promotion Certificate, observation on stock destruction, tax consultancy, and consultation for registration of dissolution of overseas subsidiaries.

## CORPORATE GOVERNANCE

### REPORTS OF THE SUB-COMMITTEES

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#### Audit Committee Report

##### Dear Shareholders,

The Audit Committee of Osotspa Public Company Limited (“OSP”) comprises of three (3) Independent Directors who are qualified with professional experiences in the fields of Administration, Accounting, Finance and Law which fulfilled the compositions and qualifications stated by the applicable Stock Exchange of Thailand announcement. The Audit Committee are namely Ms. Penchun Jarikasem as the Chairperson of the Audit Committee, Mr. Krirk Vanikkul as the member of the committee and Mrs. Sinee Thienprasiddhi as the member of the committee. Mrs. Kanrawee Sangnikornkiat was Head of Internal Audit and the secretary of the Audit Committee.

The Audit Committee independently performs their duties in accordance with the scope of the duties and responsibilities assigned by the Board of Directors, specified in writing in the Charter of the Audit Committee and in compliance with the requirements stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee reviewed and pushed for OSP’s compliance with corporate governance, sufficient risk management and internal control systems, efficient and effective internal audit, and a systematic structure business processes as well as ensured OSP’s emphasis being a transparent organization while upgrading quality of OSP Group’s internal audit as to achieve goals and sustainable business operation.

In Y2019, the Audit Committee held eight (8) meetings which was discussed with the management, internal auditors and auditors. All the Audit Committee attended in every meeting. In addition, there is a joint meeting between the Risk Management Committee and the Audit Committee to discuss and determine coherently the direction of risk management and internal auditing.

The summary of the significant activities and the opinions of the Audit Committee have been summarized below.

##### Review of Financial Report

The Audit Committee reviewed the interim financial information, the consolidated and separate financial statements jointly with the auditors and the management regarding the accuracy and completeness of the financial statements, adjustment of key journal entries and account estimations affecting the statements, adequacy and suitability of account recording, audit scope, information disclosure that was accurate, complete, and adequate, as well as the external auditor’s independence. All these ensured that the preparation of the financial statements followed legal requirements and accounting standards under generally accepted accounting principles that are credible and timely, and that adequate information was disclosed in such statements for the benefit of financial statement users.

In addition, the Audit Committee discussed exclusively with the external auditor about the audit plans, risk and internal control as well as independence to fulfill its responsibilities and its opinions. For the Y2019 the external auditors did not make any significant observations and did not find the suspicious circumstance. Then, the Audit Committee has the opinion that the Company has a proper financial reporting process to disclose its financial information without information that is in conflict with the material facts and prepared in accordance with Thai Financial Reporting Standards.

##### Review of Related Party Transactions or Conflict of Interest Transactions

The Audit Committee reviewed the related-party transactions or conflicts-of-interest transactions of the company in accordance with the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand. The review suggested that related party transactions of the company were reasonable, in the best interest of the company and did not preferentially benefit any particular parties.

## Review of Risk Management

The Board of Directors, the Risk Management Committee and Management have given priority to Risk Management by assessing Internal and External risk factors together with their impacts and likelihood and regularly update its performance to the Board of Directors. The Audit Committee also follow up and acknowledge risk management outcomes from the reports and review the effectiveness of risk management practices based on the reports of individual management responsible and the audit result of internal audit and the external auditor. These actions led the guarantee of risk management capability to ward off or mitigate potential impacts within its risk tolerance levels.

## Review of Internal Control System

The Audit Committee valued the forming of awareness among the management and employees of corporate governance, risk management, internal control, and compliance (GRC). It promoted the GRC corporate culture so that OSP may command sound management practices together with efficient and effective business operations under the Three Lines of Defense concept, which stressed everybody's understanding and strict compliance with regulations and their own job responsibilities. The focus was on prevention and problems faced by the 1st Line of Defense and on professionalism and systematic work. Every quarter the Audit Committee reviewed OSP's internal control system with the external auditor by reviewing operations; resource consumption; stewardship of properties; prevention or reduction of errors or corrupt practices; credibility of financial reports; compliance with laws and relevant regulations. The external auditor agreed that no significant problems or material shortcomings had been detected.

In addition, the Audit Committee reviewed assessment result of the adequacy of internal control system in compliance with the guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. From the audit result of internal audit and external auditor, there is no material aspect or defects potentially affecting to the Company and with continual corrective actions following the advice of the Audit Committee, internal audit and external auditor, it can be sensibly concluded that the Company commanded an adequate and effective internal control system.

## Review of Good Corporate Governance and Compliance with Relevant Laws

In Y2019, the Audit Committee focused on the management policy in support of systematic corporate governance and supported application of the IT system in conducting corporate governance and audit for greater job efficiency and effectiveness, while preventing non-compliance with the law or OSP's regulations, including minimization of the probability of corruption and encouraging to create the positive attitude for the Internal Control Mindset. The Audit Committee also reviewed compliance with relevant laws and regulations of the Securities and Stock Exchange of Thailand as well as related laws to conduct the business strictly. Finally, the committee reviewed the process of complaint-handling and whistleblowing and provided recommendations on process improvement to raise efficiency and effectiveness and ensure alignment with OSP's corporate governance and business philosophy. These included careful consideration of complaints for fairness to all parties, equipped with suitable protection of complainants and whistleblowers. The Audit Committee has opinion that the company has closely supervision and inspection of the performance for all departments in order to comply with the rule and regulation related.

## Oversight of Internal Auditing

The Audit Committee provided recommendations on the upgrading of internal audit in manpower, processes, and tools and technology with a focus on professionalism and credibility of internal auditors. To this end, the efficiency and effectiveness of their work are enhanced to keep pace with the digital world's business and tide of change. OSP valued risks, particularly those that could significantly impact the corporation and including encouragement of internal auditors to qualify for international certificates of the audit profession.

The Audit Committee also reviewed annual internal audit plans, their performances and audit engagement reports. The Audit Committee provided recommendations and monitored corrective actions for significant issues for good governance and adequate internal control as well as reviewed personnel development and training plan to possess of proper knowledge and professional skills including independence of internal audit, adequacy and suitability of the Internal Audit's resource.



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## Appointment of the External Auditors Y2019

The Audit Committee considered the nomination of auditors by taking into account their independence, skills, knowledge, capabilities and experiences. The Audit Committee recommended the appointment one of the following auditors, namely 1) Mr. Ekkasit Chuthamsatid, CPA License No. 4195 or 2) Miss Nittaya Chetchotiros, CPA Licence no. 4439 or 3) Mr. Banthit Tangpakorn, CPA Licence no. 8509 from KPMG Phoomchai Audit Ltd. as the approved auditor by the Securities and Exchange Commission for the Company's financial statements including the audit fee for the year ended 31st December 2019.

## Quality Assurance of The Audit Committee

The Audit Committee reviewed AC Charter and assessed their own performances as a group and individuals in line with the guidelines from the Securities and Exchange Commission and concluded that it was graded "Excellent Conducted". The Audit Committee reported their performance outcomes to the Board every quarter, with remarks and views provided for process improvement of governance, risk management, internal control, and compliance with OSP's regulations.

In summary, the Audit Committee performed their charter duties and responsibilities with competence, care, prudence and adequate freedom while providing creative views and recommendations for the equitable benefit of all stakeholders. Their opinions are that OSP's financial statements were accurate, credible and in line with generally accepted accounting standards. In addition, OSP commanded compliance with applicable laws and business obligations, together with good governance, adequate risk management and a suitable, effective internal audit system.

On behalf of the Audit Committee of  
Osotspa Public Company Limited



(Ms. Penchun Jarikasem)  
Chairperson of the Audit Committee

## Risk Management Committee Report

### Dear Shareholders,

Recognizing the importance of a strong risk management process, the Board of Directors appointed a Risk Management Committee to oversee the set-up of an enterprise-wide risk management system for the Company, including defining strategy, policy, objectives and overall framework. The objectives are to mitigate or control the impact of risks, both external and internal factors, on business operations and bring them to the acceptable levels, and to ensure that the risk management process in place is effective and being continually ingrained into the Company's corporate culture. Integrating risk management into the Company's strategic and operational plans helps ensure that the Company's operations meet business objectives, support sustainable growth and create long-term value for shareholders.

The Risk Management Committee is chartered with duties and a scope of responsibilities in line with the principles prescribed in the corporate governance guidelines of the Security Exchange Commission (SEC). The chartered duties and responsibilities include identification of risks that may impact the Company, assessing the likelihood and potential severity or impact of risks, determining plans or actions to control and mitigate risks, and providing advice and suggestions for managing risks effectively. Currently, the Risk Management Committee is comprised of five members, including an Independent Director, Executive Directors and senior Executive officers, all of whom are knowledgeable, competent and highly experienced. Committee members are as follows:

- |                  |             |   |
|------------------|-------------|---|
| 1. Mrs. Kannikar | Chalitaporn | Chairperson, Vice Chairperson of the Board of Directors |
| 2. Mr. Salin     | Pinkayan    | Member, Independent Director                            |
| 3. Mrs. Wannipa  | Bhakdibutr  | Member, Director, President                             |
| 4. Mrs. Porntida | Boonsa      | Member, Chief Financial Officer                         |
| 5. Mr. Nukit     | Chonlacoop  | Member, Chief Manufacturing Officer                     |

In 2019, the Risk Management Committee conducted four meetings and a meeting with the Audit Committee, as part of its duties and responsibilities. The Committee reported the results of reviews and progress made to the Board of Directors biannually. Risk management activities conducted by the Risk Management Committee over the year can be summarized as follows:

1. Reviewed and concurred with the Risk Management Charter, which was subsequently approved by the Board of Directors and formally implemented by the Company. The Charter lays the scope, authority, duties and responsibilities of the Company's Risk Management Committee. The objective is to ensure the Risk Management Committee serves as an efficient mechanism for the Board of Directors in supervising the Company's risk management. The Charter is also in keeping with the best practices of corporate governance.
2. Reviewed and advised on Crisis Management Training and workshop with scenario simulations for management teams at the site level. The objectives of the training and workshop were to ensure that relevant personnel understood the concepts and principles of incident and crisis management and what tools and techniques would be applied when anticipating and assessing incidents and crises.
3. Reviewed and monitored the progress made in managing key risks identified as having significant impact on the business. The Committee ensured the methods and mitigation tactics deployed were adequate and then followed up and advised on the mitigation of risks, including strategic, operating, financial, and other risks, considering both external and internal factors.
4. Reviewed measures relevant to manufacturing quality and product reliability, as such risks could negatively impact capacity, consumer confidence, and/or the Company's reputation. The Committee followed up for root cause analysis and remedial actions, which the management took immediately as well as mapped out the plan for uplifting manufacturing and quality standards to stay ahead of long-term risk.

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5. Reviewed IT security strategies to address digital security threats and advised on how responsible units shall further strengthen security controls against potential IT risks.
  6. Reviewed the results of the Company's campaigns for work safety and social and environmental responsibility. The Committee advised management on additional improvements which could help instill a safety mindset in the corporate culture. In 2019, the Company achieved an impressive safety record with recognition and awards, including Thailand Zero Accident and Thailand Vision Zero. In line with environmental responsibility and being a good corporate citizen, the Committee closely supervised and monitored quality indicators of water effluent, atmospheric emissions, especially PM 2.5, in both surrounding area and stacks, and landfill waste ratio. The results reflected continuous improvement and compliance with legal requirements.

The Risk Management Committee assures shareholders that it is dedicated to supporting the Board of Directors in pursuing sustainable growth for the Company through the application of an appropriate and adequate risk management process.

On Behalf of the Risk Management Committee



(Mrs. Kannikar Chalitaporn)  
Chairperson of the Risk Management Committee

## Nomination, Remuneration, and Corporate Governance Committee Report for Year 2019

The Charter of the Nomination, Remuneration, and Corporate Governance Committee (the Committee) of Osotspa Public Company Limited states that the Committee must consist of at least three Directors, and that the majority of them must be Independent Directors. It also defines the Committee's responsibilities as summarised below:

1. To review the structure and composition of the Company's Board of Directors, including the suitable number of Directors given the nature of the Company's business, and determine the rules and procedures for recruitment and qualifications of, and identify, suitable candidates for the roles of Directors, Chief Executive Officer, and committee members, before they are proposed for consideration at a meeting of the Company's Board of Directors.
2. To formulate the policy for reviewing the rules for determining financial and non-financial compensation for the Directors and the Chief Executive Officer, as well as the compensation structure for senior Executives and committee members, to ensure that they are appropriate and fair, before they are proposed for consideration at a meeting of the Company's Board of Directors.
3. To formulate and introduce the policies, guidelines, and recommendations to ensure good governance of the Company's business, determine corporate social responsibility policies, and review and revise the corporate governance policies as appropriate, before they are proposed for consideration at a meeting of the Company's Board of Directors.

In 2019, the Committee held nine meetings, which were attended by all members of the Committee. The Company Secretary, as Secretary to the Committee, also attended all meetings as well. Matters transacted at those meetings can be summarised as follows:

1. Nominate the persons who will replace the Directors retiring by rotation. Consider the renew term of Chairman of Executive Committee and CEO by working profiles, achievement including suitable qualification and characteristics for the position. The renew term of Chairman of Executive Committee and CEO was considered on appropriated duration for preparing Succession Plan of the Company onward.
2. Review and determine the rules for fixing remunerations for the Directors, committee members, Chairman of Executive Committee and CEO, and senior Executives before endorsing to Board of Directors' Meeting and Shareholders' Meeting for consideration and approval. The rules for fixing remunerations are as follows:
  - 2.1 Review and determine the rules for fixing the remunerations for the Directors and committee members as appropriate for their added roles and commensurate based on the data provided in the results of a survey on the compensation of Directors of listed companies in the same sector with similar Market Capital, and in line with corporate governance requirements for disclosure of the policy and rules applicable to fixing Directors' remunerations that reflect each Director's roles and responsibilities.
  - 2.2 Review and determine the rules for fixing the remunerations for Chairman of Executive Committee and CEO and senior Executives based on their performance and achievements as measured by Key Performance Indicators (KPIs), taking into account their assigned roles and responsibilities, the size of the business, and the overall economic situation.
  - 2.3 Review the Employee Joint Investment Programme (EJIP) introduced to offer additional incentives to the Executives and talented employees, as well as improve employee engagement and promote sustainable growth and operating efficiency.
3. Review and propose the KPIs and target setting for Chairman of Executive Committee and CEO.
4. Review and provide comments on the Company's compliance, Code of Conduct and anti-corruption guidelines.
5. Promote and follow up compliance with the Company's Corporate Governance Policy and Code of Conduct in the performance of the Company's activities and for the roles of the Company's Directors, Executives, and employees.
6. Encourage the Directors, Executives and Company Secretary to enroll in courses and attend seminars both locally and internationally as appropriate, as a way to enhance their management knowledge, capabilities, skills, and vision to ensure excellence and sustainability in the conduct of the Company's business and develop and improve their capabilities in line with the Company's corporate governance principles.



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7. Review the Company's Sustainability Development Roadmap and appropriated timeframe to enhance the Company's business for sustainability growth along with repaying to society, environment and stakeholders including consider and appoint Sustainability Development Working Team to propose to the Board of Directors for further approval.
  8. Review and set performance evaluation forms of the Board of Directors and Sub-Committees for evaluating performance of the Board of Directors and Sub-Committees in 2019 until further revision.
  9. For Good Corporate Governance Policy, Non-Executive Directors Committee (NED) was held in order to discuss the problems and freely comment on the Company management without Executives in the meeting. In 2019, NED held two meetings in which the meeting results were reported by NRC to Chairman of Executive Committee, CEO and President for the improvement of the Company internal management including strengthen the cooperation between Directors and Executives.

The Committee reported the outcomes of its meetings to the Board of Directors regularly. In 2019, the Committee performed their roles under the Charter to the best of their ability and exercised prudence when giving their independent, useful advice to the Board of Directors, the shareholders, and all stakeholders, as appropriate.

On Behalf of the Nomination, Remuneration, and Corporate Governance Committee



Mr. Somprasong Boonyachai  
Chairman of the Nomination, Remuneration, and Corporate  
Governance Committee

## Internal Control System

The Board of Directors is aware of the importance of having a good internal control system that is efficient and adequate for business operations in accordance with the principles of good corporate governance. In this regard, the Board of Directors assigned the Audit Committee to continuously review and evaluate the internal control system. The Audit Committee was assisted by the Internal Audit function, which is independent from management and reports directly to the Audit Committee, to evaluate all business units in accordance with the standards of the internal audit profession, in terms of conducting operations with effective and adequate controls so achieving business objectives can be assured and losses are minimized; financial reports are accurate and reliable; and information is disclosed adequately and in a timely manner.

Osotspa's system of internal control has continued to evolve with various enhancements in accordance with the guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is comprised of the following five components:

### 1. Control Environment

The Company strives to create a culture and environment of sound and effective internal controls across all business units. All management and employees have responsibility for internal control by operating the Company's business using a straightforward approach, acting with integrity and transparency, and treating stakeholders with honesty in accordance with the principles stated in the Company's Code of Conduct and the Corporate Governance Policy. The Company has communicated these policies and related expectations to all management and employees so they know how to comply, and assures compliance through its internal auditing and employee performance appraisal processes.

The Company's management and leadership team sets business objectives and develops operating plans for both the short term and long term, and determines related Key Performance Indicators for evaluating the performance of the business units. The Board of Directors has appointed sub-committees to provide oversight, including the Executive Committee; Nomination, Remuneration, and Corporate Governance Committee; Audit Committee; and Risk Management Committee, with charters that clearly define each committee's roles and responsibilities.

The duties of the Board of Directors are separate from those of management. The Company has an organizational structure appropriate for operating the business that considers

various factors, with critical roles appropriately segregated in accordance with good control concepts; lines of supervision and reporting defined; and roles and responsibilities for individual positions documented in job descriptions. Approval authority and review levels of Company's personnel are systematically defined and documented in the Schedule of Authority (SOA).

The Company has a Human Resources Administration Policy in place as a guideline for recruiting talented and qualified personnel, and employee development programs to strengthen their knowledge and unlock their potential.

### 2. Risk Assessment

The Company has a Risk Management Policy that is included as part of the Corporate Governance Policy as well as a specific policy on risk management framework. Communications and training in this area was conducted for management and employees to integrate risk management into the business processes across all operations.

Our risk management process is in line with the best practices of the risk management framework. The process includes risk identification covering external and internal factors that may impact the ability of the Company's operations to meet set business objectives including strategic, operating, financial, investment, and compliance aspects; and assessment of risks with regard to their likelihood and potential impacts. All management has the duty to manage risks. The Risk Management and Compliance Unit has the duty to co-ordinate, advise, and monitor all units and periodically report summarized status and progress to the Risk Management Committee so they can assess the program's effectiveness and advise appropriate and adequate mitigations for avoiding or reducing impacts.

### 3. Control Activities

The Company defines control measures in operating guidelines and procedures. Examples include determining approval authority limits; segregation of duties among approval, recording/accounting, and asset custodianship for the purpose of checks and balances; and establishing both preventive and detective control measures.

The Company developed a clear Conflict of Interest Policy that is included as part of the Corporate Governance Policy. The policy prohibits Directors, management, and employees from seeking personal gain or benefits conflicting those of the Company. In addition, the Company has a Connected Party Transaction Policy, which provides guidance for entering into transactions with related parties and connected persons. Transactions with a related party and with connected persons require a review by the Audit Committee.

The Company has an Internal Control Unit staffed by employees with knowledge of and expertise in the internal control system. The unit supports core business processes development for continued improvement to suit changing business conditions and environments by assessing and designing work processes and building in controls to fit the risk assessed. This includes supporting business units in developing operating guidelines and procedures, and providing advice for putting controls appropriate for the operations in place.

#### **4. Information and Communication**

The Company recognizes the importance of the information management system. This includes the communication and disclosure of information that is accurate, credible, and timely; the management of information flows in supporting timely business decision making; security of the information system; safeguarding and protecting information; efficient business continuity; and information system recovery plans or measures to counter cyber-security threats. The Company has also put in place guidelines for document retention with complete indexing that facilitates retrieval in case of audits.

The Company established an Investor Relations function to co-ordinate and communicate with our investors and shareholders. We have a customer service hotline at (+66) 2351-1111 as a channel for the public to get information about our products. In addition, the Company provides channels for insiders and outsiders to lodge complaints or communicate about other matters by e-mail (hotline@osotspa.com), through our website (www.osotspa.com), or by writing directly to the Chairman of the Audit Committee, the Board of Directors, or the Head of Internal Audit.

#### **5. Monitoring Activities**

The Company has an Internal Audit function, which reports directly to and receives functional guidance from Board's Audit Committee. The Internal Audit conducts audits across all business units, according to annual audit plan as approved by Audit Committee, for evaluating the adequacy and effectiveness of established controls and compliance with company policies and procedures in accordance with internationally accepted internal audit profession standards. With the organizational design, the Internal Audit has unrestricted access to all information and operation of the company as well as can independently express opinion on audit results.

The audit findings and results are reported to respective functional management including the Chairman of Executive Committee and CEO, the President and Osotspa Leadership Team (OLT), with the summary presented and reviewed with the Audit Committee meetings. The functional management has direct responsibility in addressing the identified control gaps/weaknesses with support from Internal Control function. Control gaps closure is monitored and tracked by Internal Audit regularly, with overall progress and status of open gaps periodically reviewed with OLT for ensuring timely and appropriate corrective actions. The Audit Committee has meetings scheduled in the year for reviewing matters as chartered by the Board including the review of summary of audit results and effectiveness of management actions in follow up for correction of control gaps or weaknesses with Internal Audit, review of integrity of the company financial reporting, and information disclosure adequacy with the management.

At meeting number 02/2020 on 26 February 2020, the Board of Directors evaluated the adequacy of the Company's internal controls. The concluded opinion was consistent with that of the Audit Committee, which was that the internal controls in place were adequate, appropriate for the size and complexity of the business and current conditions of the Company, and that there were no significant control weaknesses that would have material impacts on the Company's operations. However, the Board of Directors encourages management to continue enhancing the standards of the internal control system. The Company believes that a sound internal control system will help to increase confidence in our corporate governance practices, which will enable sustainable business growth and, in turn, create value for stakeholders and shareholders over the long term.

### **Internal Audit Office**

#### **Purpose and Mission:**

The purpose of Osotspa Group's internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. The mission of the internal audit function is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insights. The internal audit function helps the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

### Scope of Internal Audit Activities:

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Company. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the Company's strategic objectives are appropriately identified and managed.
- The actions of the Company's officers, Directors, employees, and contractors are in compliance with the Company's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Company.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and adequately protected. The Head of Internal Audit will report periodically to senior management and the Audit Committee regarding:
- The internal audit function's purpose, authority, responsibility, plan, performance relative to its plan, and resource requirements.
- The internal audit function's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee.
- Results of audit engagements or other activities and unacceptable responses to risks by management.

The Head of Internal Audit also co-ordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit function may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit function does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

### Responsibilities:

The Head of Internal Audit has responsibility to the Audit Committee and senior management as follows:

- Submit a risk-based internal audit plan for review and approval at least annually
- Review and adjust the internal audit plan, as necessary, in response to changes in Osotspa's business, risks, operations, programs, systems, and controls.
- Communicate the impact of resource limitations on the internal audit plan, and any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact the Company are considered and communicated to senior management and the Audit Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit function.
- Ensure adherence to the Company's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Audit Committee.
- Ensure conformance of the internal audit function with the Standards, using the following qualifications:
- If the internal audit function is prohibited by law or regulation from conformance with certain parts of the Standards, the Head of Internal Audit will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
- If the Standards are used in conjunction with requirements issued by other authoritative bodies, the Head of Internal Audit will ensure that the internal audit function conforms to the Standards, even if the internal audit function also conforms to the more restrictive requirements of other authoritative bodies.



## PROFILE OF INTERNAL AUDIT

### MRS. KANRAWE SANGNIKORNKIAT

Age 45

#### POSITION

- Head of Internal Audit

#### SHARE POSSESSION (%)

- None

#### RELATIONSHIP WITH OTHER DIRECTORS AND EXECUTIVES

- None

#### EDUCATION

- Master Degree Major Industrial Economic from The National Institute of Development Administration
- Bachelor Degree Major Accounting Information System from Chulalongkorn University

#### CERTIFICATION

- Certified Internal Auditors (CIA)

#### PROFESSIONAL EXPERIENCE

##### Position in other listed companies in SET

- |           |   |
|-----------|---|
| 2017-2018 | • Director of Internal Audit,<br>Thoresen Thai Agencies PCL                       |
| 2015-2017 | • Head of Group IT Audit,<br>Kiatnakin Phatra Financial Group                     |
| 2006-2015 | • Head of Application Audit<br>Section, CIMB Thai Bank PCL                        |
| 2003-2006 | • Senior Accountant,<br>Eastern Water Resources Development and<br>Management PCL |

##### Position in other companies/businesses

- |           |  |
|-----------|--|
| 2001-2003 | • Financial & Accounting Manager,<br>Thai-Scan Water System Co., Ltd.      |
| 2000-2001 | • Senior Consulting Manager,<br>East-West Consulting & Education Co., Ltd. |
| 1998-2000 | • Senior Accountant,<br>Colorlux (Thailand) Co., Ltd.                      |

Below is a list of connected transactions that the Company and/or our subsidiaries have entered into, with persons/companies who may have a conflict of interest, for the year ended 31 December 2019.

Connected Person/Company	Relationship	Transaction	Value (Baht)	Necessity and rationale of the transaction
Mr. Ratch Osathanugrah	<ul style="list-style-type: none"> <li>Vice Chairman of the Board of Directors Shareholder of the Company and is one of the beneficiaries of Orizon Limited, which holds majority shares in the Company</li> </ul>	<ul style="list-style-type: none"> <li>Land and building rental expense</li> </ul>	9,700,000	<ul style="list-style-type: none"> <li>The Company entered into a lease agreement with Mr. Ratch Osathanugrah in order to lease 9 Rai 51 square meters (14,604) square meters, excluding the front plot of land (30 m. x 30 m.) and the building located at No. 15/3 Moo 2, Vibhavadi-Rangsit Road, Lat Yao Sub-district, Chatuchak District, Bangkok to be used for our publishing and packaging factory.</li> <li>The Company executed the lease contract on 30 August 2016 for a term of three years from 1 August 2016 to 31 July 2019. Under the contract, the rental fee is THB 800,000 per month. Subsequently, the Company renew the lease contract for another three years from 1 August 2019 to 31 July 2022. Under the new contract, the rental rate is THB 800,000 per month for 1 August - 30 November 2019 and the new rate of THB 900,000 per month was applied since 1 December 2019.</li> <li>Rental rates and rental conditions are as agreed between the parties and the rental rate and conditions are consistent with the nearby land and building rental rates.</li> </ul>
Mr. Thana Chaiprasit	<ul style="list-style-type: none"> <li>Director and Vice Chairman of the Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>Revenue from sales of goods</li> </ul>	67,202	<ul style="list-style-type: none"> <li>Greensville Co., Ltd., a subsidiary of the Company, sold personal care gift sets to Mr. Thana Chaiprasit during the New Year festival and at a sales price determined by cost plus a margin. The sales price and trade terms are on an arm's length basis for non-related persons.</li> </ul>
Dynamic Engineering Consultant Co., Ltd. (Engineering and Financial Activities Consultant)	<ul style="list-style-type: none"> <li>Mr Salin Pinkayan, an Independent Director, a member of Risk Management Committee and a member of the Nomination Remuneration and Corporate Governance Committee to the Company, is the Director of Dynamic Engineering Consultant Co., Ltd. and holds a direct and indirect shareholding of 46.75%.</li> </ul>	<ul style="list-style-type: none"> <li>Plant architectural conceptual design and plant construction management and control (Remark: For accounting purpose, the conceptual design and construction management and control were booked as a part of plant construction in asset.)</li> </ul>	2,700,000	<ul style="list-style-type: none"> <li>Greensville Co., Ltd., a subsidiary of the Company, engaged Dynamic Engineering Consultant Co., Ltd. to do the architectural conceptual design, manage and control a plant construction with respect to our new powder manufacturing plant, located in Ladkrabang Industrial Estate, Bangkok, given the value of new plant construction is higher than repairing the old plant. Greensville Co., Ltd. then engaged Dynamic Engineering Consultant Co., Ltd. to do the architectural conceptual design, manage and control for the new plant construction.</li> <li>A bidding process was held by our subsidiary according to our selection and engagement procedures. Dynamic Engineering Consultant Co., Ltd. was the successful bidder, as it had the lowest bid when compared to the prices proposed by other companies.</li> </ul>

Connected Person/Company	Relationship	Transaction	Value (Baht)	Necessity and rationale of the transaction
Bangkok Engineering Service & Technology Co., Ltd. (Environmental and Financial Activities Consultant)	<ul style="list-style-type: none"> <li>Mr Salin Pinkayan, an Independent director, a member of Risk Management Committee and a member of the Nomination Remuneration and Corporate Governance Committee to the Company, is the Director of Bangkok Engineering Service &amp; Technology Co., Ltd. and holds a direct and indirect shareholding of 44.00%.</li> </ul>	<ul style="list-style-type: none"> <li>Waste water analysis and water sampling services</li> </ul>	99,700	<ul style="list-style-type: none"> <li>Siam Glass Industry Co., Ltd., a subsidiary of the Company, engaged Bangkok Engineering Service &amp; Technology Co., Ltd. to provide water analysis and water sampling services. Bangkok Engineering Service &amp; Technology Co., Ltd. is a service provider with the relevant license required by law and consistently offers services in accordance with the rules prescribed by the law.</li> <li>The proposed price from Bangkok Engineering Service &amp; Technology Co., Ltd. to the subsidiary for the services is comparable to the proposed prices received from other companies.</li> </ul>
Chaengwattana Avenue Co., Ltd. (Food and Beverages)	<ul style="list-style-type: none"> <li>Common directors are as follows: <ul style="list-style-type: none"> <li>Mr. Thana Chaiprasit</li> <li>Mr. Pratham Chaiprasit</li> </ul> </li> <li>Mr. Thana Chaiprasit, Director and Vice Chairman of the Executive Committee, holds 49.98% of the shares in Chaengwattana Avenue Co., Ltd.</li> <li>Mr. Pratham Chaiprasit, Director and Vice Chairman of the Executive Committee, holds 30.00% of the shares in Chaengwattana Avenue Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Other expenses</li> <li>Other payables</li> </ul>	100,000 96,000	<ul style="list-style-type: none"> <li>The Company purchased food and beverages from Chaengwattana Avenue Co., Ltd. for the Retired Employee and Long Service Award Recognition Ceremony for our valued employees. This event was arranged as per the Company's well-being policy. Chaengwattana Avenue Co., Ltd. is a professional catering service provider that offered a reasonable price and complied with our selection and engagement procedures.</li> </ul>
Bell Pepper Co., Ltd. (Business Consultant)	<ul style="list-style-type: none"> <li>Mr. Viwat Krisdhasima, a key member of management, is the Director of Bell Pepper Co., Ltd.</li> <li>Mr. Viwat Krisdhasima, a key member of management, and his related persons hold a total of 100.00% of the shares in Bell Pepper Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Consultant expense</li> <li>Other payables</li> </ul>	2,976,000 240,000	<ul style="list-style-type: none"> <li>The Company engaged Bell Pepper Co., Ltd. to advise, suggest, and improve on the efficiency of our work processes.</li> <li>The Company paid the consulting fee as per the contract which was considered from their long experience in procurement management and the understanding of the nature of our business.</li> </ul>

## Connected Transaction Policies

The Board of Directors of the Company approved the policy and guidelines on the entry of connected transactions and related party transactions of the Company with related persons or juristic persons, or persons or juristic persons who may have a conflict of interest in the future with the Company, in compliance with the law governing securities and exchange and the relevant notifications, requirements, regulations, and rules prescribed by the Thai Securities and Exchange Commission (SEC), the Capital Market Supervisory Board, the SEC Office, and the Stock Exchange of Thailand (SET), in order to ensure that the entry into such transactions are transparent, free of any transfer of benefits, and are in the best interests of the Company and its shareholders. The Company will comply with the requirements in relation to the disclosure of the related party transactions in the auditor's notes shown in the audited financial statements and annual report (Form 56-1).

In the case where any connected transaction requires approval by a meeting of the Board of Directors or a meeting of shareholders of the Company, the Company will arrange for the Audit Committee to hold a meeting to consider and approve such transaction based on necessity and reasonableness, and the opinion of the Audit Committee on such transaction will be proposed at the meeting of the Board of Directors or the meeting of shareholders of the Company, as the case may be, in order to ensure that the entry into such transactions benefit and are in the best interest of the Company and its shareholders. The Company will adhere to the following principles while considering any such transaction:

### Entry into transactions which are commercial agreements on conventional commercial terms

The Company's management may approve a connected transaction, or related party transaction, which is a commercial agreement on normal commercial terms between the Company, or its Group companies, and its Director, Executive, related person/juristic person, or person/juristic person which may have a conflict of interest if the value of the transaction does not exceed the limit prescribed by the provisions of the SET, the Capital Market Supervisory Board, and the SEC Office, and provided that it is a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiations and without any dependent interest resulting from the status of the Director, Executive, related person/juristic person, or person/juristic person which may create a conflict of interest, as the case may be. Further,

the commercial terms of such transaction shall have been approved by management or shall be in compliance with the principle approved by the Board of Directors; however, if such transaction is of medium or large value as prescribed by the provisions of the SET, the Capital Market Supervisory Board, and the SEC Office, the transaction must be approved by the Executive Committee. Upon approval by the Board of Directors or the Executive Committee, as the case may be, the transaction must be proposed for review by the Audit Committee and disclosed in the Annual Registration Statement and Annual Report of the Company.

### Entry into transactions which are commercial agreements on non-conventional commercial terms

Entry into transactions which are commercial agreements on non-conventional commercial terms must be reviewed and opined by the Audit Committee. The Audit Committee will consider the necessity and reasonableness of the transaction with respect to the transaction's price by taking into consideration normal commercial terms applicable in the same industry, making a comparison with an independent third party's price, market price, price, and terms on an arm's length basis and the reasonableness and fairness of the transaction's price or terms. The Audit Committee will then propose its opinion to the Board of Directors for approval. However, if the value of the transaction exceeds the limit prescribed by the provisions of the SET, the Capital Market Supervisory Board, and the SEC Office, after the transaction has been approved by the Board of Directors, it must be proposed for further consideration and approval by a meeting of the shareholders of the Company.

### Future related party transactions

Any entry into connected transactions or related party transactions in the future between the Company or its Group companies and its related person/juristic person or person/juristic person which may have a conflict of interest, will be made in compliance with the SEC Act and the relevant regulations, notifications, orders or provisions of the Capital Market Supervisory Board, SEC, and SET. To enter into any future related party transaction, the best interest of the Company and all its shareholders must be taken into account, no benefit can be transferred from the Company or its shareholders, and the entry into such transactions must be transparent.



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In case of transactions in the ordinary course of business of the Company which may be recurring in the future, the Company will determine the rules and practice guidelines according to its normal course of business based on prices and terms which it believes are appropriate, fair, reasonable, and verifiable. The transaction will then be proposed to the Audit Committee to give an opinion on the reasonableness of the transaction. The Company may also arrange for a qualified expert, such as an independent auditor or appraiser, to give an opinion on the

transaction as the independent asset appraiser. The opinion of the Audit Committee or such qualified expert will be provided to the Board of Directors or shareholders of the Company, as the case may be.

Further, any director having an interest in the related party or connected transaction being proposed to the Board of Directors will not attend the meeting of the Board of Directors at which the entry into such transaction is being considered.

# POWER FOR SUSTAINABLE LIVING



**SUSTAINABILITY REPORT 2019**

# SUSTAINABILITY AT OSOTSPA

Osotspa's focus on sustainability revolves around three core pillars: enhancing quality of life, sharing economic opportunities, and reducing environmental impacts throughout its value chain. The Company believes these lay a solid foundation for resilient business growth while readying the Company for new challenges and opportunities amid a more volatile business environment. The Company considers its employees to be an overall driving force for sustainability, forming the fourth pillar of its sustainability framework.

### Sustainability Management Structure

The Company has designated the External Affairs & Sustainability Department as the principal unit for driving the sustainability agenda within the organization. The unit works closely with business and functional units at all levels, including the Board of Directors, to ensure strategic alignment and progress along Osotspa's Sustainability Roadmap.



## Vision & Framework for Sustainability

### Vision for Sustainability

“Enhancing Sustainable Living” is a commitment to enhancing the quality of life, sharing economic opportunities and reducing environmental impacts throughout our value chain.

#### Sustainable Product Brands



##### Social

Enhancing the quality of life

Promoting health & well-being through our products.

- Offering products made with high quality ingredients/ natural & organic ingredients
- Promoting health & well-being for all consumer segments
- Supporting the fighting spirits of all Thais

Promoting equal opportunities and supporting disadvantaged people and communities.

#### Sustainable Organization



##### Economic

Sharing economic opportunities for long term growth

Providing safe and high-quality products that meet diverse consumer needs, enhance economic values through product innovations, develop SME suppliers and partners to grow their business together with Osotspa

- Support small-scale herb farmers
- Communicate OSP Code of Conduct and Sustainability (ESG) values

Create an ecosystem to improve competitiveness of mom & pop's stores with digital technology & know-how.



##### Environment

Reducing environmental impacts throughout our value chain

Implement the 3Rs' Principles: Reduce, Reuse, Recycle, to our business:

- Reduce water and energy consumption, waste generated per unit output
- Control air emissions from manufacturing process, as well as greenhouse gas intensity (Scope 1 and Scope 2)
- Maintain high glass/cullet recycling rate

Reduce impact from waste through innovative packaging solutions.



##### People

Cultivating sustainability mindset among all employees

- Good governance and transparency
- Creating a better workplace
- Encouraging sustainable lifestyle, from our people to society



## Material Issues Assessment

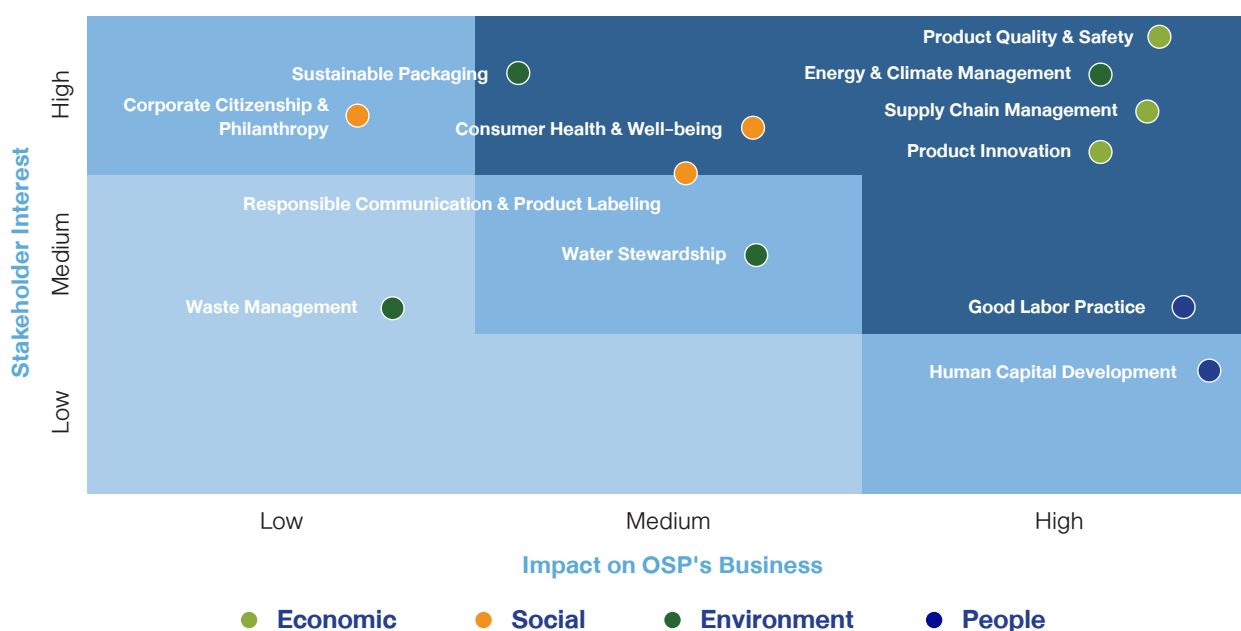
The Company conducted a formal assessment of the material sustainability issues facing it for the first time in 2019. The assessment identified key economic, social, environmental and human capital topics of interest for stakeholders which have high potential to impact business performance. Upon conclusion of the assessment, the findings were validated by the Board-level Nomination, Remuneration, and Corporate Governance Committee (NRC), and subsequently endorsed by the Board of Directors.

## Materiality Assessment



## 2019 Material Issues Matrix

The Company has identified 12 material sustainability issues and prioritized these by 3 levels of significance, as follows:



## Alignment with UN Sustainable Development Goals (UN SDGs)


As a member of the global community, Osotspa realizes its duty to contribute towards the achievement of the 17 UN Sustainable Development Goals (UN SDGs). The areas in which the Company can play a significant role are Goal 3: Good Health and Well-being, and Goal 12: Responsible Consumption and Production.

Material Sustainability Issues and Alignment with SDGs	Business Impacts and Our Approach for Achieving the SDGs
<b>Consumer Health and Well-being</b> 	<p>The Company is committed to developing new products and improving existing products so as to create healthy alternatives and respond to the needs of all groups of consumers. Our growth strategies include:</p> <ol style="list-style-type: none"> <li>1. Considering the consumer health risks and diverse needs in product design and development to be more responsive to variety of consumer segments.</li> <li>2. Developing innovative products based on herbal ingredients with specific health benefits.</li> </ol>
<b>Sustainable Packaging</b> 	<p>Actively promote recycling and material recovery throughout our value chain, including raw-material sourcing, manufacturing, logistics, and post-consumption phases, to reduce environmental impacts and lower dependence on natural materials.</p>



## Stakeholder Engagement

Osotspa categorizes stakeholders into six groups. We address stakeholder expectations through a variety of channels of engagement, taking into account appropriateness and benefits for stakeholders.

Stakeholders	Stakeholder Expectations	Channels of Engagement
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Commit to corporate governance</li> <li>• Protect the interest of the Company and shareholders</li> <li>• Treat shareholders equally and fairly</li> <li>• Strive to maximize shareholder satisfaction through growth in the Company value</li> <li>• Disclose information transparently and reliably</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (<a href="https://www.osotspa.com/">https://www.osotspa.com/</a>) Investor Relations Section</li> <li>• Annual Report (available on website)</li> <li>• Annual General Meeting</li> <li>• Quarterly financial reports</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Provide quality products and services while continuing to improve the standards</li> <li>• Disclose complete and accurate information on products and services as per legal requirements and avoid false claims</li> <li>• Do not disclose confidential customer information without consent or without legal grounds</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (<a href="https://www.osotspa.com/">https://www.osotspa.com/</a>)</li> <li>• Annual Report (available on website)</li> <li>• Meetings, conferences, inspections and factory visits</li> <li>• Annual survey</li> <li>• Complaint channels</li> </ul>
<b>Business Partners and Lenders</b> 	<ul style="list-style-type: none"> <li>• Any business relationship with business partners must not harm the Company's reputation and must be lawful</li> <li>• Consider equality and mutual benefits when dealing with business partners</li> <li>• Fair selection of business partners</li> <li>• Commit to the contract and follow lender's conditions on paying back loan principal, interest, and any collateral</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (<a href="https://www.osotspa.com/">https://www.osotspa.com/</a>)</li> <li>• Annual Report (available on website)</li> <li>• Meetings, conferences, inspections, and factory visits</li> <li>• Annual audits</li> <li>• Telephone, emails</li> <li>• Complaint channels</li> </ul>
<b>Society, Community, and Environment</b> 	<ul style="list-style-type: none"> <li>• Organize projects and activities for community and society development on a regular basis</li> <li>• Support activities that benefit society at large and refrain from any violation of laws</li> <li>• Support activities in the local community in which the Company operates by emphasizing environmental impacts</li> <li>• Adhere to a policy to provide products and services which are environmentally-friendly and comply with environmental laws</li> <li>• Sponsor activities that contribute to energy and environment conservation and follow a policy to select and support the production and use of environmental friendly products</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (<a href="https://www.osotspa.com/">https://www.osotspa.com/</a>)</li> <li>• Annual Report (available on website)</li> <li>• Meetings, conferences, inspections and factory visits</li> <li>• Annual audits</li> <li>• Telephone, emails</li> <li>• Complaint channels</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Develop employee skills and foster a healthy working environment</li> <li>• Promote teamwork, treat employees in a polite manner, and respect individual rights</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (<a href="https://www.osotspa.com/">https://www.osotspa.com/</a>)</li> <li>• Annual Report (available on website)</li> <li>• Quarterly Town Hall</li> <li>• Intranet, OSP Life Mobile Application</li> <li>• Annual performance evaluation (twice yearly)</li> <li>• EES Pulse Survey and annual employee satisfaction survey</li> <li>• Welfare Committee meetings</li> </ul>
<b>Competitors</b> 	<ul style="list-style-type: none"> <li>• Conduct business operations with consideration of fair competition in accordance with relevant laws and regulations and refrain from unethical acts aimed at destroying competitors</li> <li>• Adhere to a policy that prohibits unlawful and unethical collection of information about competitors</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (<a href="https://www.osotspa.com/">https://www.osotspa.com/</a>)</li> <li>• Annual Report (available on website)</li> </ul>

# ENHANCING THE QUALITY OF LIFE

Osotspa is committed to conducting its business in a manner that not only maximizes profits but also fulfills its global roles, duties, and responsibilities. Enhancing the quality of life and properly addressing the needs of stakeholders are in line with the founding principles of Osotspa, originally called Teck Heng Yoo — meaning “growing by helping others”.

## Consumer Health & Well-Being

We are committed to developing products that meet the needs of consumers of all genders and age groups. We provide high quality products using premium natural raw materials aimed at enhancing the quality of life and overall health of consumers.

Osotspa is committed to conducting research and development so as to provide high-quality, safe, tasty, and healthy products that meet the needs of consumers. Our endeavors on this front include:

- Taking into account consumer health risks by reducing the amount of sugar in our beverages
- Developing beverages with health and energy benefits through the addition of herbal ingredients, e.g. ginseng, Thai black galingale, etc.
- Utilizing market research and consumer surveys to introduce products with specific ingredients that target consumer groups



Personal care comprises baby care products, women’s beauty care products, and male grooming products. In 2019, we put our efforts into creating natural products that are mild and safe for babies. We introduced a premium organic brand that became the first brand in Thailand to secure the COSMOS organic certification, bolstering consumer confidence. We are working to raise our production capacity for personal care products to 53,820 tons per year.



### Responsible Communication & Product Labeling

Effective marketing communication can help strengthen brand image and differentiate products from competitors. Osotspa focuses on communicating through product labels and advertisements that adhere to responsible and fair marketing practices. We do not advertise through unethical techniques and avoid practices that could create misunderstanding about the products. These include no use of false information, exaggerations, or any content that could negatively impact society at large.

Labeling is key to communicating product information to consumers and must comply with applicable laws and regulations. The Company strictly controls its labeling and avoids ambiguous information which might cause misunderstanding. The labels are designed to be easy to see and understand and meet the requirements of local laws as well as international standards.

Osotspa designs the labels on the product's packaging to provide consumers with information on nutrition, ingredients, amount of the product, storage method, usage, manufacturing date, expiry date, best before date, manufacturer details, and relevant warnings. The labels enable consumers to make informed decision about the products they want to purchase. The product labels also provide information on the consumer hotline (02-351-1111). This helps facilitate consumers seeking to inquire or file complaints about the product.



### Corporate Citizenship & Philanthropy

The Company has focused its efforts on applying its expertise on assisting people with disabilities to become more independent and enjoy a better quality of life, while also supporting various public health projects.

#### Quality of Life

Osotspa has initiated the "Life must go on" project which aims to empower those who used to be the breadwinners of their families before becoming disabled after serious illness or accidents. The project helps those with disabilities move forward with their lives by focusing on rebuilding their physical strength, mental well-being, and economic power, and fostering greater self-reliance as well as income opportunities. To improve the living quality of people with disabilities, the Company collaborates with local networks, including local government organizations and public health agencies to carry out home renovations that match the needs of the disabled. Such renovations include installing handrails, new lavatories and wheelchair-friendly entrances. In 2019, Osotspa, together with over 600 OSP Hero volunteers and about 1,200 volunteers from local agencies and communities, completed 30 home renovations. The Life must go on project also supports sustainable living for the disabled by promoting employment opportunities that enable them to earn an income and support their families. The project provides career support across three categories: organic farms, basketwork, and wooden furniture. The project also develops branding and marketing for each group. Products from the organic farms are sold under the "Kin Dee" brand, the baskets are sold under the "Handy" brand, while the furniture is sold under the "Yoo Dee" brand. The project also helps set up online shops to expand the markets of these products. At present, the disabled who joined the project have seen increases of 3,000 to 6,000 Baht in their monthly income. This helps improve living quality, happiness and ability to move forward. In 2019, Osotspa helped 30 families of the disabled in Saraburi province and Ayutthaya province.



Thank you Osotspa.  
Now, I no longer see myself  
as a handicapped person,  
but a proud and confident  
carpenter.

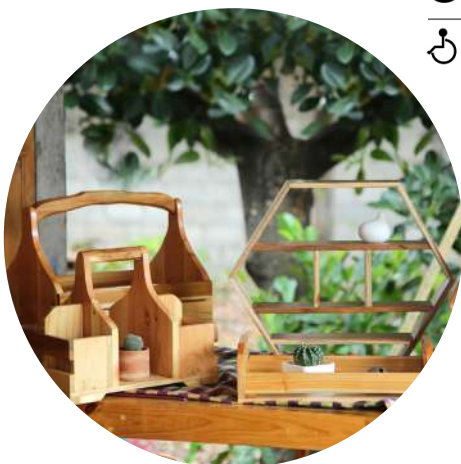
Somporn Sarnngern  
A participant from Life must go on project.





กินดี

อยู่ดี

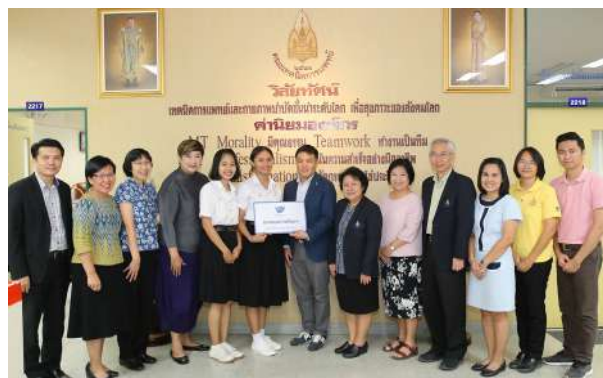


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## Education

Osotspa Foundation awards scholarships to medical, pharmaceutical and nursing students. Recently, scholarships were granted to students of the Faculty of Associated Medical Sciences in order to increase the number of local physical therapists who can support the Life must go on project. In 2019, the foundation granted 20 scholarships, totaling THB 900,000. These scholarships allow recipients to support their communities by improving access to local healthcare and services.



## Public Health

Osotspa Foundation has sponsored the dental prosthesis plan, a Royal Project, since 2008. In 2019, the foundation donated THB 1,046,000 to provide dentures to 128 senior citizens in Samut Prakan province. The foundation also sponsored Banphaeo Hospital to provide cataract surgery for 127 disadvantaged residents. Moreover, the foundation sponsored the building of the standard dialysis treatment room of Banphaeo General Hospital in Samutsakhon province.



# SHARING ECONOMIC OPPORTUNITIES FOR LONG-TERM GROWTH















We are committed to developing a variety of innovative products and services in order to keep up with rapid shifts in the competitive landscape. Osotspa is also ready to help small business owners and communities by sharing economic opportunities for long-term growth.

## Product Quality & Safety

The Company focuses on producing and developing high-quality and safe products that meet the needs and satisfaction of all consumers. We ensure this by sourcing quality raw materials, implementing precise production technology that meets safety and quality standards, applying hazard analysis and critical control points, and implementing a quality management system throughout the organization. The Company's operations are certified under international

management system standards such as ISO 9001, HACCP, and GMP.

We emphasize quality services to achieve the highest level of customer satisfaction. This includes managing complaints and working diligently to improve any flaw that could occur during the production and/or provision of products and services. To build a sustainable relationship with customers, our Osotspa Call Center (tel. 02-351-1111) welcomes complaints or suggestions directly from consumers and cooperates with relevant departments to ensure a timely response. In 2015 and 2017, the Company received an award for outstanding consumer call center from Thailand's Office of The Consumer Protection Board.

Plant Locations	Management Standards					
						
<b>1. Beverage Filling Plants</b>						
 Beverage Filling Plant, Huamak, Bangkok	✓	✓	(In Process)	-	-	-
 Beverage Filling Plant, Ayutthaya	✓	✓	(In Process)	(In Process)	-	-
 Beverage Filling Plant, Min Buri, Bangkok	✓	✓	✓	-	-	-
<b>2. Personal Care Plants</b>						
 Personal Care Liquid Plant, Greenville Factory, Ladkrabang, Bangkok	-	-	-	(In Process)	-	-
 Personal Care Powder Plant, Greenville Factory, Ladkrabang, Bangkok	✓	-	-	-	✓	✓
<b>3. Glass Factories</b>						
 Siam Glass Industry Factory (SGI), Samutprakarn	-	-	-	✓	-	-
 Siam Glass Ayutthaya Factory (SGA), Rojana Industrial Park, Ayutthaya	-	-	-	✓	-	-
 Osotspa Ayutthaya Factory (AY), Ayutthaya	-	-	-	(In Process)	-	-





As part of achieving the highest level of product quality and safety, the Company seeks to consistently improve product recall performance. During 2019, the Company achieved its target of preventing product losses due to quality issues by implementing quality management throughout its value chain and applying control measures for suppliers and the Company's own operations.

### Supply Chain Management

Osotspa focuses on maintaining good relationships with business partners in order to strengthen cooperation and enhance potential for new collaborations. Our procurement policy outlines objectives to transparently and responsibly source raw materials, products, and services that meet business requirements, are appropriate to the date, location, and cost, and address the needs of the business unit and the operational environment. The Company treats all business partners fairly and equally and has documentation that is verifiable and easy to reference. We also emphasize that building healthy relationships with business partners must involve honest compliance with our business ethics, company regulations, and relevant laws.

Our Code of Conduct is sent to business partners as an appendix to the business contract between the Company and each partner so that partners can acknowledge, and comply with, our expectation of ethical business practice. Furthermore, in order to be on our approved vendor list, new business partners need to pass the New Vendor Evaluation which covers environmental, social, and governance

criteria. The evaluation can be divided into six parts: quality, finance, trading conditions, personnel/expertise, experience, and governance.

Business partners in our Approved Vendor List are required to undergo annual assessment to review regulations and practices and to ensure that they are complying with the Company's policy and practices. Our assessment involves two forms:

1. Assessment of the performance of business partners in the project - this assessment covers five topics: quality, price, correct and on-time delivery, aftersales and flexibility, and innovation and continuous improvement.
2. Assessment of the performance of business partners in the project in terms of product improvement (Osotspa Supplier Relationship Management) - this assessment covers five topics: quality, service/technicality/innovation, correct and on-time delivery, price, and support from the executives of the seller.

Before being added to the Approved Vendor List, business partners must score higher than 60 percent in both assessments. Those who do not pass the assessment (score lower than 60 percent) are allowed a window of time to improve performance and provide us with a corrective action plan before again entering the approval process to be in our Approved Vendor List.

Digital transformation has played a key role in the improvement of the Company's supply chain management. This involves utilization of Integrated Business Planning software to ensure more accurate supply chain management. Digitalization also supports development of sales and operations plans by facilitating the dissemination of such delivery plans to all sales departments in a more timely manner. This greatly benefits the balancing of inventory, service level, and profit. Our performance is measured through several key performance indicators, namely reduction of revenue loss

from inadequate stock, revenue gains from accurate estimations, reduction of inventory, and cost reduction from production and process changes.

Executives can now more easily assess plans for demand, supply, and financial results, which is important for consistent maintenance of the Company's overall business plan. Indeed, digital mediums support maximization of the Company's profit by enabling executives to take a holistic view of supply chain management.

### Product Innovation

With the goal of fostering business sustainability and securing our status as an organization with outstanding product innovation in Thailand and ASEAN, we set the target of allocating 1-3% of our revenue as R&D spending per year. We formally opened an R&D Lab at our headquarters in early 2019 and established Osotspa Innovation Center at the Thailand Science Park in Pathum Thani province, under the operation of Osotspa Innovation Center Co., Ltd. in the middle of the year. Backed by an investment of THB 62 million, the Center focuses on beverage production technology and keeping R&D in alignment with business expansion. Innovations from the Center benefit our product portfolio, allow us to better address rapid industry changes, hone our competitiveness, and drive the Company towards efficiency and sustainability.

The objectives of Osotspa Innovation Center include researching and developing products and raw materials that are safe and promote consumer health. The Center also develops prototypes, ensures quality, and utilizes knowledge of Thai herbs in developing food and beverage products. At present, Osotspa has more than 50 researchers working at the Huamak head office and the Innovation Center. The Center is equipped with modern equipment and benefits from the support of a network of researchers from the National Science and Technology Development Agency. We also have lab-scale equipment at the Center for producing prototypes without having to start a new production run at our factory.



### Open Innovation

**MOU on Academic Cooperation for Research and Development and Exchange of Knowledge on Mechanical Engineering**



Osotspa and the Faculty of Engineering and Architecture, Rajamangala University of Technology, Suvarnabhumi signed an MOU on Academic Cooperation for Research and Development and Exchange of Knowledge on Mechanical Engineering. The MOU enables us to develop spare parts domestically, helping to reduce costs by way of fewer imported parts while also contributing to personnel development. The partnership also serves to help develop Thailand's industrial sector over the long run. The MOU will be put into full action in 2020.

# REDUCING ENVIRONMENTAL IMPACTS THROUGHOUT OUR VALUE CHAIN

The Company is committed to proactively protect the environment and use natural resources in a responsible manner. We continuously develop environmentally friendly products and services to reduce environmental impact throughout our value chain.

Osotspa monitors three key environmental indicators: carbon footprint through greenhouse gas management, water footprint through assessment of water use and wastewater from the production process, and packaging which is managed from upstream to downstream. Our environmental management complies with the ISO14001:2015 management standard. We also manage our resource use efficiently following the 3Rs principles (Reduce, Reuse, and Recycle) in our business operations.

## Energy & Climate Management

Osotspa's energy management follows international standards and is in compliance with local regulations. Our objectives are to reduce energy cost and lower greenhouse gas emissions by:

- Using clean energy and reducing resource consumption in the production process — this is accomplished via the use of energy-saving and efficient blast furnaces, reusing glass bottles as raw materials, and utilizing a waste heat recovery system.

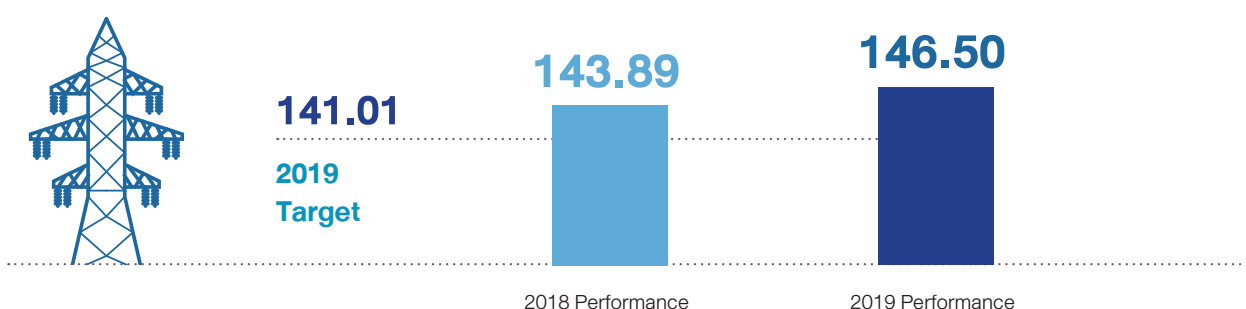
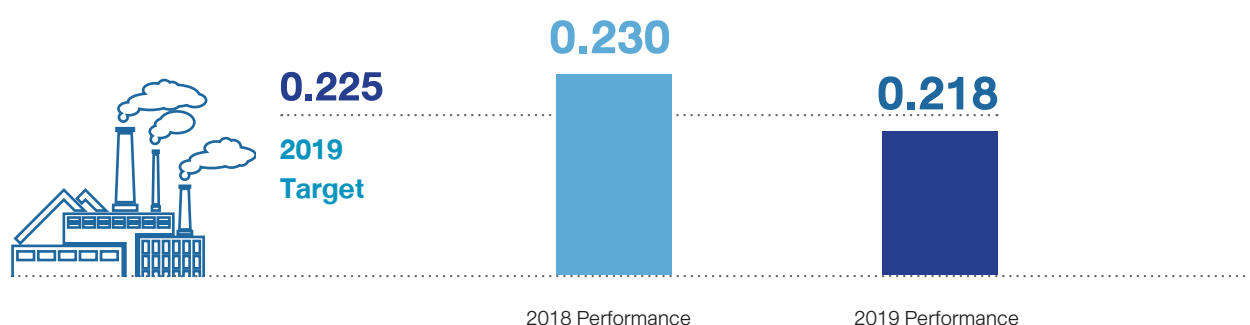
- Reducing fuel consumption in the production process by reusing waste heat from the glass bottle production facility to produce steam that can be used in the glass bottle cleaning process at the beverage production facility. This helps reduce the need for natural gas by more than 39,772 MMBTU annually, equivalent to the reduction of 2,356 tons of CO<sub>2</sub>.
- Using alternative energy from biomass made from palm husks and from solar energy.

For 2019, the Company's electricity intensity was 146.50 kilowatt-hours/ton, higher than the target and the 2018 base year by 1.8 percent (143.89 kilowatt-hours/ton). This was due to change in the production process to comply with safety standards e.g. more stringent glass bottle cleaning process.

In terms of greenhouse gas intensity, the Company generated 0.218 tons of CO<sub>2</sub> equivalent per ton of output, down 4.97 percent from 2018 (0.230 tons of CO<sub>2</sub> equivalent). This meets the target to reduce greenhouse gas intensity by two percent from 2018 to below 0.225 tons of CO<sub>2</sub> equivalent per ton of output.



## Electricity Intensity (kWh/ton product)

Greenhouse Gas Intensity (tCO<sub>2</sub>e/ton product)

## Water Stewardship

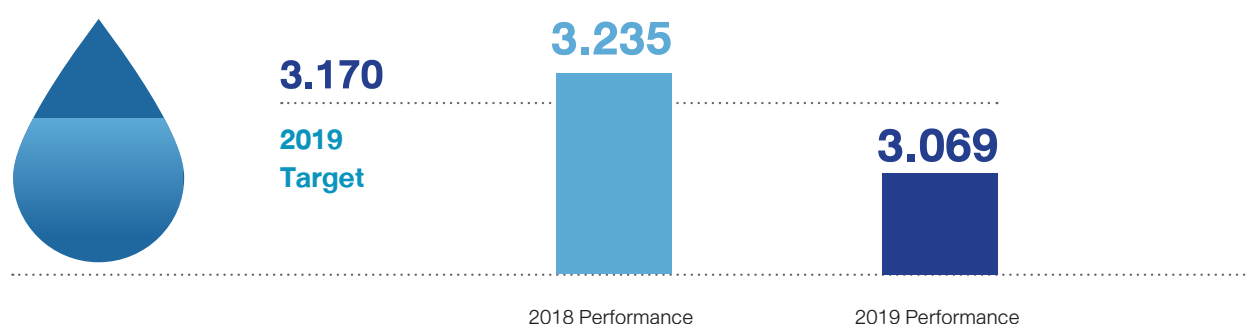
We emphasize the importance of environmental protection both within the facilities and the surrounding areas. Our focus is also on optimizing water resources, monitoring water use, and managing wastewater through our high-quality treatment unit. We regularly monitor environmental quality surrounding our operations.

For 2019, we targeted a two percent reduction in water intensity compared to 2018 (3.170 cubic meters/ton of production). Our aim was to help reduce impact on water resources in the surrounding communities. The end result of our efforts across all 10 facilities was the reduction of water use to 3.069 cubic meters/ton of production, surpassing our target and 5.1 percent lower than the level from 2018.

Areas that could be selected for construction of new facilities undergo an analysis of water scarcity risks and impacts to the surrounding communities with estimations of water use in the production process.

Wastewater from the production process is managed by recycling and reusing as much as possible before it is sent to our own wastewater treatment unit. A portion of treated wastewater is also used to irrigate trees around the facilities. We stringently and regularly monitor wastewater quality in compliance with the legal requirements and report results to the responsible departments for appropriate management.

## Water Intensity (cu.m./ton product)





## Waste Management

The Company's long-term target for waste management is to achieve zero landfill waste. We manage waste according to the 3Rs with the aim of reducing as much waste as possible from the production process and office. This ensures resource management is efficient and in line with the Circular Economy principle.



Our 2019 target was to reduce waste intensity from the production process by 50 percent (0.547 kg per ton). Our performance showed that we went beyond the target by reducing waste intensity to as low as 0.004 kg per ton. This is very close to our long-term target to achieve zero landfill waste.

Osotspa has segregated waste into 5 categories at the headquarters and factories, with the aim of segregating waste at the sources and increasing the recovery rate of recyclable waste. The Company raises awareness among employees through various channels, e.g. internal e-mails, VDO clips, and activity campaigns.

## Sustainable Packaging

Osotspa is one of the leading glass bottle manufacturers in Thailand with production capacity of 436,000 tons/year. The majority of the bottles we produce are used in the packaging of our products. More than 70 percent of our glass bottles are recyclable, particularly those used for our beverage products. These glass bottles not only help preserve quality and taste but can also be recycled into raw materials for making new bottles. This helps us fulfill our commitment to reduce resource use.

Apart from choosing blast furnace technology that features an efficient energy saving system, Osotspa also uses glass scraps as its main raw material (maximum 90 percent). This helps to reduce both greenhouse gas emissions and consumption of natural raw materials and energy in the production process. The process involves buying used glass

bottles and disassembling them (separating the aluminum cap from the bottle) before sending to the recycling process. Such measures help ensure that we optimize all the parts while also reducing waste.

For the plastic packaging in our personal care products and some of the beverage products, we have a policy to phase out the use of Polyvinylchloride (PVC) and start using recyclable plastic; this can be seen in the packaging of Organik by Babi Mild products. We train our efforts on sourcing plastic packaging that is recycle-ready, e.g. High-Density Polyethylene (HDPE), Polypropylene (PP), and Polyethylene Terephthalate (PET). We also promote the purchase of refill products which use less plastic than bottles. The Company targets to use as little plastic packaging as possible to drive the country's recycling effort.



**Over 70%**  
of Osotspa  
products are packed  
in recyclable glass  
bottles.



The recycle center buys  
used glass bottles and  
recycles them for new  
production.



Glass cullets are the main  
raw material for up to 90%  
of production which reduces  
energy consumption and  
natural resources in  
the process.



The waste heat from glass  
manufacturing plant is  
reused to generate steam  
for bottle cleaning process.



## PACKAGING MANAGEMENT FROM UPSTREAM TO DOWNSTREAM



### Recycling Center at Saraburi Province Accepts Glass Bottles from Any Brand

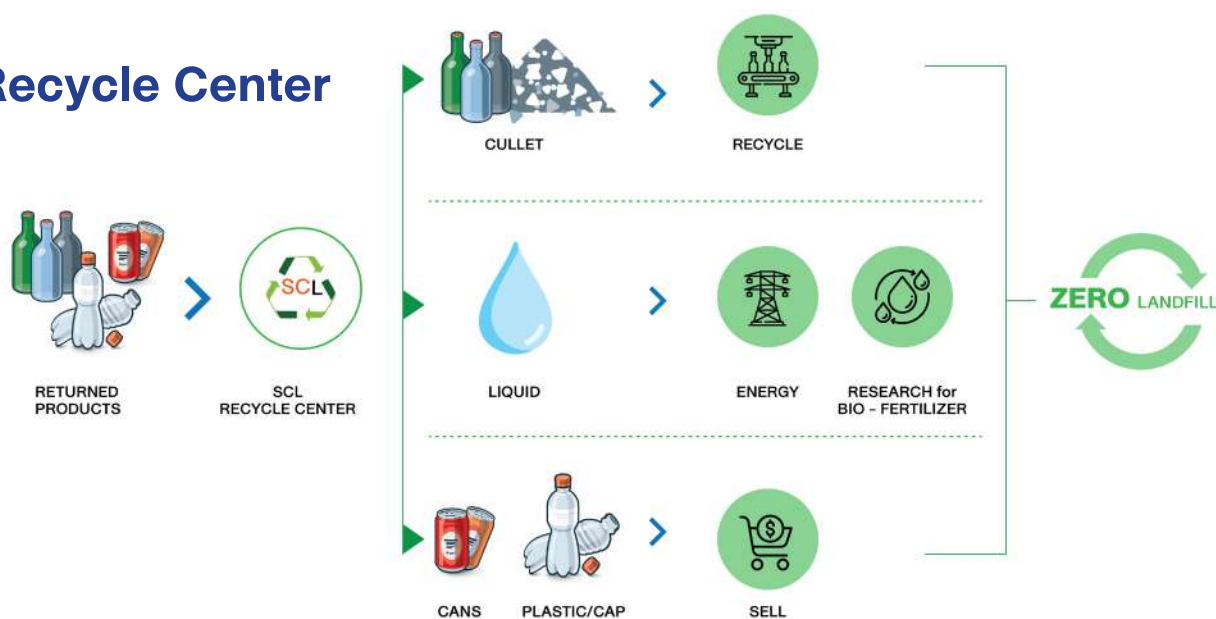
Osotspa recognizes that manufacturers serve as the linchpin of responsible waste management. Seeking to better manage product end-of-life, the Company has established a packaging recycling center at Saraburi province. Aimed at supporting Thailand's move towards sustainable consumption and production, our recycling center contributes to the reduction and recycling of waste by way of resource optimization. We also employed measures to minimize environmental impacts from our packaging by recycling raw materials from the production process into new products.

Operating since the third quarter of 2019, the recycling center separates approximately 100,000 pieces of glass bottles and cans daily. After packaging waste is received, it enters a waste separation system that is able to recycle each type of waste efficiently. For example, glass bottles and glass scraps would be sent for recycling into raw materials for new glass bottles.

Meanwhile the aluminum caps that were segregated are combined with cans and sent to facilities which specialize in aluminum recycling. We are also studying the utilization of liquid from packaging waste (e.g. from beverages and condiments). For example, converting them into fertilizer and plant additives.



### Recycle Center



# CULTIVATING A MINDSET OF SUSTAINABILITY AMONG EMPLOYEES



The Company uses the 70:20:10 model for employee development. Employees obtain 70 percent of their knowledge from job-related experience, 20 percent from coaching and mentoring, and 10 percent from formal classroom training and workshop as well as e-learning. This contributes to sustainable and effective learning of implementable knowledge.

Our Emerging Leader Program, which cultivates the potential of young leaders, completed its second year in 2019. Selected applicants will learn through job-related experience in their appropriate field throughout 2020. Participants in this program play an important role in enhancing the Company's potential, e.g. by creating new production lines at overseas operations, developing new products, and by developing customer relationship management strategies.

Employees are our most valuable asset and the key to the Company's success. We work hard to ensure that our employees are competent, that our working environment is healthy, and that teamwork is promoted while individuals are respected.

## Human Capital Development

The Company emphasizes enhancing employee potential to stay abreast of rapid changes in the industry. Developing employee skills and enhancing knowledge are crucial to driving the Company towards growth and creating an organization conducive to learning. This is addressed via our OSP Academy platform which supports development of modern skills and acquisition of relevant knowledge. We support self-learning that leads to lifelong learning. Our efforts are carried out through the provision of training programs that promote blended learning — a method that integrates into a single course knowledge and skills from different disciplines that can be utilized in real work situations.

It's such an opportunity for me to be part of the company that recognizes all employees and never leaves anyone behind.

**Kan Eiamsataporn**  
Participant of the first generation of  
Emerging Leaders Program



In addition, the Company also provides annual training and development programs. Details of each training course are announced on our learning platform. Each employee can apply for courses which suit his/her interests through their supervisor and Human Capital Business Partners (HCBP) via an application form on the Company's intranet.

## Good Labor Practice

We are committed to ensuring that our culture and working environment are healthy. We treat every employee with dignity and respect individuality and human rights in accordance with laws and regulations as well as domestic and international standards, specifically the United Nations Universal Declaration of Human Rights (UNDHR), the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In line with our Code of Conduct, all employees have equal opportunities in employment, appointment, and relocation without discrimination based on ethnicity, religion, gender, marital status, or physical disability and we ensure no forced labor.

The Company recognizes the importance of providing employees with a safe and healthy working environment to prevent accidents and promote good health among employees. We target zero accident and emphasize the importance of occupational health by providing an environment that complies with occupational health and safety standards. Through our “SHE Vision Zero”, we aim to become a sustainably safe organization, free of workplace accidents, where employees are healthy and care for the environment.



**2019**  
there was no fatality  
or injury that could lead to  
permanent disability.

**0%**  
**ZERO**  
Fatality

**0%**  
**ZERO**  
Permanent  
Total Disability

## Safety Statistics

Indicator	Unit	2019	2018
Number of accidents resulting in injuries	case	26	28
Work-related fatalities	case	0	0
Injury Frequency Rate (IFR1) (Lost-Time Injuries)	case/million hours worked	0.645	0.542
Injury Frequency Rate (IFR2) (Minor Injuries)	case/million hours worked	1.452	1.985
Hours worked	Man-hour	12,394,724	11,080,083
Occupational disease	case	0	0

## Safety training

Topic	Location	Duration	Number of Participants
Introduction to occupational health, safety, and environment	Huamak Head Office	Jan — Dec 2019	423
Training for safety officers (management and supervisor)	Huamak Head Office and subsidiary facilities	Jan — Dec 2019	75
SHE Application	OSP-AY, SGI-AY, SGA, SCL	April 2019	99
SHE E-learning	Online	Jan — Dec 2019	477





The level of care offered to our human resources significantly impacts the ability of the Company to attract and retain talent. It also directly contributes to employee effectiveness and hence the Company's competitiveness. We provide benefits and welfare e.g. salary, bonus, provident fund, healthcare, life insurance, children's education aid, financial support for wedding, child delivery benefit, financial support for funeral of family member, gifts for the first-born child, etc. We also have a welfare committee with employee representatives to discuss and provide suggestions with regards to employee welfare. Elected to serve a two-year term, the welfare committee is present in six offices: Huamak, Ayutthaya, Chatuchak, Minburi, Osotspa Beverage Co., Ltd., and Osotspa Innovation Center Co., Ltd.

Besides providing a variety of employee benefits that are comparable to those offered by other leading companies, the Company distinguishes itself by providing additional benefits as follows:

- Osotspa Employees' Club — led by an elected chairman and team with two-year terms, the Club is responsible for organizing activities that are purposeful and recreational, e.g. management of sports and other recreational clubs as per employees' interest, organization of the annual company party, and organization of cultural activities that promote unity and preserve our cultural heritage.
- Osotspa Employees Savings Cooperative Limited — established to promote financial savings among members and provide lending at interest rates lower than other commercial banks. Members benefit from saving on interest and annual dividends from shareholding.
- "Happy Workplace" Activities — this aligns with guidelines from the Ministry of Social Development and Human Security. The aim is to guide employees on managing life for sustainable happiness and promoting positive thinking in the way they live.

## HAPPY WORKPLACE

### SOCIETY

- Blood donations

### FAMILY

- Summer camp for employees' children
- Breast milk facilities

### BODY

- Educational/health activities
- Influenza vaccination
- Special discount for HPV check-up
- Fitness facilities & sports activities

### HEART

- Employee volunteer program with special social/environmental activities

### MONEY

- O-Market selling consumer products at discounted prices
- Employee training courses on financial planning

### RELAX

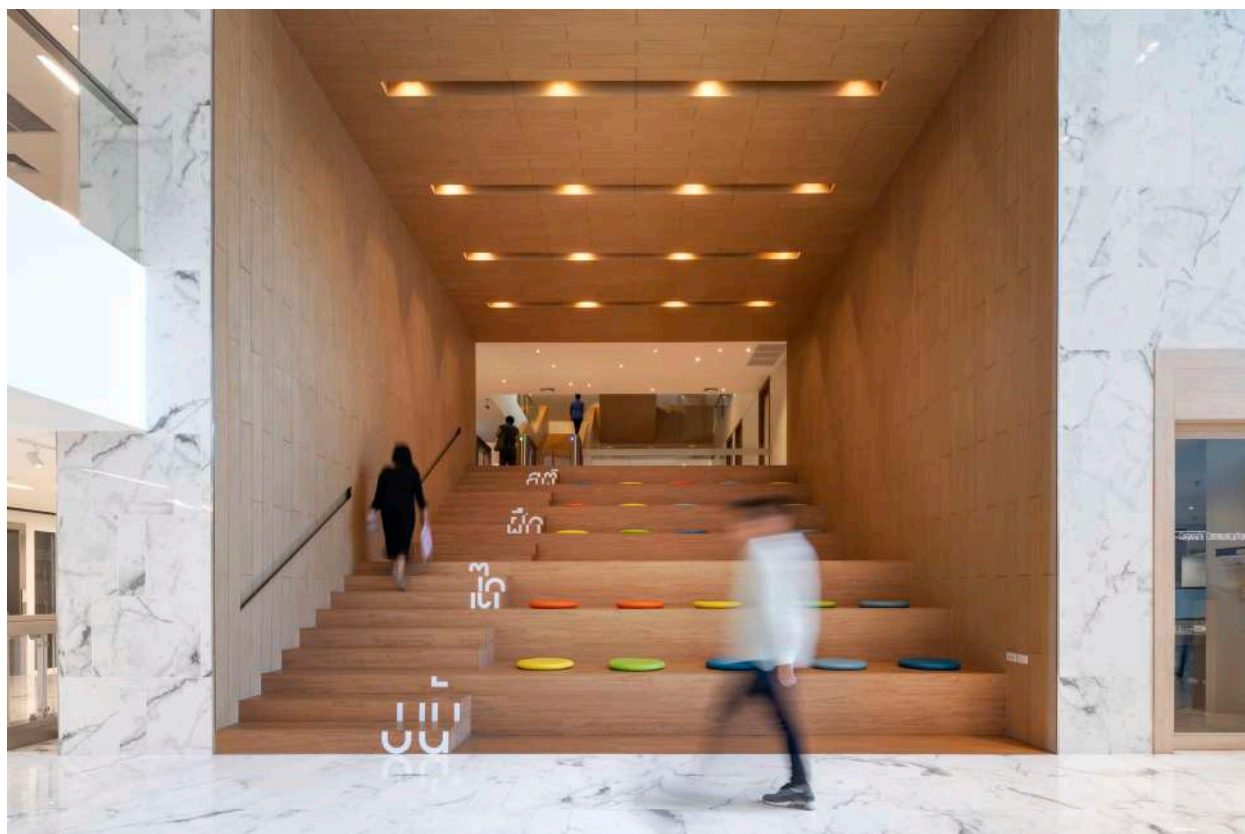
- Family Day, Family Trip

### SOUL

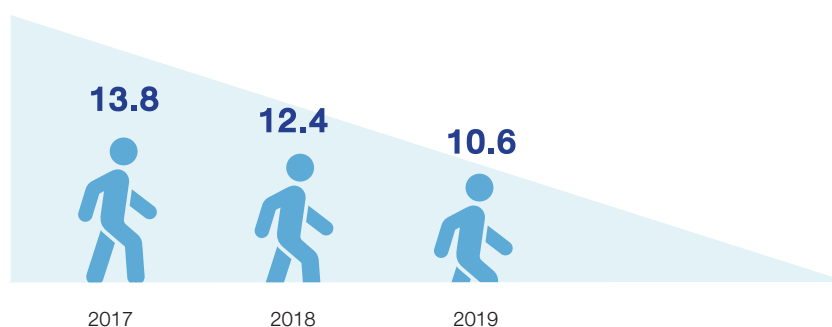
- Religious/spiritual activities

### BRAIN

- Co-working space - design working space that promotes creativity



### Voluntary Turnover Rate 2017 – 2019





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The Company regularly conducts employee engagement and satisfaction surveys, enabling it to identify areas of improvement. In 2019, employee engagement score was at 60%, in line with industry norm. Turnover has continued to decline, reaching 10.6%.

In 2019, we focused on leveraging working experience across three dimensions: collaboration, talent and staffing, and reward and recognition. We promoted these through a variety of initiatives led by senior executives. This led to significantly higher satisfaction across the three dimensions.



# FINANCIAL POSITION AND PERFORMANCE

## REPORT OF THE BOARD OF DIRECTORS'

### RESPONSIBILITY FOR FINANCIAL REPORTING

THE POWER FORWARD

The Board of Directors is responsible for the consolidated financial statements of Osotspa Public Company Limited (the “Company”) and its subsidiaries including the separated financial statements of the Company which have been prepared in accordance with the appropriate accounting policies and have been consistently applied. The notes to the financial statements adequately and transparency disclose the important details for shareholders and normal usages. The external auditors of the Company has audited the financial statements and expressed and unqualified opinion in the auditor’s report.

The Board of Directors has provided the system of controls and risk management including the effective internal controls system in order to have reasonable assurance that the financial records are accurate, complete and adequate to maintain and preserve the assets of the Company and to protect any causes of fraud or significant irregular operations.

The Board of Directors has appointed the Audit Committee, entirely comprised of independent directors, to be responsible for reviewing the accuracy and adequacy of the financial statements as well as review the internal control system, internal audit system, the risk management system including the related person transaction disclosure. The opinions of the Audit Committee on these issues is showed in the Audit Committee Report contained in this annual report.

The Board of Directors considers that the internal control system and the internal audit of the Company provide credibility to the consolidated financial statements of the Company and its subsidiaries including the separated financial statements of the Company for the year ended 31 December 2019 are adequately disclosed the financial position, financial results and cash flows are fairly presented in all material respects with the financial reporting standards.



Mr. Surin Osathanugrah  
Chairman of the Board of Directors



Mrs. Wannipa Bhakdibutr  
Director and President

## FINANCIAL POSITION AND PERFORMANCE

### INDEPENDENT AUDITOR'S REPORT

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#### **To the Shareholders of Osotspa Public Company Limited**

##### *Opinion*

I have audited the consolidated and separate financial statements of Osotspa Public Company Limited and its subsidiaries (the “Group”) and of Osotspa Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of income, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

##### *Basis for Opinion*

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

##### *Key Audit Matters*

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

Valuation of inventories	
Refer to Notes 3 (e) and 10 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group and the Company's inventories are consumer products which have short lives and their sales and selling prices are subject to the market situation. Consequently, long-outstanding inventories may result. The Group's and the Company's inventories are stated at the lower of cost and net realisable value which involves management's judgment. This is an area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>- Inquiry of the management to obtain an understanding of policy in relation to setting provision for net realisable value of inventories and reviewing the compliance with this policy;</li> <li>- Evaluating the design and implementation and also testing of operating effectiveness of internal controls relating to inventory management and attending inventory counts and observing the condition of inventories;</li> <li>- Testing the accuracy of inventory aging by checking samples of relevant supporting documents;</li> <li>- Assessing the appropriateness of the provision for realisable value for obsolete inventory by challenging the assumptions, category of inventory, comparing with historical experience and testing calculation;</li> <li>- Testing the valuation of inventories by comparing their costs against their expected realisable values less relevant selling expenses, and checking samples of relevant supporting documents; and</li> <li>- Considering the adequacy of disclosure in accordance with the financial reporting standard.</li> </ul>
Accrued trade discounts	
Refer to Notes 3 and 20 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>There is high competition in the market for energy drink and personal care product. The Group and the Company offers several types of promotional offers to several groups of customers such as traditional trade customers, modern trade customers and end-consumers. As a result, the completeness of accrued trade discounts, which has differences in types of promotional offers, is an area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>- Inquiry of the management to obtain an understanding of types and terms of trade discounts, policy in relation to accruing trade discounts and also reviewing the compliance with this policy;</li> <li>- Evaluating the design and implementation and also testing of operating effectiveness of internal controls relating to the sales process and accrued trade discounts;</li> <li>- Selecting samples of accrued trade discounts at the end of reporting period by checking relevant supporting documents and payment in subsequent period and testing computation of trade discounts;</li> <li>- Selecting samples of accrued trade discounts for completeness by checking outstanding approved trade discounts at the end of reporting period;</li> <li>- Selecting samples of trade discounts during the years by checking relevant supporting documents;</li> <li>- Selecting samples of trade discounts in subsequent period by checking relevant supporting document; and</li> <li>- Considering the adequacy of disclosure in accordance with the financial reporting standard.</li> </ul>



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### *Other Information*

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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



(Ekkasit Chuthamsatid)  
Certified Public Accountant  
Registration No. 4195

KPMG Phoomchai Audit Ltd.  
Bangkok  
26 February 2020

## FINANCIAL POSITION AND PERFORMANCE

### FINANCIAL STATEMENTS

#### STATEMENT OF FINANCIAL POSITION

Osotspa Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in Baht)			
Current assets					
Cash and cash equivalents	6	2,819,462,172	4,486,425,292	1,235,199,756	3,482,184,684
Current investments	7	1,299,385,580	3,500,276,469	1,299,385,580	3,491,781,976
Trade accounts receivable	8	3,180,134,048	2,617,453,909	2,099,303,447	1,887,321,169
Other receivables	9	447,562,791	412,690,423	291,659,921	238,861,715
Short-term loans to related parties	5	-	-	1,029,332,837	1,330,542,046
Inventories	10	1,523,165,575	1,557,231,227	942,721,947	970,617,949
Other current assets		68,314,596	66,462,627	65,146,039	63,887,737
Total current assets		9,338,024,762	12,640,539,947	6,962,749,527	11,465,197,276
Non-current assets					
Investments in associates	11	319,059,025	207,901,611	-	-
Investments in subsidiaries	12	-	-	6,187,577,696	3,033,807,696
Investments in joint ventures	11	799,750,949	588,732,490	139,961,326	139,961,326
Other long-term investments	7	2,767,916,433	1,810,899,690	2,767,916,433	1,810,899,690
Investment properties	14	738,961,617	641,819,909	816,097,858	824,936,374
Leasehold rights	15	301,054,511	332,395,032	-	-
Property, plant and equipment	16	8,925,066,024	6,517,727,438	4,111,569,361	3,992,402,692
Goodwill	4	80,143,997	-	-	-
Other intangible assets	17	229,066,446	211,669,916	210,120,172	200,950,666
Deferred tax assets	28	192,692,763	159,683,701	110,033,221	87,760,806
Other non-current assets		632,129,611	344,798,055	364,388,405	24,521,265
Total non-current assets		14,985,841,376	10,815,627,842	14,707,664,472	10,115,240,515
Total assets		24,323,866,138	23,456,167,789	21,670,413,999	21,580,437,791

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

## STATEMENT OF FINANCIAL POSITION

## Osotspa Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Trade accounts payable	19	2,243,813,930	1,980,864,927	1,480,767,847	1,344,172,122
Other payables	20	2,585,293,597	2,149,743,445	1,468,936,971	1,448,167,925
Short-term loans from related parties	5, 18	-	-	893,829,832	940,064,861
Current portion of finance lease liabilities	18	96,643,672	31,958,111	10,850,407	7,011,949
Income tax payable		323,465,493	435,119,662	164,226,955	226,939,686
Other current liabilities		6,616,561	3,590,746	6,412,164	3,168,055
<b>Total current liabilities</b>		<b>5,255,833,253</b>	<b>4,601,276,891</b>	<b>4,025,024,176</b>	<b>3,969,524,598</b>
<b>Non-current liabilities</b>					
Long-term loan from financial institution	18	120,864,696	-	-	-
Finance lease liabilities	18	284,693,552	109,843,729	28,859,151	25,343,993
Provisions for employee benefits	21	629,364,895	441,160,919	397,999,699	269,936,577
Deferred tax liabilities	28	8,780,353	-	-	-
Other non-current liabilities		1,184,735	1,156,698	4,928,525	3,208,098
<b>Total non-current liabilities</b>		<b>1,044,888,231</b>	<b>552,161,346</b>	<b>431,787,375</b>	<b>298,488,668</b>
<b>Total liabilities</b>		<b>6,300,721,484</b>	<b>5,153,438,237</b>	<b>4,456,811,551</b>	<b>4,268,013,266</b>

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

## STATEMENT OF FINANCIAL POSITION

### Osotspa Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
<b>Shareholders' Equity</b>					
		<i>(in Baht)</i>			
Share capital:	22				
Authorised share capital					
(3,003,750,000 ordinary shares, par value at Baht 1 per share)		3,003,750,000	3,003,750,000	3,003,750,000	3,003,750,000
Issued and paid-up share capital					
(3,003,750,000 ordinary shares, par value at Baht 1 per share)		3,003,750,000	3,003,750,000	3,003,750,000	3,003,750,000
Share premium	22	11,847,802,049	11,847,802,049	11,847,802,049	11,847,802,049
Retained earnings					
Appropriated to legal reserve	23	300,375,000	265,100,000	300,375,000	265,100,000
Unappropriated		3,075,754,748	3,033,342,663	1,959,920,987	2,112,171,363
Surplus on business combination under common control	23	353,101,177	353,101,177	73,950,400	73,950,400
Other components of shareholders' equity	23	(709,477,102)	(415,334,085)	27,804,012	9,650,713
<b>Equity attributable to owners of the parent</b>		<b>17,871,305,872</b>	<b>18,087,761,804</b>	<b>17,213,602,448</b>	<b>17,312,424,525</b>
Non-controlling interests		151,838,782	214,967,748	-	-
<b>Total shareholders' equity</b>		<b>18,023,144,654</b>	<b>18,302,729,552</b>	<b>17,213,602,448</b>	<b>17,312,424,525</b>
<b>Total liabilities and shareholders' equity</b>		<b>24,323,866,138</b>	<b>23,456,167,789</b>	<b>21,670,413,999</b>	<b>21,580,437,791</b>

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



## STATEMENT OF INCOME

## Osotspa Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Continuing operations</b>					
<b>Revenue</b>					
Revenues from sales		25,610,466,687	24,297,083,998	19,890,350,881	18,890,577,433
Investment income		216,434,377	43,115,507	1,634,868,706	2,712,459,269
Gain on disposal of investments		35,369,552	158,431,740	35,369,552	1,163,092,019
Other income	25	324,419,241	472,249,575	327,558,850	349,630,481
<b>Total revenue</b>		<b>26,186,689,857</b>	<b>24,970,880,820</b>	<b>21,888,147,989</b>	<b>23,115,759,202</b>
<b>Expenses</b>					
Cost of sales of goods	10	16,664,401,805	16,413,965,992	14,463,384,330	14,212,715,963
Selling and distribution expenses		3,901,520,162	3,497,534,904	2,448,627,640	2,171,120,606
Administrative expenses		1,786,317,561	1,449,319,389	1,516,344,443	1,277,645,829
Finance costs		12,756,919	81,167,374	12,223,411	84,472,212
<b>Total expenses</b>		<b>22,364,996,447</b>	<b>21,441,987,659</b>	<b>18,440,579,824</b>	<b>17,745,954,610</b>
Share of profit of associates and joint ventures	11	164,159,134	192,637,220	-	-
<b>Profit before income tax expense from continuing operations</b>		<b>3,985,852,544</b>	<b>3,721,530,381</b>	<b>3,447,568,165</b>	<b>5,369,804,592</b>
Tax expense	28	(717,928,432)	(686,001,964)	(408,969,035)	(539,503,440)
<b>Profit for the year from continuing operations</b>		<b>3,267,924,112</b>	<b>3,035,528,417</b>	<b>3,038,599,130</b>	<b>4,830,301,152</b>
<b>Discontinued operation</b>					
Profit for the year from discontinued operation, net of tax	13	-	26,551,890	-	-
<b>Profit for the year</b>		<b>3,267,924,112</b>	<b>3,062,080,307</b>	<b>3,038,599,130</b>	<b>4,830,301,152</b>
<b>Profit attributable to:</b>					
Owners of the parent		3,259,009,028	3,005,342,840	3,038,599,130	4,830,301,152
Non-controlling interests		8,915,084	56,737,467	-	-
<b>Profit for the year</b>		<b>3,267,924,112</b>	<b>3,062,080,307</b>	<b>3,038,599,130</b>	<b>4,830,301,152</b>
<b>Basic earnings per share (in Baht)</b>					
Profit from continuing operations	29	<b>1.08</b>	<b>1.47</b>	<b>1.01</b>	<b>2.38</b>
Profit from discontinued operation	13, 29	-	<b>0.01</b>	-	-

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

## STATEMENT OF COMPREHENSIVE INCOME

### Osotspa Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Profit for the year</b>		<b>3,267,924,112</b>	<b>3,062,080,307</b>	<b>3,038,599,130</b>	<b>4,830,301,152</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(53,417,497)	(152,783,357)	-	-
Gain on remeasuring available-for-sale investments	28	22,691,624	455,391	22,691,624	455,391
Share of other comprehensive income (expense) of associates and joint ventures	11	(419,200)	(476,735)	-	-
Income tax relating to items that will be reclassified	28	(4,538,325)	(91,078)	(4,538,325)	(91,078)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(35,683,398)</b>	<b>(152,895,779)</b>	<b>18,153,299</b>	<b>364,313</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans	21, 28	(71,976,863)	1,010,038	(39,607,180)	7,073,307
Income tax relating to items that will not be reclassified	28	14,543,682	(257,338)	7,921,436	(1,414,661)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(57,433,181)</b>	<b>752,700</b>	<b>(31,685,744)</b>	<b>5,658,646</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(93,116,579)</b>	<b>(152,143,079)</b>	<b>(13,532,445)</b>	<b>6,022,959</b>
<b>Total comprehensive income for the year</b>		<b>3,174,807,533</b>	<b>2,909,937,228</b>	<b>3,025,066,685</b>	<b>4,836,324,111</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		3,159,020,280	2,878,698,129	3,025,066,685	4,836,324,111
Non-controlling interests		15,787,253	31,239,099	-	-
<b>Total comprehensive income for the year</b>		<b>3,174,807,533</b>	<b>2,909,937,228</b>	<b>3,025,066,685</b>	<b>4,836,324,111</b>

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

# STATEMENT OF CHANGES IN EQUITY

## Ostospa Public Company Limited and its Subsidiaries

For the year ended 31 December 2018														
Balance at 1 January 2018														
Transactions with owners, recorded directly in equity														
Contributions by and distributions to owners of the Company														
	Issue of ordinary shares	231,000,000	-	23,100,000	2,988,165,361	328,048,605	50,307,487	(297,699,809)	9,286,400	(1,396,418)	-	3,330,811,626	108,622,709	3,439,434,335
22		2,772,750,000	11,847,802,049	-	-	-	-	-	-	-	-	14,620,552,049	179,007,681	14,799,559,730
30	Dividends	-	-	-	(2,742,300,000)	-	-	-	-	-	-	(2,742,300,000)	(66,615,094)	(2,808,915,094)
Total contributions by and distributions to owners of the Company		2,772,750,000	11,847,802,049	-	(2,742,300,000)	-	-	-	-	-	-	11,878,252,049	112,392,587	11,990,444,636
Changes in ownership interests in subsidiaries														
Loss of control from disposal of subsidiaries														
		-	-	-	23,381,762	25,052,572	(50,307,487)	-	-	1,873,153	-	(48,434,334)	(37,286,647)	(37,286,647)
Total changes in ownership interests in subsidiaries		-	-	-	23,381,762	25,052,572	(50,307,487)	-	-	1,873,153	-	(48,434,334)	(37,286,647)	(37,286,647)
Total transactions with owners, recorded directly in equity		2,772,750,000	11,847,802,049	-	(2,718,918,238)	25,052,572	(50,307,487)	-	-	1,873,153	-	(48,434,334)	75,105,940	11,953,357,989
Comprehensive income for the year														
Profit														
		-	-	-	3,005,342,840	-	-	-	-	-	-	3,005,342,840	56,737,467	3,062,080,307
Other comprehensive income														
		-	-	-	752,700	-	-	(127,284,989)	364,313	(476,735)	-	(127,397,411)	(25,498,368)	(152,143,079)
Total comprehensive income for the year		-	-	-	3,006,095,540	-	-	(127,284,989)	364,313	(476,735)	-	(127,397,411)	31,239,099	2,909,337,228
Transfer to legal reserve														
23		-	-	242,000,000	(242,000,000)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018		3,003,750,000	11,847,802,049	265,100,000	3,033,342,663	353,101,177	-	(42,498,798)	9,650,713	-	(415,334,085)	18,087,761,804	214,967,746	18,302,729,552

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

## STATEMENT OF CHANGES IN EQUITY

### Osotspa Public Company Limited and its Subsidiaries

	Consolidated financial statements													
	Retained earnings				Other component of shareholders' equity									
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus on business combination under common control	Surplus from share premium of subsidiary	Translating foreign operations	Available-for-sale investments (in Baht)	Share of other comprehensive income (expense) of associates and joint ventures	Changes in other components from shareholders	Total other components of shareholders' equity	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Note														
For the year ended 31 December 2019														
Balance at 1 January 2019	3,003,750,000	11,847,802,049	265,100,000	3,033,342,663	353,101,177	-	(42,498,798)	9,650,713	-	-	(415,334,085)	18,087,761,804	214,967,748	18,302,729,552
Transactions with owners, recorded directly in equity														
Contributions by and distributions to owners of the Company														
Issue of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	(3,123,888,762)	-	-	-	-	-	-	-	(3,123,888,762)	(55,346,604)	(3,179,235,366)
Total contributions by and distributions to owners of the Company	-	-	-	(3,123,888,762)	-	-	-	-	-	-	-	(3,123,888,762)	(127,773,411)	(3,136,663,103)
Changes in ownership interests in a subsidiaries														
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(52,500,995)	-	(52,500,995)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(15,228,332)	-	-	(236,359,118)	(251,587,450)	(251,587,450)	(13,640,883)	(265,228,333)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(15,228,332)	-	-	(236,359,118)	(251,587,450)	(251,587,450)	(66,141,878)	(317,729,328)
Total transactions with owners, recorded directly in equity	-	-	-	(3,123,888,762)	-	-	(15,228,332)	-	-	(236,359,118)	(251,587,450)	(3,375,476,212)	(78,916,219)	(3,454,293,431)
Comprehensive income for the year														
Profit	-	-	-	3,259,009,028	-	-	-	-	-	-	-	3,259,009,028	8,915,084	3,267,924,112
Other comprehensive income	-	-	-	(57,433,181)	-	-	(60,289,666)	18,153,299	(419,200)	-	(42,555,567)	(99,988,748)	6,872,169	(93,116,579)
Total comprehensive income for the year	-	-	-	3,201,575,847	-	-	(60,289,666)	18,153,299	(419,200)	-	(42,555,567)	3,159,020,280	15,787,253	3,174,807,533
Transfer to legal reserve	-	-	35,275,000	(35,275,000)	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	3,003,750,000	11,847,802,049	300,375,000	3,075,754,748	353,101,177	-	(90,477,102)	27,804,012	(419,200)	(236,359,118)	(709,477,102)	17,871,365,872	151,838,782	18,023,144,654

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

## STATEMENT OF CHANGES IN EQUITY

Osoetspa Public Company Limited and its Subsidiaries

Separate financial statement								
	Note	Retained earnings			Surplus on business combination under common control	Other components of shareholders' equity		
		Issued and paid-up share capital	Share premium	Legal reserve		Unappropriated (in Baht)	Available-for-sale investments	Total shareholders' equity
For the year ended 31 December 2018								
Balance at 1 January 2018		231,000,000	-	23,100,000	260,511,565	73,950,400	9,286,400	597,848,365
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares		2,772,750,000	11,847,802,049	-	-	-	-	14,620,552,049
Dividends		-	-	-	(2,742,300,000)	-	-	(2,742,300,000)
Total contributions by and distributions to owners of the Company		2,772,750,000	11,847,802,049	-	(2,742,300,000)	-	-	11,878,252,049
Total transactions with owners, recorded directly in equity		2,772,750,000	11,847,802,049	-	(2,742,300,000)	-	-	11,878,252,049
Comprehensive income for the year								
Profit		-	-	-	4,830,301,152	-	-	4,830,301,152
Other comprehensive income		-	-	-	5,658,646	-	364,313	6,022,959
Total comprehensive income for the year		-	-	-	4,835,959,798	-	364,313	4,836,324,111
Transfer to legal reserve								
23		-	-	242,000,000	(242,000,000)	-	-	-
Balance at 31 December 2018								
		3,003,750,000	11,847,802,049	265,100,000	2,112,171,363	73,950,400	9,650,713	17,312,424,525

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



## STATEMENT OF CHANGES IN EQUITY

### Osotspa Public Company Limited and its Subsidiaries

	Note	Separate financial statement					Total shareholders' equity
		Retained earnings		Surplus on business combination under common control	Other components of shareholders' equity		
		Issued and paid-up share capital	Share premium		Legal reserve	Unappropriated (in Baht)	
For the year ended 31 December 2019							
Balance at 1 January 2019		3,003,750,000	11,847,802,049	265,100,000	2,112,171,363	73,950,400	17,312,424,525
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends	30	-	-	-	(3,123,888,762)	-	(3,123,888,762)
Total distributions to owners of the Company		-	-	-	(3,123,888,762)	-	(3,123,888,762)
Total transactions with owners, recorded directly in equity		-	-	-	(3,123,888,762)	-	(3,123,888,762)
Comprehensive income for the year							
Profit		-	-	-	3,038,599,130	-	3,038,599,130
Other comprehensive income		-	-	-	(31,685,744)	-	(13,532,445)
Total comprehensive income for the year		-	-	-	3,006,913,386	-	3,025,066,685
Transfer to legal reserve	23	-	-	35,275,000	(35,275,000)	-	-
Balance at 31 December 2019		3,003,750,000	11,847,802,049	300,375,000	1,959,920,987	73,950,400	17,213,602,448

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

## STATEMENT OF CASH FLOWS

## Osotspa Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
(in Baht)					
<b>Cash flows from operating activities</b>					
Profit for the year		3,267,924,112	3,062,080,307	3,038,599,130	4,830,301,152
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	28	717,928,432	693,649,602	408,969,035	539,503,440
Finance costs		12,756,919	81,176,630	12,223,411	84,472,212
Depreciation		957,503,489	1,046,482,762	502,077,121	576,589,585
Amortisation of intangible assets		31,521,978	27,793,025	29,162,510	25,400,142
Employee benefit expenses	21	214,897,845	70,728,398	117,970,416	45,354,951
Reversal of impairment losses on investment in associates	11	-	(28,518,389)	-	-
Reversal of impairment losses on investment in subsidiaries	12	-	-	-	(4,837,401)
Impairment losses on investment in joint ventures	11	-	-	-	19,369,009
Reversal of impairment losses on investment properties	14	-	(8,314,453)	-	-
(Reversal of) Impairment losses on property, plant and equipment	16	12,318,547	(15,954,271)	-	(20,521,832)
Unrealised (gain) loss on exchange rate		4,243,674	(675,438)	3,565,900	(282,287)
Exchange differences on translating foreign operations		(47,271,479)	(122,747,793)	-	-
Share of profit of investments in associates and joint ventures	11	(164,159,134)	(188,111,140)	-	-
(Reversal of) Bad and doubtful debts expenses		9,350,878	(3,163,902)	28,638	(5,058,343)
Losses on inventories devaluation	10	114,800,372	139,571,262	85,040,635	86,576,790
Gain on disposal of investments		(35,369,552)	(158,431,740)	(35,369,552)	(1,163,092,019)
Gain on disposal of investment properties		(53,821,781)	(26,149,354)	(28,437,279)	(26,149,354)
Gain on disposal of property, plant and equipment		(28,610,236)	(139,701,629)	(11,635,740)	(77,439,330)
Loss on write off of property, plant and equipment		217,443	18,551,982	211,304	18,551,953
Loss on disposal of intangible assets		192,385	-	192,385	-
Loss on write off of intangible assets		-	3,490	-	-
Dividends income		(61,431,850)	(213,800)	(1,446,849,617)	(2,634,509,254)
Interest income		(147,761,745)	(36,173,798)	(173,038,308)	(65,626,015)
		4,805,230,297	4,411,881,751	2,502,709,989	2,228,603,399

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

## STATEMENT OF CASH FLOWS

### Osotspa Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2019	2018	2019	2018
	(in Baht)			
Changes in operating assets and liabilities				
Trade accounts receivable	(582,201,837)	(110,339,741)	(213,718,563)	(330,552,916)
Other receivables	7,745,335	(33,319,479)	(33,194,721)	21,074,624
Inventories	(68,752,392)	45,923,702	(57,144,633)	131,701,278
Other current assets	(1,696,456)	69,980,941	(1,258,302)	70,056,285
Other non-current assets	7,453,699	601,378	10,791,044	2,301,388
Trade accounts payable	252,915,626	113,422,662	137,047,219	(31,262,854)
Other payables	212,351,167	(282,858,087)	93,059,309	(298,810,257)
Other current liabilities	3,046,296	(5,149,964)	3,244,109	(8,328,692)
Other non-current liabilities	28,037	181,698	1,720,427	2,074,098
Employee benefit obligations paid	(98,951,305)	(90,639,954)	(30,693,391)	(64,629,181)
Net cash generated from operating	4,537,168,467	4,119,684,907	2,412,562,487	1,722,227,172
Tax paid	(884,885,728)	(507,454,251)	(490,571,069)	(311,637,095)
Net cash from operating activities	3,652,282,739	3,612,230,656	1,921,991,418	1,410,590,077
Cash flows from investing activities				
Cash outflows from increase of investment in subsidiaries	-	-	(3,153,770,000)	(1,649,420,000)
Acquisition of a subsidiary, net of cash acquired	(15,600,498)	-	-	-
Proceeds from repayment of investments in subsidiaries	-	-	-	4,837,401
Proceeds from disposal of subsidiaries, net of cash disposed	-	715,052,156	-	825,194,126
Acquisition of investment in associates	(39,780,000)	(207,901,611)	-	-
Advance payment for purchasing of investment in associates	-	(94,253,365)	-	-
Acquisition of investment in joint ventures	(97,832,249)	-	-	-
Proceeds from sale of investment in associates and joint ventures	-	741,416,225	-	741,416,225
Proceeds from sale of equity securities available for sale	9,192,000	2,842,277	9,192,000	2,842,277
Proceeds from sale of investment properties	66,771,240	29,024,545	36,688,656	29,024,545
Proceeds from sale of property, plant and equipment	67,747,479	216,393,330	15,282,230	109,935,232
Acquisition of property, plant and equipment	(3,497,697,115)	(1,255,114,529)	(958,179,010)	(672,248,834)
Proceeds from sale of intangible assets	1,108,371	-	1,108,371	-
Acquisition of intangible assets	(61,402,819)	(35,771,871)	(54,437,716)	(35,346,071)
Acquisition of leasehold rights	-	(363,560,751)	-	-
(Increase) Decrease in other current investments	8,041,844	(875,371)	-	-
(Increase) Decrease in debt securities available for sales (in private fund)	1,234,269,418	(5,191,622,154)	1,234,269,418	(5,191,622,154)
Cash outflow on short-term loans	(4,729,864)	(44,532,500)	(4,709,323,526)	(6,461,148,350)
Proceeds from repayment of short-term loans	4,729,864	44,532,500	5,010,532,735	5,629,339,224
Dividends received	134,861,526	138,983,531	1,428,886,079	2,634,509,254
Interest received	138,098,219	18,790,579	164,334,747	51,725,584
Net cash used in investing activities	(2,052,222,584)	(5,286,597,009)	(975,416,016)	(3,980,961,541)

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

## STATEMENT OF CASH FLOWS

### Osotspa Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2019	2018	2019	2018
	(in Baht)			
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(84,000,000)	(6,033,486,457)	-	(6,020,000,000)
Proceeds from short-term loans from related parties	-	-	12,099,810,795	11,038,476,874
Repayment of short-term loans	(56,000,000)	-	(12,146,045,825)	(10,728,236,604)
Proceeds from long-term loans	120,965,417	-	-	-
Repayment of long-term loans	-	(61,740,000)	-	-
Payment by lessee for reduction of the outstanding liability relating to finance leases	(48,632,381)	(31,354,346)	(10,817,430)	(5,795,368)
Proceeds from issue of ordinary shares	-	14,934,750,000	-	14,934,750,000
Payments of expenses relating to the share offering	-	(390,531,729)	-	(390,531,729)
Proceeds from issue of shares for non-controlling interests in a subsidiary	42,572,263	179,007,881	-	-
Acquisition of non-controlling interest	(50,000,000)	-	-	-
Dividends paid to owners of the Company	(3,123,825,051)	(2,742,300,000)	(3,123,825,051)	(2,742,300,000)
Dividends paid to non-controlling interests	(55,346,604)	(66,615,094)	-	-
Interest paid	(12,756,919)	(84,348,494)	(12,682,819)	(87,723,373)
<b>Net cash from (used in) financing activities</b>	<b>(3,267,023,275)</b>	<b>5,703,381,761</b>	<b>(3,193,560,330)</b>	<b>5,998,639,800</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,666,963,120)</b>	<b>4,029,015,408</b>	<b>(2,246,984,928)</b>	<b>3,428,268,336</b>
Cash and cash equivalents at 1 January	4,486,425,292	375,734,359	3,482,184,684	53,916,348
Cash and cash equivalents classified as non-current assets held for sales	-	81,675,525	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>6</b> <b>2,819,462,172</b>	<b>4,486,425,292</b>	<b>1,235,199,756</b>	<b>3,482,184,684</b>
<b>Non-cash transactions</b>				
Purchase of assets under finance lease agreements	45,772,282	63,234,347	18,171,045	7,039,000
Outstanding receivable from sale of property, plant and equipment	-	-	-	429,265
Outstanding payable from purchases of property, plant and equipment and intangible assets	257,459,667	177,805,669	89,961,651	106,373,285
Advance payment for purchasing of property, plant and equipment and intangible assets	577,363,300	222,123,629	362,334,573	11,676,389
Outstanding payable from acquisition of non-controlling interest	200,000,000	-	-	-
Outstanding payable from purchases of debt securities available for sales (in private fund)	-	55,658,427	-	55,658,427

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

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## NOTES TO THE FINANCIAL STATEMENTS

Osotspa Public Company Limited and its Subsidiaries

For the year ended 31 December 2019

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These notes form an integral part of the financial statements

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by Board of Directors on 26 February 2020.

## 1 General information

Osotspa Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office at 348 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240.

The Company and its subsidiaries, the “Group”, are principally engaged in the manufacture and distribution of consumer products, comprising energy drinks and personal care products. In addition, the Group also provides manufacturing services, distribution, and advertising media services. However, during 2018, the Group has discontinued operation about advertising media services as stated in Note 13.

## 2 Basis of preparation of the financial statements

### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in Note 3 (p).

The Group has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18, TAS 11 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. These new and revised TFRS which related to the operation of the Group are disclosed in Note 35.

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**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Investments in associates and joint ventures	Equity method
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (m)

**(c) Functional and presentation currency**

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

**(d) Use of judgements and estimates**

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

**(i) Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 11 Classification of the joint arrangement.

**(ii) Assumptions and estimation uncertainties**

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

4	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
10	Allowance for decline in value of inventories adjusted to net realisable value;
21	Measurement of defined benefit obligations: key actuarial assumptions;
28	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used utilised; and
33	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### 3 Significant accounting policies

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

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

##### *Business combination under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

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The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using the cost less accumulated impairment loss method.

#### *Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

In the separate financial statements, investments in associates and joint ventures are accounted for using the cost less accumulated impairment loss method.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currencies***Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

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

Foreign currency differences are generally recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

**(c) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits, and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

**(d) Trade and other accounts receivable**

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.



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**(e) Inventories**

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

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

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

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

**(f) Investments in debt and equity securities**

Debt securities and marketable equity securities, other than those securities held for trading are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. In case of an investments in interest bearing securities, the interest is recorded in profit or loss using the effective interest rate method.

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

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

*Disposal of investments*

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

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(g) Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of material and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	10 years
Buildings	20 - 30 years

No depreciation is provided on freehold land.

#### *Reclassification to property, plant and equipment*

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

### **(h) Property, plant and equipment**

#### *Recognition and measurement*

##### *Owned assets*

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

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

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

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

##### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

#### *Reclassification to investment properties*

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognised and reclassified as investment properties.

### *Subsequent costs*

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

### *Depreciation*

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

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

Land improvements	5 - 20 years
Building	10 - 30 years
Building improvements	3 - 20 years
Machinery and factory equipment	2 - 12 years
Vehicles	5 - 10 years
Furniture, fixtures and office equipment	3 - 10 years

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

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

## **(i) *Goodwill and other intangible assets***

### *Goodwill*

The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

### *Other intangible assets*

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

### *Amortisation*

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Computer software and others	3 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

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

*Calculation of recoverable amount*

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

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

*Reversals of impairment*

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

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

**(k) Interest-bearing liabilities**

Interest-bearing liabilities are recognised at cost.

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**(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(m) Employee benefits**

*Defined contribution plans*

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

*Defined benefit plans*

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

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

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

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

*Other long-term employee benefits*

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

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

*Short-term employee benefits*

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



**(n) Provisions**

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

**(o) Measurement of fair values**

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

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

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

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

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

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

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

**(p) Revenue*****Accounting policies for revenue recognition in 2019***

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

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### *Sale of goods*

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

### *Payment to a customer*

The Group makes payments to its retailers for product placement (“slotting fees”), promotion events or advertising. The Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs

### ***Accounting policies for revenue recognition in 2018***

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

### *Sale of goods and services rendered*

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

Advertising income is recognised in profit or loss based on accrual basis or by the stage of completion can be measured reliable. The stage of completion is determined from the work performed.

### ***(q) Rental income***

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

### ***(r) Investment income***

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

### ***(s) Finance costs***

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(t) Operating leases**

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

*Determining whether an arrangement contains a lease.*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**(u) Income tax**

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

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

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

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

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

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

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

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(v) *Discontinued operations***

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

**(w) *Earnings per share***

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

**(x) *Related parties***

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

**(y) *Segment reporting***

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

#### 4 Acquisition of subsidiary

##### *Acquisition of Asia Vending Machine Operation Company Limited*

On 1 October 2019, the Group obtained control of Asia Vending Machine Operation Company Limited, a distributor of beverage, foods and other products via vending machine by acquiring 51% of the shares and voting interests in the company, for a consideration of Baht 25.5 million. In this regard, the Group determined the fair value of investment in Asia Vending Machine Operation Company Limited at the acquisition date as follows:

<i>Identifiable assets acquired and liabilities assumed</i>	<i>Note</i>	<b>Fair value</b> <i>(in thousand Baht)</i>
Cash and cash equivalents		9,899
Trade accounts receivable and other receivables		29,655
Inventories		12,630
Other current assets		183
Property, plant and equipment	16	256,125
Other intangible assets	17	1,057
Other non-current assets		2,275
Loan from financial institution		(84,000)
Loan from other party		(56,000)
Trade and other payables		(28,275)
Finance lease liabilities		(242,395)
Provisions for employee benefits	21	(655)
Deferred tax liabilities	28	(7,644)
<b>Total identifiable net assets and liabilities assumed</b>		<b>(107,145)</b>
<i>Less Non-controlling interests (49 %)</i>		<i>52,501</i>
<b>Total identifiable net assets received and liabilities assumed</b>		<b>(54,644)</b>
Goodwill arising from the acquisition		80,144
<b>Purchase consideration transferred</b>		<b>25,500</b>
Net cash acquired with the subsidiary		9,899
Cash paid		(25,500)
<b>Net cash outflows</b>		<b>(15,601)</b>

The goodwill is attributable mainly to the skills and technical talent of Asia Vending Machine Operation Company Limited's work force, and the synergies expected to be achieved from integrating the company into the Group's existing distributor of beverage, foods and other products via vending machine business.



## 5 Related parties

Relationships with subsidiaries, associates and joint ventures are described in Notes 11 and 12. Other related parties that the Group had significant transactions with during the year were as follows:

Related Parties	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Advanced Information Technology Public Company Limited	Thailand	Common directors with the Company
Isetan (Thailand) Co., Ltd.	Thailand	Common directors with the Company
Minburi Vetchakij Co., Ltd.	Thailand	Common directors with the Company
Minburi Medical Co., Ltd.	Thailand	Common directors with the Company
The Advisor Co., Ltd.	Thailand	Common directors with the Company
Bangkok University	Thailand	Common directors with the Company
Bangkok Engineering Services & Technology Co., Ltd.	Thailand	Common directors with the Company
Dynamic Engineering Consultants Co., Ltd.	Thailand	Common directors with the Company
Ducky Suki Co., Ltd.	Thailand	Common directors with the Company
Thachthana Co., Ltd.	Thailand	Common directors with the Company
Rajadamri Hotel Public Company Limited	Thailand	Common directors with the Company
Changwattana Avenue Co.,Ltd.	Thailand	Common directors with the Company
Bell Peppers Co., Ltd.	Thailand	The Company's key management as a director and shareholder
I-DAC (Bangkok) Co., Ltd.	Thailand	Subsidiary of joint venture until 31 January 2018
Media Insight Co., Ltd.	Thailand	Subsidiary of joint venture until 31 January 2018

The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sales of goods	Market price
Purchases of goods	Cost plus margin
Sales of assets	Contractually agreed price
Purchases of assets	Contractually agreed price
Rental income	Contractually agreed price
Dividend income	Right to receive dividend
Service income	Contractually agreed price
Management income	Contractually agreed price
Management fee	Contractually agreed price
Research and development expenses	Contractually agreed rate
Royalty fee	Contractually agreed rate
Consulting fee	Contractually agreed price
Advertising and promotion expenses	Contractually agreed price
Other income and other expenses	Contractually agreed rate
Rental expenses	Contractually agreed price
Interest income	Interest rate at 1.90 % to 6.26 % per annum
Interest expenses	Interest rate at 0.50 % to 1.50 % per annum
Key management personnel compensation	Authorised by director and/or shareholders

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

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Continuing operations</b>				
<b>Subsidiaries</b>				
Sales of goods	-	-	11,380,682	11,078,913
Purchases of goods	-	-	4,893,003	4,621,863
Dividend income	-	-	1,311,988	2,495,526
Management income	-	-	105,444	75,360
Rental income	-	-	11,940	9,714
Other income	-	-	19,423	8,061
Management fee	-	-	256,753	231,127
Research and development expenses	-	-	137,610	-
Royalty fee	-	-	20,300	-
Advertising and promotion expenses	-	-	513	20,901
Interest income	-	-	39,285	36,585
Interest expenses	-	-	9,590	11,323
Rental expenses	-	-	-	766
Other expenses	-	-	2,958	500
Sales of assets	-	-	6,102	15,311
Purchases of assets	-	-	-	790
<b>Joint ventures</b>				
Sales of goods	553,635	516,097	3,820,060	3,537,432
Purchases of goods	1,406,949	1,113,189	374,470	296,679
Dividend income	-	-	73,430	120,000
Rental income	1,620	1,620	1,620	1,620
Other income	29,665	38,337	19,015	28,809
Other expenses	422	64	412	64
<b>Associates</b>				
Purchases of goods	-	2,339	-	-
Dividend income	-	-	-	18,770
<b>Key management personnel</b>				
Sales of goods	67	25	-	-
Rental expenses	9,700	10,100	9,700	9,600
Consulting fee	-	3,288	-	3,288
Key management personnel compensation				
Short-term employee benefits	230,086	197,479	207,063	184,171
Post-employment benefits	10,967	3,770	9,551	3,128
Total key management personnel compensation	<b>241,053</b>	<b>201,249</b>	<b>216,614</b>	<b>187,299</b>

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Sales of goods	432	553	81	93
Dividend income	165	165	165	165
Advertising and promotion expenses	-	34,034	-	34,034
Other expenses	4,682	4,547	4,432	4,309
Purchases of assets	3,218	5,800	518	3,100
<b>Discontinued operation</b>				
<b>Joint ventures</b>				
Service income	-	686	-	-
Other income	-	97	-	-
Other expenses	-	991	-	-
<b>Associates</b>				
Service income	-	20	-	-
<b>Other related parties</b>				
Service income	-	516	-	-
Other expenses	-	2,943	-	-

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	259,741	494,162
Joint ventures	881,043	670,925	842,395	636,129
Other related parties	73	90	10	24
	<b>881,116</b>	<b>671,015</b>	<b>1,102,146</b>	<b>1,130,315</b>
<i>Less allowance for doubtful accounts</i>	-	-	(9,204)	(10,137)
<b>Net</b>	<b>881,116</b>	<b>671,015</b>	<b>1,092,942</b>	<b>1,120,178</b>
 Reversal of bad and doubtful debts expense for the year	 -	 -	 -	 <b>(474)</b>

<i>Other receivables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	99,559	52,677
Joint ventures	133,819	156,685	39,342	27,558
	<b>133,819</b>	<b>156,685</b>	<b>138,901</b>	<b>80,235</b>
<i>Less allowance for doubtful accounts</i>	(19,465)	(20,964)	(38,541)	(39,427)
<b>Net</b>	<b>114,354</b>	<b>135,721</b>	<b>100,360</b>	<b>40,808</b>

<i>Other receivables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Reversal of bad and doubtful debts expense for the year	-	-	-	<b>(3,913)</b>

<i>Movement of short-term loans to</i>	<b>Interest rate</b> At 31 December (% per annum)	<b>Consolidated financial statements</b>			
		At 1 January	Increase Decrease (in thousand Baht)	At 31 December	At 31 December
<b>2019</b>					
Joint ventures	4.00 - 6.26	60,534	-	(4,328)	56,206
<b>Total</b>		<b>60,534</b>			<b>56,206</b>
Less allowance for doubtful accounts		(60,534)			(56,206)
<b>Net</b>		<b>-</b>			<b>-</b>
<b>2018</b>					
Joint ventures	4.00 - 6.26	60,965	-	(431)	60,534
<b>Total</b>		<b>60,965</b>			<b>60,534</b>
Less allowance for doubtful accounts		(60,965)			(60,534)
<b>Net</b>		<b>-</b>			<b>-</b>

<i>Movement of short-term loans to</i>	<b>Interest rate</b> At 31 December (% per annum)	<b>Separate financial statements</b>			
		At 1 January	Increase Decrease (in thousand Baht)	At 31 December	At 31 December
<b>2019</b>					
Subsidiaries	2.00 - 2.40	1,370,542	4,704,594	(5,005,803)	1,069,333
<b>Total</b>		<b>1,370,542</b>			<b>1,069,333</b>
Less allowance for doubtful accounts		(40,000)			(40,000)
<b>Net</b>		<b>1,330,542</b>			<b>1,029,333</b>
<b>2018</b>					
Subsidiaries	1.90 - 3.20	538,733	6,416,616	(5,584,807)	1,370,542
<b>Total</b>		<b>538,733</b>			<b>1,370,542</b>
Less allowance for doubtful accounts		(40,000)			(40,000)
<b>Net</b>		<b>498,733</b>			<b>1,330,542</b>



<i>Trade accounts payable</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	781,626	643,752
Joint ventures	966,580	775,363	42,187	36,112
<b>Total</b>	<b>966,580</b>	<b>775,363</b>	<b>823,813</b>	<b>679,864</b>

<i>Other payables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	89,915	41,113
Joint ventures	95	27	94	27
Key management personnel	1,124	1,115	1,124	1,115
Other related parties	336	1,566	336	877
<b>Total</b>	<b>1,555</b>	<b>2,708</b>	<b>91,469</b>	<b>43,132</b>

<i>Movement of short-term loans from</i>	<b>Interest rate</b> At 31 December (% per annum)	<b>Separate financial statements</b>			
		At 1 January	Increase	Decrease	At 31 December
		<i>(in thousand Baht)</i>			
<b>2019</b>					
Subsidiaries	0.50 - 0.75	<b>940,065</b>	12,099,811	(12,146,046)	<b>893,830</b>
<b>2018</b>					
Subsidiaries	1.00 - 1.50	<b>629,825</b>	11,038,477	(10,728,237)	<b>940,065</b>

<i>Other non-current liabilities</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	4,719	3,026

#### Factory management service agreement

The Company has entered into a factory management service agreement with a subsidiary whereby the latter provided managing to manufacture glassware and consulting in managing glassware factory commencing 1 January 2019 and terminated on 31 December 2019. The Company agrees to pay the monthly fee of Baht 11.3 million.

#### Cash pooling system agreement

The Company has entered into cash pooling system agreement with some subsidiaries. Any interest income and expense to be derived out of this pooling system is calculated at average fixed deposit for 1 year interest rate from commercial banks or average borrowing rates at call plus 0.5% - 0.7% and fixed deposit for 1 month or 1 year interest rate from commercial banks, respectively. The principal outstanding balances resulting from the pooling system at the reporting date were presented as "Short-term loans to related parties" and "Short-term loans from related parties", respectively in the statement of financial position.

## 6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	6,089	854	-	-
Cash at banks - current accounts	220,430	188,399	2,335	20,137
Cash at banks - savings accounts	1,556,990	453,064	1,231,393	101,540
Cash at banks - fixed accounts (maturity period less than 3 months from the acquisition date)	1,034,481	3,833,600	-	3,350,000
Cash at bank - savings account (in private fund)	1,472	10,508	1,472	10,508
<b>Total</b>	<b>2,819,462</b>	<b>4,486,425</b>	<b>1,235,200</b>	<b>3,482,185</b>

## 7 Other investments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Current investments</i></b>				
Short-term deposits at financial institutions	-	8,494	-	-
Debt securities available for sale (in private fund)	1,299,386	3,491,782	1,299,386	3,491,782
<b>Total</b>	<b>1,299,386</b>	<b>3,500,276</b>	<b>1,299,386</b>	<b>3,491,782</b>
<b><i>Other long-term investments</i></b>				
Equity securities available for sale	-	8,113	-	8,113
Debt securities available for sale (in private fund)	2,723,945	1,758,816	2,723,945	1,758,816
Other non-marketable equity securities	53,986	53,986	53,986	53,986
Allowance for impairment	(10,015)	(10,015)	(10,015)	(10,015)
<b>Net</b>	<b>2,767,916</b>	<b>1,810,900</b>	<b>2,767,916</b>	<b>1,810,900</b>

	Consolidated financial statements / Separate financial statements	
	2019	2018
<b><i>Debt securities available for sale (in private fund)</i></b>		
Annual interest rate (%)	3.24 - 3.49	1.62 - 3.13

Movements during the years ended 31 December of debt securities available for sale (in private fund) were as follows:

Consolidated financial statements / Separate financial statements					
	At 1 January	Purchase	Sale and maturity (in thousand Baht)	Fair value adjustment and others	At 31 December
<b>2019</b>					
Debt securities available for sale (in private fund)	<b><u>5,250,598</u></b>	11,329,978	(12,593,521)	36,276	<b><u>4,023,331</u></b>
<b>2018</b>					
Debt securities available for sale (in private fund)	<b><u>-</u></b>	7,829,679	(2,582,000)	2,919	<b><u>5,250,598</u></b>

## 8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		(in thousand Baht)			
Related parties	5	881,116	671,015	1,102,146	1,130,315
Other parties		2,694,212	2,380,392	1,006,398	767,223
<b>Total</b>		<b><u>3,575,328</u></b>	<b><u>3,051,407</u></b>	<b><u>2,108,544</u></b>	<b><u>1,897,538</u></b>
Less allowance for doubtful accounts		(395,194)	(433,953)	(9,241)	(10,217)
<b>Net</b>		<b><u>3,180,134</u></b>	<b><u>2,617,454</u></b>	<b><u>2,099,303</u></b>	<b><u>1,887,321</u></b>
Bad and doubtful debts expenses (reversal) for the year		<b><u>10,170</u></b>	<b><u>(3,534)</u></b>	<b><u>29</u></b>	<b><u>(986)</u></b>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
<b>Related parties</b>				
Within credit terms	881,116	671,005	943,217	1,027,744
Overdue:				
Less than 3 months	-	10	78,434	89,241
3-6 months	-	-	61,133	2,746
6-12 months	-	-	10,158	-
Over 12 months	-	-	9,204	10,584
	<b><u>881,116</u></b>	<b><u>671,015</u></b>	<b><u>1,102,146</u></b>	<b><u>1,130,315</u></b>
Less allowance for doubtful accounts	-	-	(9,204)	(10,137)
	<b><u>881,116</u></b>	<b><u>671,015</u></b>	<b><u>1,092,942</u></b>	<b><u>1,120,178</u></b>

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Within credit terms	2,086,608	1,801,616	978,836	717,627
Overdue:				
Less than 3 months	208,095	121,760	27,378	49,409
3-6 months	904	887	184	115
6-12 months	183	257	-	-
Over 12 months	398,422	455,872	-	72
	<b>2,694,212</b>	<b>2,380,392</b>	<b>1,006,398</b>	<b>767,223</b>
Less allowance for doubtful accounts	(395,194)	(433,953)	(37)	(80)
	<b>2,299,018</b>	<b>1,946,439</b>	<b>1,006,361</b>	<b>767,143</b>
<b>Net</b>	<b>3,180,134</b>	<b>2,617,454</b>	<b>2,099,303</b>	<b>1,887,321</b>

The normal credit term granted by the Group ranges from 7 days to 100 days (2018: 10 days to 100 days).

## 9 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	5				
Other receivables		133,819	156,685	138,901	80,235
Less allowance for doubtful accounts		(19,465)	(20,964)	(38,541)	(39,427)
		<b>114,354</b>	<b>135,721</b>	<b>100,360</b>	<b>40,808</b>
<b>Other parties</b>					
Revenue department receivable		127,393	90,670	49,525	32,903
Advance payment		19,142	7,991	17,993	7,642
Prepaid expenses		68,593	63,100	45,107	48,822
Accrued income		37,515	14,912	14,617	14,912
Interest receivable		22,457	18,548	20,775	17,655
Others		69,716	94,174	47,019	79,856
Less allowance for doubtful accounts		(11,607)	(12,426)	(3,736)	(3,736)
		<b>333,209</b>	<b>276,969</b>	<b>191,300</b>	<b>198,054</b>
<b>Net</b>		<b>447,563</b>	<b>412,690</b>	<b>291,660</b>	<b>238,862</b>
Bad and doubtful debts expense (reversal) for the year		<b>(819)</b>	<b>370</b>	<b>-</b>	<b>(4,073)</b>

## 10 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	918,884	785,951	684,632	550,095
Work in process	23,437	14,368	7,651	5,657
Raw materials	356,559	543,011	198,548	316,986
Packing materials	207,460	203,776	111,553	138,482
Spare part and factory supplies	176,666	119,358	70,949	39,798
Goods in transit	22,930	17,865	18,202	17,865
	<b>1,705,936</b>	<b>1,684,329</b>	<b>1,091,535</b>	<b>1,068,883</b>
Less allowance for decline in value	(182,770)	(127,098)	(148,813)	(98,265)
<b>Net</b>	<b>1,523,166</b>	<b>1,557,231</b>	<b>942,722</b>	<b>970,618</b>
Inventories recognised in 'cost of sales of goods':				
- Cost of goods sold	16,549,602	16,274,395	14,378,343	14,126,139
- Write-down to net realisable value	114,800	139,571	85,041	86,577
<b>Total</b>	<b>16,664,402</b>	<b>16,413,966</b>	<b>14,463,384</b>	<b>14,212,716</b>

## 11 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
At 1 January	207,902	621,497	-	306,694
Acquisitions	134,033	207,902	-	-
Share of net profit (loss) of associates from continuing operations	(21,730)	28,744	-	-
Share of net loss of associates from discontinued operation	-	(104)	-	-
Dividend income	-	(18,770)	-	-
Effect of movements in exchange rates	(1,146)	-	-	-
Reclassified to non-current assets classified as held for sale	-	104	-	-
Reversal of impairment losses	-	28,518	-	-
Disposals	-	(659,989)	-	(306,694)
<b>At 31 December</b>	<b>319,059</b>	<b>207,902</b>	<b>-</b>	<b>-</b>



	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Joint ventures</b>				
At 1 January	588,732	544,839	139,961	159,330
Acquisitions	97,832	-	-	-
Share of net profit of joint ventures from continuing operations	185,890	163,893	-	-
Share of net loss of joint ventures from discontinued operation	-	(4,422)	-	-
Dividend income	(73,430)	(120,000)	-	-
Effect of movements in exchange rates	727	(477)	-	-
Reclassified to non-current assets classified as held for sale	-	4,899	-	-
Impairment losses	-	-	-	(19,369)
<b>At 31 December</b>	<b>799,751</b>	<b>588,732</b>	<b>139,961</b>	<b>139,961</b>
<b>Total investments in associates and joint ventures</b>	<b>1,118,810</b>	<b>796,634</b>	<b>139,961</b>	<b>139,961</b>

Investments in associates and joint ventures as at 31 December and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements											
Type of business	Country of operation	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income for the year	
		2019	2018	2019	2018	2019	2018	2019	2018		
(in thousand Baht)											
Associates	Import and sale of industrial chemical products	-	-	-	-	-	-	-	-	18,770	
		Thailand United Kingdom	22	14	248,651	208,871	341,935	207,902	319,059	207,902	-
							341,935	207,902	319,059	207,902	18,770
Joint ventures	Manufacturing and distribution of beverages	40	40	720,000	720,000	288,000	288,000	15,837	49,543	-	
		Thailand	40	40	167,000	167,000	66,800	66,800	332,355	196,281	-
Yamamura International (Thailand) Co., Ltd.	Distribution of packaging, machinery, spare part and equipment	40	40	100,000	100,000	40,000	40,000	345,064	336,198	120,000	
		Thailand	26	26	15,000	15,000	3,900	3,900	8,040	6,710	-
PT Osotspa ABC Indonesia MYANMAR GOLDEN EAGLE COMPANY LIMITED	Importation and distribution of beverages	50	50	34,476	34,476	17,238	17,238	-	-	-	
		Republic of the Union of Myanmar	35	-	279,521	-	97,832	-	98,455	-	-
							513,770	415,938	799,751	588,732	120,000
Total	distribution of glass bottle					855,705	623,840	1,118,810	796,634	138,770	

### Separate financial statement

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
(in thousand Baht)												
<b>Associate</b>												
White Group Public Company Limited	-	-	-	-	-	-	-	-	-	-	-	18,770
			-	-	-	-	-	-	-	-	-	<b>18,770</b>
<b>Joint ventures</b>												
Calpis Osotspa Co., Ltd.	40	40	720,000	720,000	288,000	288,000	(256,868)	(231,553)	31,132	56,447	-	-
House Osotspa Foods Co., Ltd.	40	40	167,000	167,000	66,800	66,800	-	(25,315)	66,800	41,485	-	-
Osotspa Taisho Pharmaceutical Co., Ltd.	40	40	100,000	100,000	40,000	40,000	-	-	40,000	40,000	73,430	120,000
Yamamura International (Thailand) Co., Ltd.	26	26	15,000	15,000	3,900	3,900	(1,871)	(1,871)	2,029	2,029	-	-
					<b>398,700</b>	<b>398,700</b>	<b>(258,739)</b>	<b>(258,739)</b>	<b>139,961</b>	<b>139,961</b>	<b>73,430</b>	<b>120,000</b>
<b>Total</b>					<b>398,700</b>	<b>398,700</b>	<b>(258,739)</b>	<b>(258,739)</b>	<b>139,961</b>	<b>139,961</b>	<b>73,430</b>	<b>138,770</b>

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

*Acquisitions and disposals of investment in associates and joint ventures**2019*

In January 2019, a subsidiary acquired an investment in 6% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 2.3 million, resulting to the Group's total interest in Basecamp Brews Ltd to 20%. The subsidiary has already paid for the above investment in December 2018.

In May 2019, a subsidiary acquired an investment in 2% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 1 million, resulting to the Group's total interest in Basecamp Brews Ltd to 22%.

On 16 December 2019, a subsidiary made a new investment in 35% of the issued and paid-up capital of MYANMAR GOLDEN EAGLE COMPANY LIMITED, incorporated in the Republic of the Union of Myanmar, for a consideration of MMK 4,878.3 million. It is an arrangement in which the subsidiary has joint control therefore MYANMAR GOLDEN EAGLE COMPANY LIMITED became a joint venture of the Group.

*2018*

On 23 November 2018, the Company sold all 23.37% interest in the issued and paid-up capital of White Group Public Company Limited, an associate of the Company, for a consideration of Baht 750.8 million with expenses directly attributable to sale of Baht 9.4 million. The Group and the Company recognised a gain of Baht 81.4 million and Baht 434.7 million, respectively, in statement of income for the year ended 31 December 2018.

On 24 December 2018, a subsidiary made a new investment in 14% of the issued and paid-up capital of Basecamp Brews Ltd, incorporated in the United Kingdom, for a consideration of GBP 5.1 million. The subsidiary has significant influence over the financial policies and operation and therefore Basecamp Brews Ltd became an associate of the Group. In addition, in December 2018, the subsidiary paid for investment in 6% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 2.3 million to existing shareholders in Basecamp Brews Ltd, which the process of transferring was completed in January 2019, as a result the Group's total interest in Basecamp Brews Ltd to 20% in January 2019.

## Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	White Group Public Company Limited		Basecamp Brews Ltd		Calpis Osotsa Co., Ltd.		Osotsa Taisho Pharmaceutical Co., Ltd.		House Osotsa Foods Co., Ltd.		MYANMAR GOLDEN EAGLE COMPANY LIMITED	
	2019	2018 <sup>(1)</sup>	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>											
Revenue	-	1,030,788	63,148	-	386,370	435,054	3,462,182	3,661,457	1,811,156	1,198,734	-	-
Profit (loss) from continuing operations	-	123,009	(101,492)	-	(84,264)	(63,781)	205,739	262,948	340,185	207,799	(298)	-
Other comprehensive income	-	-	(5,389)	-	-	-	-	-	-	-	2,076	-
<b>Total comprehensive income</b>	-	<b>123,009</b>	<b>(106,881)</b>	-	<b>(84,264)</b>	<b>(63,781)</b>	<b>205,739</b>	<b>262,948</b>	<b>340,185</b>	<b>207,799</b>	<b>1,778</b>	-
Group's share of total comprehensive income	-	28,744	(22,876)	-	(33,706)	(25,512)	82,296	105,179	136,074	83,119	623	-
Current assets	-	-	81,052	139,814	96,221	113,785	1,670,788	1,594,542	1,211,694	798,474	128,035	-
Non-current assets	-	-	1,738	1,474	257,937	284,604	12,810	13,852	9,377	4,410	148,931	-
Current liabilities	-	-	(15,019)	(5,579)	(311,731)	(272,176)	(790,273)	(742,703)	(389,809)	(311,988)	(1)	-
Non-current liabilities	-	-	-	(837)	(2,834)	(2,356)	(30,664)	(25,193)	(373)	(192)	-	-
<b>Net assets</b>	-	-	<b>67,771</b>	<b>134,872</b>	<b>39,593</b>	<b>123,857</b>	<b>862,661</b>	<b>840,498</b>	<b>830,889</b>	<b>490,704</b>	<b>276,965</b>	-
Carrying amount of interest in associate/joint venture	-	-	319,059	207,902	15,837	49,543	345,064	336,198	332,355	196,281	98,455	-
a Includes:												
- depreciation and amortisation					30,349	33,098	1,550	1,278	901	789	-	-
- interest expense					3,643	3,497	-	-	-	-	-	-
- income tax expense					-	-	52,879	67,770	83,189	51,078	-	-
b Includes cash and cash equivalents					4,254	2,996	768,316	665,669	749,117	397,225	119,073	-
c Includes current financial liabilities (excluding trade and other payables and provisions)					216,000	218,010	-	-	-	-	-	-
d Includes non-current financial liabilities (excluding trade and other payables and provisions)					773	359	-	-	-	-	-	-

<sup>(1)</sup> Data from 1 January 2018 upto loss of control date



*Immaterial joint ventures*

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial joint ventures	
	2019	2018
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial joint ventures	<b>8,040</b>	<b>6,710</b>
Group's share of:		
- Profit from continuing operations	1,330	1,107
- Other comprehensive income	-	-
- Total comprehensive income	<b>1,330</b>	<b>1,107</b>

**12 Investments in subsidiaries**

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	3,033,808	1,384,388
Acquisitions	3,153,770	1,649,420
Proceeds from redemption of investment in subsidiary	-	(4,837)
Reversal of impairment losses	-	4,837
<b>At 31 December</b>	<b>6,187,578</b>	<b>3,033,808</b>

Details of subsidiaries and indirect subsidiaries as at 31 December 2019 and 2018 were as follows:

Name of subsidiaries and indirect subsidiaries	Country of operation	Type of business	Ownership interest (%)	
			2019	2018
Subsidiaries				
Osotspa Beverages Co., Ltd.	Thailand	Distribution of beverage	100.00	100.00
Greensville Co., Ltd.	Thailand	Manufacturing and distribution of personal care products	100.00	100.00
Siam Glass Industry Co., Ltd.	Thailand	Manufacturing and distribution of glass	100.00	100.00
Siam Glass Ayutthaya Co., Ltd.	Thailand	Manufacturing and distribution of glass	100.00	100.00
Siam Cullet Co., Ltd.	Thailand	Distribution of cullet	99.98	99.98
SSB Enterprise Co., Ltd.	Thailand	Manufacturing of beverage concentrates and premixes	100.00	99.98
Osotspa Innovation Centre Co., Ltd.	Thailand	Research and development	100.00	100.00
Osotspa Dairy Co., Ltd.	Thailand	Property renting	100.00	100.00
Osotspa Enterprise Co., Ltd.	Thailand	Invest in other companies	100.00	100.00
OSOTSPA USA, INC.	United States of America	Providing of marketing services	100.00	100.00
OSOTSPA LOI HEIN COMPANY LIMITED	Republic of the Union of Myanmar	Retail and wholesale of beverages	8.50 <sup>(1)</sup>	51.00
PT. M-150 INDONESIA	Indonesia	Importation and distribution of beverages	99.00	99.00
Sawasdee Publishing Co., Ltd.	Thailand	Ceased operation	100.00	100.00
SAB Outsource Co., Ltd.	Thailand	Ceased operation	99.98	99.98
Osotspa Loi Hein (Thailand) Co., Ltd.	Thailand	Ceased operation	99.98	50.99
FC (2017) Co., Ltd.	Thailand	Ceased operation	100.00	100.00
Myanmar Osotspa Company Limited	Republic of the Union of Myanmar	Ceased operation	100.00	100.00
LIZU Trading Handels GmbH	Austria	Ceased operation	100.00	100.00
Osotspa Europe Limited	Cyprus	Ceased operation	100.00	100.00

Name of subsidiaries and indirect subsidiaries	Country of operation	Type of business	Ownership interest (%)	
			2019	2018
Indirect subsidiaries				
Held by Osotspa Beverages Co., Ltd.				
M-150 Company Limited	Thailand	Ceased operation and completed liquidation in December 2019	-	99.98
Union Drink Company Limited	Thailand	Ceased operation	100.00	100.00
Shark AG	Austria	Ceased operation	100.00	100.00
Held by LIZU Trading Handels GmbH				
Flash Power do Brasil Ltda	Brazil	Obtaining licensing fee for use of trademark	100.00	100.00
Held by Osotspa Enterprise Co., Ltd.				
Osotspa Enterprises Singapore Pte. Ltd.	Singapore	Invest in other companies	100.00	100.00
Oventure Pte. Ltd.	Singapore	Invest in other companies	100.00	100.00
O2C Co., Ltd. (Formerly Oimage Co., Ltd.)	Thailand	Electronic commerce business	100.00	-
Asia Vending Machine Operation Company Limited	Thailand	Distribution of beverages, foods and other products	51.00	-
Held by Osotspa Enterprises Singapore Pte. Ltd.				
Osotspa Myanmar Company Limited	Republic of the Union of Myanmar	Manufacturing and distribution of beverages	85.00	85.00
OSOTSPA LOI HEIN COMPANY LIMITED	Republic of the Union of Myanmar	Retail and wholesale of beverages	76.50 <sup>(1)</sup>	-
OSOTSPA VTA JOINT STOCK COMPANY	Vietnam	Distribution of beverages	60.00	-
Held by O2C Co., Ltd. (Formerly Oimage Co., Ltd.)				
Oyura Co., Ltd.	Thailand	Educating and selling herbal product	100.00	-

<sup>(1)</sup> Held by the Company 8.50% and held by Osotspa Enterprises Singapore Pte. Ltd. 76.50%, totaling 85.00%

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

Name of subsidiaries	Separate financial statements									
	Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
					<i>(in thousand Baht)</i>					
Osootsa Beverages Co., Ltd.	354,950	354,950	354,950	354,950	-	-	354,950	354,950	760,103	547,865
Greensville Co., Ltd.	6,500	6,500	6,500	6,500	-	-	6,500	6,500	199,994	673,729
Siam Glass Industry Co., Ltd.	400,000	400,000	429,782	429,782	-	-	429,782	429,782	-	156,999
Siam Glass Ayuthaya Co., Ltd.	2,280,000	780,000	2,280,000	780,000	-	-	2,280,000	780,000	192,660	787,332
Siam Cullet Co., Ltd.	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	89,382
SSB Enterprise Co., Ltd.	170,000	1,000	170,000	1,000	-	-	170,000	1,000	79,995	134,973
Osootsa Innovation Centre Co., Ltd.	61,600	31,300	61,600	31,300	-	-	61,600	31,300	22,240	20,395
Osootsa Dairy Co., Ltd.	463,567	463,567	90,000	90,000	-	-	90,000	90,000	-	-
Osootsa Enterprise Co., Ltd.	2,774,590	1,320,120	2,774,590	1,320,120	-	-	2,774,590	1,320,120	-	-
OSOTSPA USA, INC.	105,162	105,162	160,644	160,644	(160,644)	(160,644)	-	-	-	-
OSOTSPA LOI HEIN COMPANY LIMITED	186,203	33,907	16,646	16,646	-	-	16,646	16,646	56,996	36,067
PT. M-150 INDONESIA	4,071	4,071	5,384	5,384	(5,384)	(5,384)	-	-	-	-
Sawasdee Publishing Co., Ltd.	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
SAB Outsource Co., Ltd.	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	15,997
Osootsa Loi Hein (Thailand) Co., Ltd.	1,000	1,000	510	510	-	-	510	510	-	32,787
FC (2017) Co., Ltd.	5,000	5,000	50	50	(50)	(50)	-	-	-	-
Myanmar Osootsa Company Limited	9,771	9,771	8,232	8,232	(8,232)	(8,232)	-	-	-	-
LIZU Trading Handels GmbH	324,105	324,105	324,570	324,570	(324,570)	(324,570)	-	-	-	-
Osootsa Europe Limited	266,237	266,237	307,119	307,119	(307,119)	(307,119)	-	-	-	-
<b>Total</b>	<b>6,993,577</b>	<b>3,839,807</b>	<b>(805,999)</b>	<b>(805,999)</b>	<b>(805,999)</b>	<b>(805,999)</b>	<b>6,187,578</b>	<b>3,033,808</b>	<b>1,311,988</b>	<b>2,495,526</b>

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

*Acquisitions and disposals of investments in subsidiaries*

2019

*Acquisitions of investments in Osotspa Innovation Centre Co., Ltd.*

On 5 March 2019, the Board of Directors of Osotspa Innovation Centre Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 30.3 million by calling up additional paid-up capital and received payment for the additional paid-up capital in March 2019.

*Acquisitions of investments in Osotspa Enterprise Co., Ltd.*

On 6 May 2019, the Board of Directors of Osotspa Enterprise Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 44.97 million by calling up additional paid-up capital and received payment for the additional paid-up capital in May 2019.

On 5 August 2019, the Extraordinary General Meeting of shareholders of Osotspa Enterprise Co., Ltd, a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 430.0 million by calling up additional paid-up capital and received payment for additional paid-up capital in August 2019.

On 15 August 2019, the Extraordinary General Meeting of shareholders of Osotspa Enterprise Co., Ltd, a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 139.5 million by calling up additional paid-up capital and received payment for additional paid-up capital in August 2019.

On 24 September 2019, the Extraordinary General Meeting of shareholders of Osotspa Enterprise Co., Ltd, a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 840.0 million by calling up additional paid-up capital and received payment for additional paid-up capital in September 2019.

*Transfer of shares in Osotspa Loi Hein (Thailand) Co., Ltd.*

On 11 September 2019, shares in Osotspa Loi Hein (Thailand) Co., Ltd., a subsidiary of the Company, was transferred from non-controlling shareholders to the Company. As a result, ownership of the Company in the subsidiary change from 50.99% to 99.98%.

*Acquisitions of investments in Siam Glass Ayutthaya Co., Ltd.*

On 18 September 2019, the Extraordinary General Meeting of shareholders of Siam Glass Ayutthaya Co., Ltd., a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 1,500.0 million by calling up additional paid-up capital and received payment for all additional paid-up capital in September 2019.

*Acquisitions of investments in SSB Enterprise Co., Ltd.*

On 27 September 2019, the Extraordinary General Meeting of shareholders of SSB Enterprise Co., Ltd., a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 169.0 million by calling up additional paid-up capital and received payment for all additional paid-up capital in September 2019.



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*Acquisitions of investments in Oventure Pte. Ltd. by Osotspa Enterprise Co., Ltd.*

In June 2019, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, paid for the capital increase in Oventure Pte. Ltd., amounting to USD 1.27 million according to the Shareholder's resolution of the subsidiary.

In October 2019, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, paid for the capital increase in Oventure Pte. Ltd., amounting to USD 17.0 million according to the Shareholder's resolution of the subsidiary.

*Acquisitions of investments in Asia Vending Machine Operation Company Limited by Osotspa Enterprise Co., Ltd.*

On 1 October 2019, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, invested 51% of ownership interest in Asia Vending Machine Operation Company Limited amounting to Baht 25.5 million according to the resolution of the Board of Directors' Meeting. (Details in Note 4)

*Establishment of O2C Co., Ltd. (Formerly Oimage Co., Ltd.) by Osotspa Enterprise Co., Ltd.*

In July 2019, Osotspa Enterprise Co., Ltd. established Oimage Co., Ltd., a new subsidiary, for electronic commerce business with the registered capital of Baht 50.0 million and the issued and paid-up capital of Baht 12.5 million, equivalent to 100% interests of the issued and paid-up capital, according to the resolution of the Board of Directors' Meeting on 14 May 2019.

In October 2019, Oimage Co., Ltd. was renamed to O2C Co., Ltd. according to the resolution of the Extraordinary General Meeting of shareholders of the subsidiary.

*Establishment of Oyura Co., Ltd. by O2C Co., Ltd. (Formerly Oimage Co., Ltd.)*

In August 2019, O2C Co., Ltd. (Formerly Oimage Co., Ltd.) established Oyura Co., Ltd., a new subsidiary, for educating and selling herbal products with the registered capital of Baht 30.0 million and the issued and paid-up capital of Baht 7.5 million, equivalent to 100% interests of the issued and paid-up capital, according to the resolution of the Board of Directors' Meeting on 14 May 2019.

*Acquisitions of investments in Osotspa Enterprises Singapore Pte. Ltd. by Osotspa Enterprise Co., Ltd.*

In August 2019, Osotspa Enterprise Co., Ltd, a subsidiary of the Company, paid for increasing paid-up capital of USD 18.0 million of Osotspa Enterprises Singapore Pte. Ltd. according to the resolution of the Extraordinary General Meeting of shareholders of the subsidiary.

In September 2019, Osotspa Enterprise Co., Ltd, a subsidiary of the Company, paid for increasing paid-up capital of USD 10.0 million of Osotspa Enterprises Singapore Pte. Ltd. according to the resolution of the Extraordinary General Meeting of shareholders of the subsidiary.

*Acquisitions of investments in OSOTSPA LOI HEIN COMPANY LIMITED by Osotspa Enterprise Singapore Pte. Ltd.*

On 24 October 2019, Osotspa Enterprise Singapore Pte. Ltd. acquired investment in OSOTSPA LOI HEIN COMPANY LIMITED, a subsidiary in the Republic of the Union of Myanmar, amounting to Baht 389.8 million, in accordance with the resolution of the Board of Directors' Meeting on 17 July 2019. After the capital increased, the total interest of the Group changed from 51% to 85%. The effect of changes in the Group's ownership interest in investment effect to the carrying amount of non-controlling interests acquired amounting to Baht 152.7 million. As a result, the equity attributable to owners of the Group decreased in amount of Baht 237.1 million.

*Establishment of OSOTSPA VTA JOINT STOCK COMPANY by Osotspa Enterprise Singapore Pte. Ltd.*

On 19 November 2019, Osotspa Enterprise Singapore Pte. Ltd. established OSOTSPA VTA JOINT STOCK COMPANY, a new subsidiary in Vietnam, for distribution of beverage which had the issued and paid-up capital of VND 57,500 million. Osotspa Enterprise Singapore Pte. Ltd. invested VND 34,500 million, equivalent to 60% interests of the issued and paid-up capital, according to the resolution of the Board of Directors' Meeting on 17 July 2019.

*2018**Acquisitions of investments in Siam Glass Ayutthaya Co., Ltd.*

On 25 January 2018, the Board of Directors of Siam Glass Ayutthaya Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 300 million. Siam Glass Ayutthaya Co., Ltd. called up additional paid-up capital and received payment for all additional paid-up capital in April 2018.

*Acquisitions of investments in Osotspa Enterprises Singapore Pte. Ltd. and Osotspa Myanmar Company Limited by subsidiaries*

In June 2018, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, paid for the capital increase in Osotspa Enterprises Singapore Pte. Ltd., amounting to USD 30.6 million for the investing in 85% of the issued and paid-up capital of Osotspa Myanmar Company Limited, amounting to USD 30.6 million, a subsidiary in the Republic of the Union of Myanmar, according to the resolutions of the Shareholders' Meeting of the subsidiary.

*Acquisitions of investments in Osotspa Enterprise Co., Ltd.*

On 29 November 2018, the Extraordinary General Meeting of the Shareholders of Osotspa Enterprise Co., Ltd., a subsidiary of the Company, approved to increase the registered share capital for overseas investment amounting to Baht 1,499.0 million by calling up additional paid-up capital amounting to Baht 1,319.1 million equivalent to 88% of the additional registered share capital.

*Acquisitions of investments in Osotspa Innovation Centre Co., Ltd.*

On 6 December 2018, the Extraordinary General Meeting of the Shareholders of Osotspa Innovation Centre Co., Ltd. (formerly Wallgreen Co., Ltd.), a subsidiary of the Company, approved to increase the registered share capital for research and development amounting to Baht 101 million by calling up additional paid-up capital amounting to Baht 30.3 million equivalent to 30% of the additional registered share capital.

*Disposals of investments in Futures Marketing Communications Group Company Limited*

On 31 January 2018, the Company sold all of its investments in Futures Marketing Communications Group Co., Ltd., a subsidiary of the Company, to Hakuodo Capital (Thailand) Co., Ltd. and Hakuodo Asia Pacific Co., Ltd. The initial purchase price was Baht 947.5 million according to the resolution of the Board of Directors' Meeting held on 19 December 2017.

Book value of assets and liabilities of Futures Marketing Communications Group Co., Ltd. and its subsidiaries at loss of control date (31 January 2018) was as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Assets</b>		
Cash and cash equivalents	115,452	-
Trade accounts receivable	262,625	-
Other receivables	25,467	-
Inventories	15,161	-
Investments in associates	13,900	-
Investments in subsidiaries	-	100,000
Investments in joint ventures	645,531	-
Property, plant and equipment	9,855	-
Other intangible assets	10,171	-
Deferred tax assets	14,628	-
Other non-current assets	46,864	-
<b>Total assets</b>	<b>1,159,654</b>	<b>100,000</b>
<b>Liabilities</b>		
Trade accounts payable	235,037	-
Other payables	44,866	-
Finance lease liabilities	201	-
Other current liabilities	15,127	-
Provisions for employee benefits	63,505	-
<b>Total liabilities</b>	<b>358,736</b>	<b>-</b>

The Group and the Company recognised gain on disposal of investment of Baht 61.6 million and Baht 725.2 million, respectively which were summarised as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
The initial purchase price from contract	947,498	947,498
Less adjustment of the received amount from contract conditions and cost of disposal of investment in subsidiary	(122,304)	(122,304)
Net received amount from disposal of investment in subsidiary	825,194	825,194
Less the carrying amount of net assets and liabilities	(800,918)	(100,000)
Non-controlling interests	37,287	-
<b>Gain on disposal of investment</b>	<b>61,563</b>	<b>725,194</b>

### 13 Disposal of subsidiary and discontinued operation

The Group sold its entire advertising media services business in September 2018, therefore, the statement of income for the year ended 31 December 2018 has been presented the discontinued operation separately from continuing operations as follows:

<i>Year ended 31 December 2018</i>	<b>Consolidated financial statements (in thousand Baht)</b>
<b>Results of discontinued operation</b>	
Revenues from services	197,594
Other income	3,107
<b>Total revenues</b>	<b>200,701</b>
Cost of rendering of services	120,925
Selling and administrative expenses	41,041
Finance costs	9
<b>Total expenses</b>	<b>161,975</b>
Share of loss of associates and joint ventures	(4,526)
<b>Results from operating activities</b>	<b>34,200</b>
Income tax	(7,648)
<b>Results from operating activities, net of income tax</b>	<b>26,552</b>
<b>Profit attributable to:</b>	
Owners of the parent	24,613
Non-controlling interests	1,939
<b>Profit for the year from discontinued operation</b>	<b>26,552</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.01</b>
<b>Cash flows from (used in) discontinued operation</b>	
Net cash from operating activities	57,421
Net cash from investing activities	27
Net cash used in financing activities	(13,505)
<b>Net cash from discontinued operation</b>	<b>43,943</b>

## 14 Investment properties

Consolidated financial statements				
	Land	Land improvements	Buildings	Total
	(in thousand Baht)			
<b>Cost</b>				
At 1 January 2018	194,486	28,552	67,583	290,621
Transfers from property, plant and equipment	427,528	-	30,543	458,071
Disposals	(2,875)	-	(1,300)	(4,175)
<b>At 31 December 2018 and 1 January 2019</b>	<b>619,139</b>	<b>28,552</b>	<b>96,826</b>	<b>744,517</b>
Transfers from property, plant and equipment	114,009	-	62,845	176,854
Disposals	(8,166)	-	(18,167)	(26,333)
<b>At 31 December 2019</b>	<b>724,982</b>	<b>28,552</b>	<b>141,504</b>	<b>895,038</b>
<b>Depreciation and impairment losses</b>				
At 1 January 2018	-	28,552	55,882	84,434
Depreciation charge for the year	-	-	3,174	3,174
Transfers from property, plant and equipment	-	-	24,703	24,703
Disposals	-	-	(1,300)	(1,300)
Reversal of impairment loss	-	-	(8,314)	(8,314)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>28,552</b>	<b>74,145</b>	<b>102,697</b>
Depreciation charge for the year	-	-	3,918	3,918
Transfers from property, plant and equipment	-	-	62,845	62,845
Disposals	-	-	(13,384)	(13,384)
<b>At 31 December 2019</b>	<b>-</b>	<b>28,552</b>	<b>127,524</b>	<b>156,076</b>
<b>Net book value</b>				
At 1 January 2018	194,486	-	11,701	206,187
At 31 December 2018 and 1 January 2019	619,139	-	22,681	641,820
At 31 December 2019	724,982	-	13,980	738,962



	Separate financial statements		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
<b>Cost</b>			
At 1 January 2018	345,873	17,818	363,691
Transfers from property, plant and equipment	475,636	15,619	491,255
Disposals	(2,875)	(1,300)	(4,175)
<b>At 31 December 2018 and 1 January 2019</b>	<b>818,634</b>	<b>32,137</b>	<b>850,771</b>
Disposals	(8,166)	(3,243)	(11,409)
<b>At 31 December 2019</b>	<b>810,468</b>	<b>28,894</b>	<b>839,362</b>
<b>Depreciation</b>			
At 1 January 2018	-	11,719	11,719
Depreciation charge for the year	-	392	392
Transfers from property, plant and equipment	-	15,024	15,024
Disposals	-	(1,300)	(1,300)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>25,835</b>	<b>25,835</b>
Depreciation charge for the year	-	587	587
Disposals	-	(3,158)	(3,158)
<b>At 31 December 2019</b>	<b>-</b>	<b>23,264</b>	<b>23,264</b>
<b>Net book value</b>			
<b>At 1 January 2018</b>	<b>345,873</b>	<b>6,099</b>	<b>351,972</b>
<b>At 31 December 2018 and 1 January 2019</b>	<b>818,634</b>	<b>6,302</b>	<b>824,936</b>
<b>At 31 December 2019</b>	<b>810,468</b>	<b>5,630</b>	<b>816,098</b>

Investment properties comprise vacant land, land and buildings that are leased to other parties for a period of 3 to 10 years. Subsequent renewals are negotiated with the lessees.

The fair value of investment properties as at 31 December 2019 of the Group and the Company was Baht 1,889.8 million and Baht 1,749.0 million respectively (2018: Baht 1,531.4 million and Baht 1,781.0 million respectively). The fair value determined by independent professional valuers, at open market values on an existing use basis and income approach. The fair value of measurement for investment property has been categorised as a Level 3 fair value.

## 15 Leasehold rights

During the third quarter of 2018, a subsidiary entered into a land sublease agreement amounting to USD 11 million with Myanmar Japan Thilawa Development Ltd. for our factory construction and operation in the Republic of the Union of Myanmar. The land is located in the Thilawa Special Economic Zone. The agreement shall be effective for 48 years 7 months commencing on 3 July 2018 and end on 9 February 2067. The subsidiary has an option to extend the lease tenure for a further term of 25 years based on terms and conditions stipulated in the agreement.

Movements during the years ended 31 December of leasehold rights were as follows:

	<b>Consolidated financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	332,395	-
Additions	-	363,561
Transfers to property, plant and equipment	(6,294)	(3,727)
Effect of translation for foreign operations	(9,354)	(27,439)
Adjustment	(15,692)	-
<b>At 31 December</b>	<b>301,055</b>	<b>332,395</b>

## 16 Property, plant and equipment

Consolidated financial statements										
	Note	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
<b>Cost</b>										
At 1 January 2018	1,155,427	345,303	3,355,862	670,974	10,154,975	853,705	810,953	117,676	1,200,423	18,665,298
Additions	-	1,473	1,280	11,531	86,174	64,473	65,620	48,206	889,779	1,168,536
Transfers	-	2,970	371,135	389,744	872,850	-	78,157	(50,285)	(1,664,571)	-
Transfers from (transfers to) inventory	-	-	-	-	-	-	-	(5,825)	1,227	(4,598)
Transfers from leasehold rights	-	-	-	-	-	-	-	-	3,727	3,727
Transfers to investment properties	(427,528)	-	(28,143)	(2,400)	-	-	-	-	-	(458,071)
Disposals and write-off	(2,650)	(10)	(2,035)	(1,088)	(1,072,805)	(354,396)	(47,344)	(4,436)	(19,304)	(1,504,068)
Decrease from disposal of subsidiaries	-	-	-	(16,521)	-	-	(6,165)	-	-	(22,686)
Effect of translation for foreign operations	-	-	-	-	-	(3,440)	(977)	-	(4,284)	(8,701)
<b>At 31 December 2018 and 1 January 2019</b>	<b>725,249</b>	<b>349,736</b>	<b>3,698,099</b>	<b>1,052,240</b>	<b>10,041,194</b>	<b>560,342</b>	<b>900,244</b>	<b>105,336</b>	<b>406,997</b>	<b>17,839,437</b>
Additions	-	3,290	-	14,637	141,962	45,863	28,890	109,105	2,931,249	3,274,996
Addition from business acquisition	4	-	-	4,109	195,339	42,999	4,576	-	9,102	256,125
Transfers	-	-	578,938	87,271	1,651,791	-	33,786	(54,939)	(2,296,847)	-
Transfers from (transfers to) inventory	-	-	-	-	1,840	-	-	(1,059)	-	781
Transfers from leasehold rights	-	-	-	-	-	-	-	-	6,294	6,294
Transfers to investment properties	(114,009)	-	(62,845)	-	-	-	-	-	-	(176,854)
Disposals and write-off	-	-	(7,716)	(915)	(775,301)	(131,868)	(103,568)	-	-	(1,019,368)
Effect of translation for foreign operations	-	-	-	-	-	(696)	(361)	-	(8,565)	(9,622)
<b>At 31 December 2019</b>	<b>611,240</b>	<b>353,026</b>	<b>4,206,476</b>	<b>1,157,342</b>	<b>11,256,825</b>	<b>516,640</b>	<b>863,567</b>	<b>158,443</b>	<b>1,048,230</b>	<b>20,171,789</b>

**Consolidated financial statements**

**Depreciation and impairment losses**

	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Vehicles	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
<b>At 1 January 2018</b>	-	163,278	1,519,666	227,881	8,643,453	536,298	617,831	4,436	19,252	11,732,095
Depreciation charge for the year	-	15,059	150,080	78,139	626,526	92,047	81,458	-	-	1,043,309
(Reversal of) impairment losses	-	-	-	-	2,800	-	(198)	696	(19,252)	(15,954)
Transfers	-	-	(46)	46	204	-	(204)	-	-	-
Transfer to investment properties	-	-	(22,381)	(2,322)	-	-	-	-	-	(24,703)
Disposals and write-off	-	(10)	(2,035)	(998)	(1,065,277)	(271,264)	(45,426)	(4,436)	-	(1,389,446)
Decrease from disposal of subsidiaries	-	-	-	(16,484)	-	-	(5,304)	-	-	(21,788)
Effect of translation for foreign operations	-	-	-	-	-	(1,113)	(690)	-	-	(1,803)
<b>At 31 December 2018 and 1 January 2019</b>	-	<b>178,327</b>	<b>1,645,284</b>	<b>286,262</b>	<b>8,207,706</b>	<b>355,968</b>	<b>647,467</b>	<b>696</b>	-	<b>11,321,710</b>
Depreciation charge for the year	-	15,494	158,373	94,520	531,137	72,533	81,528	-	-	953,585
Impairment losses	-	-	-	-	12,319	-	-	-	-	12,319
Transfers	-	-	-	-	154	-	(154)	-	-	-
Transfer to investment properties	-	-	(62,845)	-	-	-	-	-	-	(62,845)
Disposals and write-off	-	-	(5,631)	(248)	(752,624)	(117,134)	(101,832)	-	-	(977,469)
Effect of translation for foreign operations	-	-	-	-	-	(278)	(299)	-	-	(577)
<b>At 31 December 2019</b>	-	<b>193,821</b>	<b>1,735,181</b>	<b>380,534</b>	<b>7,998,692</b>	<b>311,089</b>	<b>626,710</b>	<b>696</b>	-	<b>11,246,723</b>

## Consolidated financial statements

Net book value											
At 1 January 2018											
Owned assets	1,155,427	182,025	1,836,196	443,093	1,511,522	198,854	193,122	113,240	1,181,171	6,814,650	
Assets under finance leases	-	-	-	-	-	118,553	-	-	-	118,553	
	<u>1,155,427</u>	<u>182,025</u>	<u>1,836,196</u>	<u>443,093</u>	<u>1,511,522</u>	<u>317,407</u>	<u>193,122</u>	<u>113,240</u>	<u>1,181,171</u>	<u>6,933,203</u>	
At 31 December 2018 and 1 January 2019											
Owned assets	725,249	171,409	2,052,815	765,978	1,833,488	72,612	252,777	104,640	406,997	6,385,965	
Assets under finance leases	-	-	-	-	-	131,762	-	-	-	131,762	
	<u>725,249</u>	<u>171,409</u>	<u>2,052,815</u>	<u>765,978</u>	<u>1,833,488</u>	<u>204,374</u>	<u>252,777</u>	<u>104,640</u>	<u>406,997</u>	<u>6,517,727</u>	
At 31 December 2019											
Owned assets	611,240	159,205	2,471,295	775,104	3,110,663	29,444	233,948	157,747	1,048,230	8,596,876	
Assets under finance leases	-	-	-	1,704	147,470	176,107	2,909	-	-	328,190	
	<u>611,240</u>	<u>159,205</u>	<u>2,471,295</u>	<u>776,808</u>	<u>3,258,133</u>	<u>205,551</u>	<u>236,857</u>	<u>157,747</u>	<u>1,048,230</u>	<u>8,925,066</u>	

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 7,493.2 million (2018: Baht 7,303.5 million).



### Separate financial statements

	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Vehicles	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
<b>Cost</b>										
At 1 January 2018	859,401	231,808	2,150,678	633,000	6,351,792	287,952	649,611	58,761	1,167,498	12,390,501
Additions	-	1,472	1,160	10,961	45,360	7,074	61,432	34,669	511,100	673,228
Transfers from inventory	-	-	-	-	-	-	-	-	1,227	1,227
Transfers	-	2,970	371,347	385,756	811,893	-	77,697	(28,278)	(1,621,385)	-
Transfers to investment properties	(475,636)	-	(13,219)	(2,400)	-	-	-	-	-	(491,255)
Disposals and write-off	(2,650)	(10)	(1,934)	-	(958,257)	(126,337)	(39,662)	-	(18,552)	(1,147,402)
<b>At 31 December 2018 and 1 January 2019</b>	<b>381,115</b>	<b>236,240</b>	<b>2,508,032</b>	<b>1,027,317</b>	<b>6,250,788</b>	<b>168,689</b>	<b>749,078</b>	<b>65,152</b>	<b>39,888</b>	<b>11,426,299</b>
Additions	-	3,036	-	14,372	85,475	17,473	20,596	82,191	400,942	624,085
Transfers	-	-	3,968	66,646	234,751	-	25,277	(48,392)	(282,250)	-
Transfers to investment properties	-	-	(4,312)	(703)	(124,113)	(24,252)	(97,184)	-	-	(250,564)
Disposals and write-off	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2019</b>	<b>381,115</b>	<b>239,276</b>	<b>2,507,688</b>	<b>1,107,632</b>	<b>6,446,901</b>	<b>161,910</b>	<b>697,767</b>	<b>98,951</b>	<b>158,580</b>	<b>11,799,820</b>
<b>Depreciation and impairment losses</b>										
At 1 January 2018	-	79,891	1,063,421	204,662	5,944,570	200,576	476,797	-	19,252	7,989,169
Depreciation charge for the year	-	11,761	98,470	74,977	293,963	27,131	69,895	-	-	576,197
Reversal impairment losses	-	-	-	-	(1,074)	-	(196)	-	(19,252)	(20,522)
Transfers	-	-	-	-	204	-	(204)	-	-	-
Transfers to investment properties	-	-	(12,702)	(2,322)	-	-	-	-	-	(15,024)
Disposals and write-off	-	(10)	(1,935)	-	(951,243)	(104,867)	(37,869)	-	-	(1,095,924)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>91,642</b>	<b>1,147,254</b>	<b>277,317</b>	<b>5,286,420</b>	<b>122,840</b>	<b>508,423</b>	<b>-</b>	<b>-</b>	<b>7,433,896</b>
Depreciation charge for the year	-	12,296	98,162	91,660	204,813	21,656	72,904	-	-	501,491
Transfers	-	-	-	-	154	-	(154)	-	-	-
Transfers to investment properties	-	-	(4,213)	(147)	(123,658)	(23,619)	(95,499)	-	-	(247,136)
Disposals and write-off	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2019</b>	<b>-</b>	<b>103,938</b>	<b>1,241,203</b>	<b>368,830</b>	<b>5,367,729</b>	<b>120,877</b>	<b>485,674</b>	<b>-</b>	<b>-</b>	<b>7,688,251</b>

## Separate financial statements

Net book value											
At 1 January 2018											
Owned assets	859,401	151,917	1,087,257	428,338	407,222	55,907	172,814	58,761	1,148,246	4,369,863	
Assets under finance leases	-	-	-	-	-	31,469	-	-	-	31,469	
	<b>859,401</b>	<b>151,917</b>	<b>1,087,257</b>	<b>428,338</b>	<b>407,222</b>	<b>87,376</b>	<b>172,814</b>	<b>58,761</b>	<b>1,148,246</b>	<b>4,401,332</b>	
At 31 December 2018 and 1 January 2019											
Owned assets	381,115	144,598	1,360,778	750,000	964,368	15,812	240,655	65,152	39,888	3,962,366	
Assets under finance leases	-	-	-	-	-	30,037	-	-	-	30,037	
	<b>381,115</b>	<b>144,598</b>	<b>1,360,778</b>	<b>750,000</b>	<b>964,368</b>	<b>45,849</b>	<b>240,655</b>	<b>65,152</b>	<b>39,888</b>	<b>3,992,403</b>	
At 31 December 2019											
Owned assets	381,115	135,338	1,266,485	738,802	1,079,172	5,239	212,093	98,951	158,580	4,075,775	
Assets under finance leases	-	-	-	-	-	35,794	-	-	-	35,794	
	<b>381,115</b>	<b>135,338</b>	<b>1,266,485</b>	<b>738,802</b>	<b>1,079,172</b>	<b>41,033</b>	<b>212,093</b>	<b>98,951</b>	<b>158,580</b>	<b>4,111,569</b>	

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 5,890.6 million (2018: Baht 5,805.1 million)

## 17 Other intangible assets

Consolidated financial statements				
	Computer software	Others	Intangible assets under installation	Total
<i>Note</i>		(in thousand Baht)		
<b>Cost</b>				
At 1 January 2018	284,435	-	-	284,435
Additions	8,230	-	39,785	48,015
Transfers	39,785	-	(39,785)	-
Write-off	(1,906)	-	-	(1,906)
Decrease from disposal of subsidiaries	(522)	-	-	(522)
<b>At 31 December 2018 and 1 January 2019</b>	<b>330,022</b>	<b>-</b>	<b>-</b>	<b>330,022</b>
Additions	19,737	-	29,490	49,227
Addition from business acquisition	199	858	-	1,057
Transfers	2,516	-	(2,516)	-
Disposals	(1,362)	-	-	(1,362)
Effect of translation for foreign operations	(45)	-	(21)	(66)
<b>At 31 December 2019</b>	<b>351,067</b>	<b>858</b>	<b>26,953</b>	<b>378,878</b>
<b>Amortisation</b>				
At 1 January 2018	92,714	-	-	92,714
Amortisation charge for the year	27,793	-	-	27,793
Write-off	(1,903)	-	-	(1,903)
Decrease from disposal of subsidiaries	(252)	-	-	(252)
<b>At 31 December 2018 and 1 January 2019</b>	<b>118,352</b>	<b>-</b>	<b>-</b>	<b>118,352</b>
Amortisation charge for the year	31,495	27	-	31,522
Disposals	(62)	-	-	(62)
<b>At 31 December 2019</b>	<b>149,785</b>	<b>27</b>	<b>-</b>	<b>149,812</b>
<b>Net book value</b>				
At 1 January 2018	191,721	-	-	191,721
At 31 December 2018 and 1 January 2019	211,670	-	-	211,670
<b>At 31 December 2019</b>	<b>201,282</b>	<b>831</b>	<b>26,953</b>	<b>229,066</b>

Separate financial statements			
	Computer software	Intangible assets under installation (in thousand Baht)	Total
<b>Cost</b>			
At 1 January 2018	248,644	-	248,644
Additions	7,805	39,785	47,590
Transfers	39,785	(39,785)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>296,234</b>	<b>-</b>	<b>296,234</b>
Additions	12,097	27,535	39,632
Transfers	2,516	(2,516)	-
Disposals	(1,362)	-	(1,362)
<b>At 31 December 2019</b>	<b>309,485</b>	<b>25,019</b>	<b>334,504</b>
<b>Amortisation</b>			
At 1 January 2018	69,883	-	69,883
Amortisation charge for the year	25,400	-	25,400
<b>At 31 December 2018 and 1 January 2019</b>	<b>95,283</b>	<b>-</b>	<b>95,283</b>
Amortisation charge for the year	29,163	-	29,163
Disposals	(62)	-	(62)
<b>At 31 December 2019</b>	<b>124,384</b>	<b>-</b>	<b>124,384</b>
<b>Net book value</b>			
At 1 January 2018	178,761	-	178,761
<b>At 31 December 2018 and 1 January 2019</b>	<b>200,951</b>	<b>-</b>	<b>200,951</b>
<b>At 31 December 2019</b>	<b>185,101</b>	<b>25,019</b>	<b>210,120</b>

## 18 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	Secured	2019 Unsecured	<b>Total</b> <i>(in thousand Baht)</i>	Secured	2018 Unsecured	<b>Total</b>
Long-term loans from financial institutions		-	120,865	<b>120,865</b>	-	-	-
Finance lease liabilities		-	381,337	<b>381,337</b>	-	141,802	<b>141,802</b>
<b>Total interest-bearing liabilities</b>		-	<b>502,202</b>	<b>502,202</b>	-	<b>141,802</b>	<b>141,802</b>

Separate financial statements							
	<i>Note</i>	Secured	2019 Unsecured	<b>Total</b> <i>(in thousand Baht)</i>	Secured	2018 Unsecured	<b>Total</b>
Short-term loans from related parties	5	-	893,830	<b>893,830</b>	-	940,065	<b>940,065</b>
Finance lease liabilities		-	39,709	<b>39,709</b>	-	32,356	<b>32,356</b>
<b>Total interest-bearing liabilities</b>		-	<b>933,539</b>	<b>933,539</b>	-	<b>972,421</b>	<b>972,421</b>

### Long-term loans from financial institutions

Consolidated financial statements				
Agreement dated	Amount of long-term loans (in thousand Baht)	Interest rate (% per annum)	Term of loan	Repayment term
9 December 2019	120,865	12.75	5 years	Credit facilities of the long-term loan is amount of MMK 45,150 million Repayment every quarter, divided into 12 quarters as follow: Period 1 <sup>st</sup> - 4 <sup>th</sup> each installment MMK 3,010.0 million Period 5 <sup>th</sup> - 8 <sup>th</sup> each installment MMK 3,762.5 million Period 9 <sup>th</sup> - 12 <sup>th</sup> each installment MMK 4,515.0 million The first payment will be paid in December 2021 and the last repayment will be paid in September 2024.

As at 31 December 2019, the Group and the Company had unutilised credit facilities covering bank overdrafts, short-term loans from financial institutions and long-term loans from financial institutions totaling Baht 11,338.6 million and 9,595.0 million respectively. (2018: Baht 10,429.8 million and 10,394.8 million respectively).

Consolidated financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<b>Finance lease liabilities</b>						
<i>Maturity period</i>						
Within 1 year	114,037	(17,393)	96,644	40,226	(8,268)	31,958
1 - 5 years	304,886	(20,193)	284,693	121,497	(11,653)	109,844
<b>Total</b>	<b>418,923</b>	<b>(37,586)</b>	<b>381,337</b>	<b>161,723</b>	<b>(19,921)</b>	<b>141,802</b>

Separate financial statements						
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<b>Finance lease liabilities</b>						
<i>Maturity period</i>						
Within 1 year	12,890	(2,040)	10,850	9,130	(2,118)	7,012
1 - 5 years	30,869	(2,010)	28,859	28,367	(3,023)	25,344
<b>Total</b>	<b>43,759</b>	<b>(4,050)</b>	<b>39,709</b>	<b>37,497</b>	<b>(5,141)</b>	<b>32,356</b>

**19 Trade accounts payable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	966,580	775,363	823,813	679,864
Other parties		1,277,234	1,205,502	656,955	664,308
<b>Total</b>		<b>2,243,814</b>	<b>1,980,865</b>	<b>1,480,768</b>	<b>1,344,172</b>

**20 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	5	1,555	2,708	91,469	43,132
<b>Other parties</b>					
Accrued expenses		673,342	585,920	259,906	426,414
Accrued promotion and trade discounts		547,671	535,776	304,843	242,392
Accrued excise tax and sugar tax		321,347	281,050	321,347	281,050
Accrued bonus		260,945	210,703	174,771	155,466
Payables for purchase of assets		257,460	176,913	89,962	106,123
Accrued advertising expenses		159,522	131,671	153,898	131,004
Revenue department payable		103,489	89,125	65,773	51,272
Deposit and advance received		57,782	26,829	6,968	11,315
Others		202,181	109,048	-	-
		2,583,739	2,147,035	1,377,468	1,405,036
<b>Total</b>		<b>2,585,294</b>	<b>2,149,743</b>	<b>1,468,937</b>	<b>1,448,168</b>

**21 Provisions for employee benefits**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Statement of financial position</b>					
<b>Obligations as of 31 December</b>					
<b>Non-current</b>					
Post-employment benefits		605,648	419,178	380,653	254,151
Other long-term employee benefits		23,717	21,983	17,347	15,786
<b>Total</b>		<b>629,365</b>	<b>441,161</b>	<b>398,000</b>	<b>269,937</b>
<b>Year ended 31 December</b>					
<b>Statement of income:</b>					
<b>Recognised in profit or loss from continuing operations:</b>					
Post-employment benefits		144,464	41,095	113,345	28,227
Other long-term employee benefits		5,108	(734)	4,625	(337)
Termination benefits	26	65,326	28,210	-	17,465
<b>Total</b>		<b>214,898</b>	<b>68,571</b>	<b>117,970</b>	<b>45,355</b>



		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
					<i>(in thousand Baht)</i>
<b>Year ended 31 December</b>					
<b>Statement of income:</b>					
<b>Recognised in profit or loss from discontinuing operations:</b>					
Post-employment benefits		-	2,064	-	-
Other long-term employee benefits		-	93	-	-
<b>Total</b>		<b>-</b>	<b>2,157</b>	<b>-</b>	<b>-</b>
<b>Total recognised in profit or loss</b>		<b>214,898</b>	<b>70,728</b>	<b>117,970</b>	<b>45,355</b>
<b>Statement of comprehensive income:</b>					
<b>Recognised in other comprehensive income:</b>					
Actuarial (gain) loss recognised in the year		71,977	(1,010)	39,607	(7,073)
The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.					
<b>Present value of the defined benefit obligations</b>					
	<i>Note</i>	2019	2018	2019	2018
					<i>(in thousand Baht)</i>
At 1 January		441,161	432,604	269,937	265,004
<b>Include in profit or loss:</b>					
Current service cost		71,134	54,004	48,130	36,483
Past service cost		98,957	-	58,075	-
Interest on obligation		14,482	9,530	8,466	5,509
Curtailment gain		(39,794)	(18,513)	-	(12,523)
Actuarial (gain) loss - Other long-term employee benefits					
- Demographic assumptions		5	-	-	-
- Financial assumptions		4,320	(456)	3,108	622
- Experience adjustment		468	(2,047)	191	(2,201)
		<b>149,572</b>	<b>42,518</b>	<b>117,970</b>	<b>27,890</b>
<b>Included in other comprehensive income</b>					
Actuarial (gain) loss - Post-employment benefits					
- Demographic assumptions		177	-	-	-
- Financial assumptions		69,812	(28,945)	45,400	(21,696)
- Experience adjustment		1,988	27,935	(5,793)	14,623
		<b>71,977</b>	<b>(1,010)</b>	<b>39,607</b>	<b>(7,073)</b>
<b>Others</b>					
Transfer		-	-	(3,647)	(2,275)
Acquisition of investment in subsidiary	4	655	-	-	-
Disposal of investment in subsidiaries		-	(9,651)	-	-
Effect of translation for foreign operations		(401)	(481)	-	-
Benefit paid		(33,599)	(22,819)	(25,867)	(13,609)
		<b>(33,345)</b>	<b>(32,951)</b>	<b>(29,514)</b>	<b>(15,884)</b>
<b>At 31 December</b>		<b>629,365</b>	<b>441,161</b>	<b>398,000</b>	<b>269,937</b>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate. The Group and the Company have therefore complied in accordance with the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principle actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
Discount rate (%)	1.40 - 7.36	1.75 - 8.10	1.40 - 2.54	1.75 - 3.86
Future salary growth (%)	4.00 - 9.00	4.00 - 10.00	6.00 - 7.00	6.00
Gold price (Baht)	22,050	19,300	22,050	19,300
Employee turnover rate (%)	0 - 35	0 - 35	0 - 20	0 - 20

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

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant below.

<i>Effect to the defined benefit obligation</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<b>At 31 December 2019</b>				
Discount rate (1% movement)	(52,074)	60,072	(32,328)	37,136
Future salary growth (1% movement)	55,323	(49,103)	33,970	(30,298)
Gold price (20% movement)	4,839	(4,839)	3,533	(3,533)
Employee turnover rate (20% movement)	(21,792)	25,217	(12,098)	13,753
Future mortality (1% movement)	1,154	(1,279)	724	(800)
<b>At 31 December 2018</b>				
Discount rate (1% movement)	(32,770)	37,421	(19,088)	21,650
Future salary growth (1% movement)	34,797	(31,100)	19,929	(17,953)
Gold price (20% movement)	4,462	(4,462)	3,165	(3,165)
Employee turnover rate (20% movement)	(13,348)	15,371	(6,574)	7,364
Future mortality (1% movement)	599	(655)	360	(393)

## 22 Share capital

	Par value per share (in Baht)	2019		2018	
		Number	Baht (thousand shares / thousand Baht)	Number	Baht
<b>Authorised shares at 31 December</b>		<b>3,003,750</b>	<b>3,003,750</b>	<b>3,003,750</b>	<b>3,003,750</b>
<b>Issued and paid-up shares</b>					
At 1 January					
- ordinary shares	100	-	-	2,310	231,000
- ordinary shares	1	3,003,750	3,003,750	-	-
Reduction in par value					
- from Baht 100 to Baht 1	1	-	-	228,690	-
Increase of new shares	1	-	-	2,772,750	2,772,750
<b>At 31 December</b>					
- ordinary shares	1	<b>3,003,750</b>	<b>3,003,750</b>	<b>3,003,750</b>	<b>3,003,750</b>

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### ***Par value change***

At the Annual General Meeting of shareholders of the Company held on 22 March 2018, the shareholders approved the change of par value from Baht 100 per share to Baht 1 per share, as a result, the number of registered shares increased to 231,000,000 shares. The Company has registered with the Ministry of Commerce on 2 April 2018.

### ***Issuance of ordinary shares***

At the Annual General Meeting of shareholders of the Company held on 22 March 2018, the shareholders approved the increase of the Company's authorised share capital of Baht 2,772,750,000 by issuance of new 2,772,750,000 ordinary shares at par value of Baht 1 per share. The Company has registered with the Ministry of Commerce on 2 April 2018 and the Company has already called up the additional paid-up capital from the existing shareholders of the Company amounting to Baht 2,266,000,000 on 4 April 2018.

### ***Share offering for directors, managements and employees***

In September 2018, the Company offered not to exceed 19,531,200 ordinary shares to its directors, managements and employees (par value at Baht 1 per share) at the price of Baht 25 per share which is considered as reasonable fair value based on the selling price of ordinary share at the initial public offering. The ordinary shares offered to directors, managements and employees will not be subject to any lock-up restrictions.

### ***Initial Public Offering***

In October 2018, the Company offered 603.75 million ordinary shares to the initial public offering (from existing shareholders of 97.00 million ordinary shares and issuance of new 506.75 million ordinary shares). The new shares were sold at a price of Baht 25.00 per share (par value at Baht 1.00 and premium on ordinary share at Baht 24.00). The Company received cash from selling of new ordinary shares of Baht 12,668.75 million. The Company registered the increase of paid-up share capital with the Ministry of Commerce on 12 October 2018 and the shares of the Company begin trading in the Stock Exchange of Thailand on 17 October 2018. Expenses were directly attributable to the IPO of Baht 314.20 million (net of income tax) was deducted from the IPO's share premium, which was received from shares offering to investors, resulted in net share premium of Baht 11,847.80 million.

### ***Share premium***

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

## **23 Reserves and surplus**

Reserves and surplus comprise:

### ***Appropriations of profit and/or retained earnings***

#### **Legal reserve**

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

**Surplus on business combination under common control**

Surplus on business combination under common control which recognised in equity are the difference between the carrying amounts of net assets of subsidiaries at the acquisition date and amounts of consideration paid deducted by the dividends which subsidiaries of the Company paid to the Company. These dividends were paid from retained earnings of the subsidiaries before business restructuring under common control.

***Other components of equity*****Effect of translation for foreign operations**

The effect of translation for foreign operations account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value changes in available-for-sale investments**

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

**24 Segment information and disaggregation of revenue**

In 2019, the chief operating decision maker (“CODM”) has changed reportable segments from 4 reportable segments to 3 reportable segments for more appropriateness, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different business operation and marketing strategies. For each of the strategic divisions, CODM reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

- *Segment 1 Beverage*
- *Segment 2 Personal care*
- *Segment 3 Others*

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before unallocated revenue and expenses, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before unallocated revenue and expenses is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Information about reportable segments

	Segment 1		Segment 2		Segment 3		Total reportable segments		Eliminate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>For the year ended 31 December</i>												
<i>(in thousand Baht)</i>												
<b>Information about reportable segments</b>												
External revenue	21,473,109	20,358,949	2,655,939	2,451,859	1,481,419	1,486,276	25,610,467	24,297,084	-	-	25,610,467	24,297,084
Inter-segment revenue	97,422	37,491	-	-	137,606	-	235,028	37,491	(235,028)	(37,491)	-	-
<b>Total revenue</b>	<b>21,570,531</b>	<b>20,396,440</b>	<b>2,655,939</b>	<b>2,451,859</b>	<b>1,619,025</b>	<b>1,486,276</b>	<b>25,845,495</b>	<b>24,334,575</b>	<b>(235,028)</b>	<b>(37,491)</b>	<b>25,610,467</b>	<b>24,297,084</b>
Depreciation and amortisation	(782,851)	(847,782)	(74,967)	(73,197)	(131,207)	(151,625)	(989,025)	(1,072,604)	-	-	(989,025)	(1,072,604)
<b>Profit (Loss) from operating by segment</b>	<b>3,256,141</b>	<b>2,642,908</b>	<b>314,977</b>	<b>384,529</b>	<b>79,945</b>	<b>383,914</b>	<b>3,651,063</b>	<b>3,411,351</b>	<b>14,753</b>	<b>(19,116)</b>	<b>3,665,816</b>	<b>3,392,235</b>
<b>Unallocated revenue and expense</b>												
Interest income									147,762			36,092
Gain on disposal of investment properties									53,822			26,149
Gain on disposal and write off of property, plant and equipment									28,393			121,150
Loss on disposal and write off of intangible assets									(192)			(3)
Reversal of impairment losses on investment properties									-			8,314
(Losses) Reversal of impairment losses on property, plant and equipment									(12,319)			15,954
Gain (Loss) on exchange rate									(18,762)			75,122
Other income									134,089			127,684
Finance costs									(12,757)			(81,167)
Income tax expense									(717,928)			(686,002)
<b>Net profit from continuing operations</b>									<b>3,267,924</b>			<b>3,035,528</b>
Add Net profit from discontinued operation <sup>(1)</sup>									-			26,552
Less Non-controlling interests									(8,915)			(56,737)
<b>Net profit attribute to owners of the Company</b>									<b>3,259,009</b>			<b>3,005,343</b>

<sup>(1)</sup> Net profit from discontinued operation of advertising media services business as stated in Note 13.

**Disaggregation of revenue**

The Group and the Company's operation and main revenue is derived from contracts with customers, see also Note 13 for an operation that was discontinued during the reporting period.

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition.

	<b>Total reportable segments</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
<b>Consolidated financial statements</b>		
Domestic	21,669,581	20,307,207
Overseas	3,940,886	3,989,877
<b>Total revenue</b>	<b>25,610,467</b>	<b>24,297,084</b>
<b>Separate financial statements</b>		
Domestic	17,453,659	16,612,188
Overseas	2,436,692	2,278,389
<b>Total revenue</b>	<b>19,890,351</b>	<b>18,890,577</b>

Timing of revenue recognition of the Group and the Company comes from sales entirely which are recognised at a point in time.

**Promotional privileges**

The Group has been granted promotional certificates by the Office of the Board of Investment relating to manufacturing of glass or glass products and research and development. In addition, by virtue of the provisions of the Republic of the Union of Myanmar Special Economic Zones Law, a subsidiary which is located in the Republic of the Union of Myanmar has been granted privileges by investing in the Thilawa Special Economic Zone. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

The following summary describes the revenue from promoted and non-promoted businesses:

	<b>Consolidated financial statements</b>					
	2019			2018		
<b>Year ended</b>	Revenue from promoted businesses	Revenue from non-promoted businesses	Total	Revenue from promoted businesses	Revenue from non-promoted businesses	Total
<b>31 December</b>						
	<i>(in thousand Baht)</i>					
Revenue from sales and services	1,575,225	24,035,242	25,610,467	1,239,967	23,057,117	24,297,084

Whereas the factory of a subsidiary which is located in the Republic of the Union of Myanmar is under construction. Therefore, there is no revenue from such promoted businesses in 2019.



## 25 Other income

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Royalty income	107,880	103,499	104,602	100,360
Gain on disposal of assets	82,449	165,851	40,135	103,589
Income from the sale of scrap	46,269	41,745	26,144	28,264
Management fee	-	270	105,444	75,630
Gain on exchange rate	-	75,122	-	12,021
Others	87,821	85,763	51,234	29,766
<b>Total</b>	<b>324,419</b>	<b>472,250</b>	<b>327,559</b>	<b>349,630</b>

## 26 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Salaries, wages and bonus		2,219,347	1,879,235	1,360,446	1,141,714
Defined benefit plans	21	149,572	40,361	117,970	27,890
Defined contribution plans		60,948	55,812	38,247	33,654
Termination benefits	21	65,326	28,210	-	17,465
Others		225,535	226,174	87,984	80,662
<b>Total</b>		<b>2,720,728</b>	<b>2,229,792</b>	<b>1,604,647</b>	<b>1,301,385</b>

### Defined contribution plans

The defined contribution plan comprise provident fund established by the Group and the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group and the Company at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by licensed Fund Managers.

## 27 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(140,264)	3,176	(136,532)	35,387
Purchased goods and raw materials and consumables used		13,737,152	13,614,341	13,067,093	12,735,094
Employee benefit expenses	26	2,720,728	2,229,792	1,604,647	1,301,385
Selling and marketing expenses		1,451,087	1,428,966	1,345,265	1,371,004
Depreciation and amortisation		989,025	1,072,604	531,240	601,990
Transportation expenses		906,734	772,727	227,595	150,469
Utilities expenses		565,351	524,921	319,912	289,733
(Reversal of) Impairment losses on investment in subsidiaries, associates, and joint ventures		-	(28,518)	-	14,532
Others		2,122,427	1,742,811	1,469,136	1,161,888
<b>Total</b>		<b>22,352,240</b>	<b>21,360,820</b>	<b>18,428,356</b>	<b>17,661,482</b>

## 28 Income tax

<i>Income tax recognised in profit or loss</i>	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Current tax expense</b>					
Current year		739,947	761,173	427,859	462,984
<b>Deferred tax expense</b>					
Movements in temporary differences		<u>(22,019)</u>	<u>(67,523)</u>	<u>(18,890)</u>	<u>76,519</u>
		<u><b>717,928</b></u>	<u><b>693,650</b></u>	<u><b>408,969</b></u>	<u><b>539,503</b></u>
<i>Attributable to:</i>					
Income tax expense from continuing operations		717,928	686,002	408,969	539,503
Income tax expense from discontinued operation	<i>13</i>	<u>-</u>	<u>7,648</u>	<u>-</u>	<u>-</u>
<b>Total income tax expense</b>		<u><b>717,928</b></u>	<u><b>693,650</b></u>	<u><b>408,969</b></u>	<u><b>539,503</b></u>

	<b>Consolidated financial statements</b>					
	2019			2018		
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in thousand Baht)</i>						
<b>Recognised in other comprehensive income</b>						
Change in fair value of available-for-sale securities	22,692	(4,539)	18,153	455	(91)	364
Defined benefit plan actuarial gain (loss)	(71,977)	14,544	(57,433)	1,010	(257)	753
<b>Total</b>	<u>(49,285)</u>	<u>10,005</u>	<u>(39,280)</u>	<u>1,465</u>	<u>(348)</u>	<u>1,117</u>

	<b>Separate financial statements</b>					
	2019			2018		
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in thousand Baht)</i>						
<b>Recognised in other comprehensive income</b>						
Change in fair value of available-for-sale securities	22,692	(4,539)	18,153	455	(91)	364
Defined benefit plan actuarial gain (loss)	(39,607)	7,921	(31,686)	7,073	(1,415)	5,658
<b>Total</b>	<u>(16,915)</u>	<u>3,382</u>	<u>(13,533)</u>	<u>7,528</u>	<u>(1,506)</u>	<u>6,022</u>

### Reconciliation of effective tax rate

	Consolidated financial statements			Separate financial statements		
	2019	2018	2019	2018	2019	2018
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense from continuing operations		3,985,853		3,721,530		5,369,805
Income tax using the Thai corporation tax rate	20	797,171	20	744,306	20	1,073,961
Effect of different tax rates in foreign jurisdictions		1,925		9,043		-
Income not subject to tax		(121,432)		(88,333)		(525,006)
Additional deductible expenses		(11,854)		(24,202)		(7,724)
for tax purposes						
Expenses not deductible for tax purposes and others		28,526		49,126		4,540
Recognition of previously unrecognised tax losses		-		(4,642)		-
Reversal of expenses which have not been previously recognised deferred tax assets		-		-		(6,268)
Current year losses for which no deferred tax asset was recognised		-		-		-
		23,592		704		-
<b>Total</b>	<b>18</b>	<b>717,928</b>	<b>18</b>	<b>686,002</b>	<b>12</b>	<b>539,503</b>
					<b>10</b>	
						<b>408,969</b>

<b>Deferred tax</b> <b>At 31 December</b>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>		<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Total	201,345	162,096	(17,432)	(2,412)	116,984	90,173	(6,951)	(2,412)
Set off of tax	(8,652)	(2,412)	8,652	2,412	(6,951)	(2,412)	6,951	2,412
<b>Net deferred tax assets (liabilities)</b>	<b>192,693</b>	<b>159,684</b>	<b>(8,780)</b>	<b>-</b>	<b>110,033</b>	<b>87,761</b>	<b>-</b>	<b>-</b>

	Consolidated financial statements					
		(Charged) / credited to:		Increase from acquisition of investment in subsidiaries	Exchange difference	At 31 December
	At 1 January	Profit or loss	Other comprehensive income			
Deferred tax						
2019						
Deferred tax assets						
Trade accounts receivable and other receivables (Allowance for doubtful debt)	1,010	(233)	-	-	-	777
Inventories (Allowance for decline in value)	25,420	11,134	-	-	-	36,554
Provisions for employee benefits	88,464	17,907	14,544	131	(24)	121,022
Unrealised intercompany profit	23,866	1,252	-	-	-	25,118
Provisions	11,316	(5,616)	-	-	-	5,700
Others	12,020	281	-	-	(127)	12,174
Total	162,096	24,725	14,544	131	(151)	201,345
Deferred tax liabilities						
Available-for-sale securities (Surplus on revaluation of investment)	(2,412)	-	(4,539)	-	-	(6,951)
Other current assets	-	(1,550)	-	-	-	(1,550)
Fair value of machinery from business acquisition	-	(1,156)	-	(7,775)	-	(8,931)
Total	(2,412)	(2,706)	(4,539)	(7,775)	-	(17,432)
Net	159,684	22,019	10,005	(7,644)	(151)	183,913

Consolidated financial statements						
		(Charged) / credited to:		Decrease		
	At 1	Profit or	Other	from disposal	Exchange	At 31
	January	loss	comprehensive	of investment	difference	December
			income	in subsidiaries		
			(in thousand Baht)			
<b>Deferred tax</b>						
<b>2018</b>						
<b>Deferred tax assets</b>						
Trade accounts receivable and other receivables ( <i>Allowance for doubtful debt</i> )	1,149	(139)	-	-	-	1,010
Inventories ( <i>Allowance for decline in value</i> )	7,016	18,404	-	-	-	25,420
Provisions for employee benefits	86,731	4,083	(257)	(1,930)	(163)	88,464
Unrealised intercompany profit	17,314	6,552	-	-	-	23,866
Accrued termination benefits	3,706	(3,706)	-	-	-	-
Provisions	95,133	(83,817)	-	-	-	11,316
Others	15,871	(5,871)	-	2,586	(566)	12,020
<b>Total</b>	<b>226,920</b>	<b>(64,494)</b>	<b>(257)</b>	<b>656</b>	<b>(729)</b>	<b>162,096</b>
<b>Deferred tax liabilities</b>						
Available-for-sale securities ( <i>Surplus on revaluation of investment</i> )	(2,321)	-	(91)	-	-	(2,412)
Temporary difference from subsidiaries' unappropriated retained earnings	(132,017)	132,017	-	-	-	-
<b>Total</b>	<b>(134,338)</b>	<b>132,017</b>	<b>(91)</b>	<b>-</b>	<b>-</b>	<b>(2,412)</b>
<b>Net</b>	<b>92,582</b>	<b>67,523</b>	<b>(348)</b>	<b>656</b>	<b>(729)</b>	<b>159,684</b>

<b>Deferred tax</b>	<b>At 1 January</b>	<b>Separate financial statements</b> (Charged) / credited to:		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2019</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable and other receivables (Allowance for doubtful debt)	764	(9)	-	755
Inventories (Allowance for decline in value)	19,653	10,110	-	29,763
Other current assets	4,027	(1,850)	-	2,177
Other non-current assets (Allowance for impairment losses on property, plant and equipment)	426	(426)	-	-
Provisions for employee benefits	53,987	16,681	7,921	78,589
Provisions	11,316	(5,616)	-	5,700
<b>Total</b>	<b>90,173</b>	<b>18,890</b>	<b>7,921</b>	<b>116,984</b>
<b>Deferred tax liabilities</b>				
Available-for-sale securities (Surplus on revaluation of investment)	(2,412)	-	(4,539)	(6,951)
<b>Total</b>	<b>(2,412)</b>	<b>-</b>	<b>(4,539)</b>	<b>(6,951)</b>
<b>Net</b>	<b>87,761</b>	<b>18,890</b>	<b>3,382</b>	<b>110,033</b>



	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax</b>				
<b>2018</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable and other receivables (Allowance for doubtful debt)	898	(134)	-	764
Inventories (Allowance for decline in value)	5,930	13,723	-	19,653
Other current assets	3,477	550	-	4,027
Other non-current assets (Allowance for impairment losses on property, plant and equipment)	8,408	(7,982)	-	426
Provisions for employee benefits	53,001	2,401	(1,415)	53,987
Accrued terminate benefits	1,260	(1,260)	-	-
Provisions	95,133	(83,817)	-	11,316
<b>Total</b>	<b>168,107</b>	<b>(76,519)</b>	<b>(1,415)</b>	<b>90,173</b>
<b>Deferred tax liabilities</b>				
Available-for-sale securities (Surplus on revaluation of investment)	(2,321)	-	(91)	(2,412)
<b>Total</b>	<b>(2,321)</b>	<b>-</b>	<b>(91)</b>	<b>(2,412)</b>
<b>Net</b>	<b>165,786</b>	<b>(76,519)</b>	<b>(1,506)</b>	<b>87,761</b>
<b>Unrecognised deferred tax assets</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
		(in thousand Baht)		
Temporary differences	81,013	88,531	214,950	214,950
Tax losses carry forward	61,927	87,177	-	-
<b>Total</b>	<b>142,940</b>	<b>175,708</b>	<b>214,950</b>	<b>214,950</b>

The Group have not recognised the tax losses which will expire from 2020 onward and the deductible temporary differences which do not expire under current tax legislation as deferred tax assets because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

As at 31 December 2019 and 2018, no deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries and joint ventures, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such difference will not reverse in the foreseeable future except for the temporary differences arising from the investments in the Group of Futures Marketing Communications Group Co., Ltd. which the Company already recorded in 2017 and reversed the temporary differences in 2018 as a result of the disposal of the investment in the Group of Futures Marketing Communications Group Co., Ltd. in accordance with Note 13.

## 29 Basic earnings per share

	Consolidated financial statements			
	2019		2018	
	Continuing operations	Discontinued operation	Total	
	(thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders for the year ended 31 December				
Profit attributable to ordinary shareholders of the Company (basic)	3,259,009	-	3,259,009	2,980,73024,6133,005,343
Number of ordinary shares outstanding				
Number of ordinary shares outstanding at 1 January	3,003,750	-	3,003,750	2,3102,310
Effect from the change of par value	-	-	-	228,690228,690
Effect of shares issued	-	-	-	1,801,0921,801,092
Weighted average number of ordinary shares outstanding (basic) at 31 December	3,003,750	-	3,003,750	2,032,0922,032,092
Basic earnings per share (in Baht)	1.08	-	1.08	1.470.011.48

	Separate financial statements	
	2019	2018
	<i>(thousand Baht / thousand shares)</i>	
<b><i>Profit attributable to ordinary shareholders for the year ended 31 December</i></b>		
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>3,038,599</u></b>	<b><u>4,830,301</u></b>
<b><i>Number of ordinary shares outstanding</i></b>		
Number of ordinary shares outstanding at 1 January	3,003,750	2,310
Effect from the change of par value	-	228,690
Effect of shares issued	-	1,801,092
<b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b>	<b><u>3,003,750</u></b>	<b><u>2,032,092</u></b>
<b>Basic earnings per share (<i>in Baht</i>)</b>	<b><u>1.01</u></b>	<b><u>2.38</u></b>

On 2 April 2018, the Company had changed the par value of the Company's shares (see Note 22).

### 30 Dividends

#### 2019

At the 2019 Annual General Meeting of shareholders of the Company held on 24 April 2019, the shareholders approved dividend payment at Baht 0.69 per share for 2018 performance in the amount of Baht 2,072.58 million which the Company paid an interim dividend from retained earnings as at 30 September 2018 of Baht 0.30 per share, amounting to Baht 901.12 million, to the shareholders entitled to receive the dividends in February 2019. The remaining dividend was paid at Baht 0.39 per share, amounting to Baht 1,171.46 million in May 2019.

At the Board of Directors' Meeting of the Company held on 14 August 2019, the Board of Directors approved the appropriation of interim dividends of Baht 0.35 per share or Baht 1,051.31 million, which is derived from the Company's first half operating results of 2019 presented in the separate financial statements and the interim dividends received from the subsidiaries which were approved from the Subsidiaries' Board of Directors in July 2019. The interim dividend was paid to the shareholders in September 2019.

#### 2018

At the Board of Directors' meeting of the Company held on 15 March 2018, the Board of Directors approved the appropriation of interim dividends from retained earnings as at 28 February 2018 of Baht 1,025.00 per share, amounting to Baht 2,367.75 million. The dividend was paid to shareholders in March 2018.

At the Board of Directors' meeting of the Company held on 7 June 2018, the Board of Directors approved the appropriation of interim dividends from retained earnings as at 31 May 2018 of Baht 0.15 per share, amounting to Baht 374.55 million. The dividend was paid to shareholders in June 2018.

## 31 Financial instruments

### *Financial risk management policies*

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

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

### *Capital management*

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

### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages liabilities by borrowing with fixed interest rates and floating interest rate based on the market conditions.

	Effective Interest rate (% per annum)	Consolidated financial statements			
		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>At 31 December</b>					
<b>2019</b>					
<b>Financial liabilities</b>					
<b>Current</b>					
Current portion of finance lease liabilities	1.88 - 11.08	96,644	-	-	96,644
<b>Non-current</b>					
Long-term loans from financial institutions	12.81	-	120,865	-	120,865
Finance lease liabilities	1.88 - 11.08	-	284,693	-	284,693
<b>Total</b>		<b>96,644</b>	<b>405,558</b>	<b>-</b>	<b>502,202</b>
<b>2018</b>					
<b>Financial liabilities</b>					
<b>Current</b>					
Current portion of finance lease liabilities	1.91 - 11.08	31,958	-	-	31,958
<b>Non-current</b>					
Finance lease liabilities	1.91 - 11.08	-	109,844	-	109,844
<b>Total</b>		<b>31,958</b>	<b>109,844</b>	<b>-</b>	<b>141,802</b>

At 31 December	Effective interest rate (% per annum)	Separate financial statements			
		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2019</b>					
<b>Financial assets</b>					
<b>Current</b>					
Short-term loans	2.00 - 2.40	<u>1,029,333</u>	<u>-</u>	<u>-</u>	<u>1,029,333</u>
<b>Financial liabilities</b>					
<b>Current</b>					
Short-term loans from related parties	0.50 - 0.75	893,830	-	-	893,830
Current portion of finance lease liabilities	1.88 - 11.08	10,850	-	-	10,850
<b>Non-current</b>					
Finance lease liabilities	1.88 - 11.08	<u>-</u>	<u>28,859</u>	<u>-</u>	<u>28,859</u>
<b>Total</b>		<u>904,680</u>	<u>28,859</u>	<u>-</u>	<u>933,539</u>
<b>2018</b>					
<b>Financial assets</b>					
<b>Current</b>					
Short-term loans	1.90 - 3.20	<u>1,330,542</u>	<u>-</u>	<u>-</u>	<u>1,330,542</u>
<b>Financial liabilities</b>					
<b>Current</b>					
Short-term loans from related parties	1.00 - 1.50	940,065	-	-	940,065
Current portion of finance lease liabilities	1.91 - 11.08	7,012	-	-	7,012
<b>Non-current</b>					
Finance lease liabilities	1.91 - 11.08	<u>-</u>	<u>25,344</u>	<u>-</u>	<u>25,344</u>
<b>Total</b>		<u>947,077</u>	<u>25,344</u>	<u>-</u>	<u>972,421</u>

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

<b>Assets and liabilities denominated in the foreign currencies as at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Euro</b>				
Cash and cash equivalents	9,967	10,608	9,967	10,608
Trade accounts receivable	31,287	1,524	31,287	11,661
Other receivables	12,247	3,960	12,247	3,960
Trade accounts payable	(1,976)	-	(1,976)	-
Other payables	(124,690)	(47,236)	(20,660)	(38,682)
<b>Net balance sheet exposure</b>	<b>(73,165)</b>	<b>(31,144)</b>	<b>30,865</b>	<b>(12,453)</b>
<b>United States Dollars</b>				
Cash and cash equivalents	238,967	776,963	111,035	25,479
Trade accounts receivable	189,937	78,605	194,371	76,718
Other receivables	55,226	77,762	73,732	89,458
Trade accounts payable	(22,012)	(13,260)	(21,968)	(13,212)
Other payables	(68,731)	(67,026)	(45,039)	(38,185)
<b>Net balance sheet exposure</b>	<b>393,387</b>	<b>853,044</b>	<b>312,131</b>	<b>140,258</b>
<b>Japanese Yen</b>				
Trade accounts payable	(36,404)	(73,432)	(36,404)	(73,432)
Other payables	(1,385)	(904)	(196)	(477)
<b>Net balance sheet exposure</b>	<b>(37,789)</b>	<b>(74,336)</b>	<b>(36,600)</b>	<b>(73,909)</b>
<b>The British Pound</b>				
Cash and cash equivalents	30,674	34,535	-	-
Other receivables	-	344	-	235
Other payables	(296)	(581)	(192)	-
<b>Net balance sheet exposure</b>	<b>30,378</b>	<b>34,298</b>	<b>(192)</b>	<b>235</b>
<b>Others</b>				
Other receivables	68	-	67	471
Other payables	(46,518)	(12,974)	(52,395)	(13,539)
<b>Net balance sheet exposure</b>	<b>46,450</b>	<b>(12,974)</b>	<b>(52,328)</b>	<b>(13,068)</b>

**Credit risk**

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

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



### ***Liquidity risk***

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

### ***Carrying amounts and fair values***

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

	Carrying amount	Consolidated financial statements / Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
<b>31 December 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					
Debt securities available for sale (in private fund)	4,023,331	-	4,023,331	-	4,023,331
<b>31 December 2018</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available for sale	8,113	8,113	-	-	8,113
Debt securities available for sale (in private fund)	5,250,598	-	5,250,598	-	5,250,598

### **Financial instruments carried at fair value**

#### ***Fair value hierarchy***

Level 1 fair value for equity securities available for sale are based on quoted prices in active market.

Level 2 fair values for debt securities available for sale that are over-the-counter financial assets based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company entity and counterparty when appropriate.

## 32 Commitments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
<b>Capital commitments</b>				
Buildings and other constructions	319,863	299,453	46,017	38,987
Machinery and equipment	960,154	973,045	618,897	19,221
Furniture, fixtures and office equipment	14,859	-	12,847	-
Software computer	60,319	1,655	58,346	1,655
<b>Total</b>	<b>1,355,195</b>	<b>1,274,153</b>	<b>736,107</b>	<b>59,863</b>
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within 1 year	44,646	53,519	27,212	48,394
1 year - 5 years	39,253	16,259	24,221	13,113
<b>Total</b>	<b>83,899</b>	<b>69,778</b>	<b>51,433</b>	<b>61,507</b>
<b>Other commitments</b>				
Unused letters of credit	68,286	877,780	-	-
Bank guarantees	99,322	94,574	36,236	36,408
<b>Total</b>	<b>167,608</b>	<b>972,354</b>	<b>36,236</b>	<b>36,408</b>

As at 31 December 2019, the Group had commitments under unused letters of credit from purchase of machinery and equipment in amount of Baht 68.3 million (2018: Baht 877.8 million) in the consolidated financial statements. There was no commitment under unused letter of credit in separate financial statement as at 31 December 2019 and 2018. These unused letters of credit have been included under capital commitments as well.

**Purchase of raw material, packaging and finished goods agreements**

The Group has entered into purchase of raw material, packaging and finish goods agreements with other companies. As at 31 December 2019, the Group had commitments under these agreements in amount of Baht 4,786.7 million (2018: Baht 3,169.2 million) in the consolidated financial statements and Baht 4,774.6 million (2018: Baht 4,415.6 million) in the separate financial statements.

**Technical assistance agreements**

The Group has entered into a technical assistance agreement with a foreign company whereby the latter provided information and technical assistance for production. The agreement shall be effective until February 2021. In consideration for the above assistance, the Group agrees to pay the annual fee of JPY 38 - 40 million in the consolidated financial statements and JPY 15 million in the separate financial statements.

**Cloud service for computer software agreements**

The Company entered into cloud services for computer software agreement with a company located in Thailand for a period of 5 years. The agreement shall be effective until August 2021. The Company agrees to pay the annual service fee of Baht 8 - 11 million.

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### ***Natural gas purchase agreements***

A subsidiary entered into natural gas purchase agreement with a company located in Thailand for a period of 2 years. The agreement shall be effective until December 2020. The subsidiary agrees to purchase natural gas based on terms and conditions stipulated in the agreement.

### ***Global Positioning System (GPS) rental agreements***

A subsidiary entered into Global Positioning System (GPS) rental agreements with a company located in Thailand for a period of 3 years. The agreement shall be effective until July 2020. The subsidiary agrees to pay the rental based on terms and conditions stipulated in the agreement.

### ***Maintenance and administration charge in the Thilawa Special Economic Zone agreement***

A subsidiary entered into a maintenance and administration charge in the Thilawa Special Economic Zone agreement for a period of 48 years 7 months, which is a part of long-term lease agreement. The agreement shall be effective until February 2067. In consideration for the above maintenance and administration, the subsidiary agrees to pay the monthly fee of USD 0.01 million.

## **33 Contingent liabilities**

On 28 July 2017, the foreign company, a plaintiff, filed a lawsuit against the Company and a subsidiary in the Court of Kenya on the ground concerning failure to comply with distribution agreement and claimed damages. In February 2018, the foreign company filed to amend the claimed damages from approximately Euro 11.0 million to approximately USD 1.5 million, equivalents to Baht 49.3 million. However, this case is still under consideration of the competent court and the outcome of the case has not been determined yet. The management of the Company has assessed the risk of such lawsuit according to current circumstances and has adjusted the provision to remain Baht 24.0 million

In August 2018, a company in Thailand, a plaintiff, which previously purchased products from M-150 Company Limited and Union Drink Company Limited, sued the Company through the Civil Court and called for the Company to stop selling energy drinks to other distributors in some parts of Thailand and to sell these products only to them for further distribution and called for the compensation from the Company as a consequence of a breach of contract amounting to Baht 2 million per month from June 2018 onwards. The Company was requested to pay a compensation for the damages approximately Baht 228 million if the Company cannot process following to their request. In December 2019, the Civil Court dismissed the case. Currently, the plaintiff requests to extend the appeal period. The management of the Company is confident that no significant losses will be incurred as a result of the lawsuit and therefore no provision has been recorded against the contingent liability for this case.

## **34 Events after the reporting period**

In January 2020, the Group has investments as follows:

- The subsidiary acquired an investment in 4% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 2 million, resulting to the Group's total interest in Basecamp Brews Ltd to 26%.
- The Company acquired 60% of the investment in Calpis Osotspa Company Limited and totally paid for the share acquisition including an intercompany loan amounting to Baht 270 million and may have to adjust the purchase price after receiving an audited net book value of Calpis Osotspa Company Limited. After acquisition, the Company's ownership changed from 40% to 100% and the status changed from investment in joint venture to investment in subsidiary. This is in accordance with the resolution of the Board of Directors' meeting held on 10 October 2019.

At the Board of Directors' Meeting of the Company held on 26 February 2020, the Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders to consider and approve a dividend payment of Baht 1.00 per share or approximately Baht 3,003.75 million for the year 2019 which the Company already paid an interim dividend of Baht 0.35 per share or Baht 1,051.31 million in September 2019. The remaining dividend payment of Baht 0.65 per share or approximately Baht 1,952.44 million will be paid to shareholders on 28 May 2020. However, the payment of such dividend is subject to approval from the Annual General Meeting of Shareholders for the year 2020 on 29 April 2020.

### 35 Thai Financial Reporting Standards (TFRS) not yet adopted

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

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

\* TFRS - Financial instruments standards

#### (a) TFRS - Financial instruments standards

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

##### (i) Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 will be based on the cash flow characteristics of the financial asset and the business model in which they are managed.

##### (ii) Measurement at amortised cost

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

### (iii) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

### (iv) Classification - Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortised cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

Under TFRS 9, changes in fair value of financial liabilities classified as FVTPL are generally presented as follows:

- the amount of fair value that changes due to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of fair value changed is presented in profit or loss.

#### *Transition*

The Group plans to apply these TFRS initially on 1 January 2020, using retrospective approach. Therefore, the Group will apply the requirements of these TFRS to each comparative period presented in the financial statements.

The initial application TFRS - Financial instruments on the financial statements will result in the consolidated and separate statements of financial position as at 1 January 2020 showing the increasing in other long-term investments, deferred tax liabilities and other components of shareholders' equity.

### (b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 32. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

#### *Transition*

The Group plans to apply TFRS 16 initially on 1 January 2020, using the retrospective approach. As a result, the Group will apply all of the requirements of TFRS 16 to each comparative period presented in the financial statements.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The initial application TFRS 16 on the financial statements will result in the consolidated statements of financial position as at 1 January 2020 showing the decreasing in other receivables, increasing in property, plant and equipment and finance lease liabilities and decreasing in other components of shareholders' equity and the separate statements of financial position as at 1 January 2020 showing the increasing in property, plant and equipment and finance lease liabilities.



# FINANCIAL POSITION AND PERFORMANCE

## MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS

### Financial Highlights

- FY19 Net profit\* was at THB 3,259 million (+8.4% YoY), with net profit\* margin of 12.7% (+30 bps YoY), where the improvement mainly came from growth in revenues of core businesses and favorable gross margin.
- 2019 Revenue from sales grew by 5.4% YoY, amounting to THB 25,611 million, aligned with our guidance. Taking out effect from exchange rate translation, revenue from sales grew by 6.7% YoY at constant FX. The growth drivers lie in our core businesses, both domestic beverages and personal care with the growth of 6.6% and 10.7% respectively, while international business grew at 7.3% at constant FX.
- Fit Fast Firm project (OSP's efficiency improvement and cost saving program) successfully delivered more than its target, which reflected in 2019 gross margin increase by 250 bps YoY to 34.9%.
- OSP, as a market leader, drove energy drinks market back to growth at the rate of 5.7% in 2019, versus 0.6% last year. By using multi-brand portfolio and consumer-centric marketing strategy, OSP market share was maintained at 53.5%, aligned with our mid-term guidance. In Functional drinks market, C-Vitt, now a No.1 brand, strongly drove the market to grow by 19.3% YoY. At the same time, the brand successfully grew its market share by 470 bps to 25.6%.
- OSP paid two interim dividends for the 2019 performance at the total amount of THB 1.0 per share, which is equivalent to dividend payout ratio of 93% of the consolidated net profit after deducting the legal reserve.

\*Net Profit = Net Profit attributable to owners of the parent

### Financial Performance for the year ended 31 December

(Unit: THB million)

Income Statement Summary	2018	2019	%YoY
<b>Total revenues</b>	24,971	26,187	4.9%
<b>Total revenues from sales</b>	24,297	25,611	5.4%
Beverages	20,359	21,473	5.5%
Personal Care	2,452	2,656	8.3%
Others	1,486	1,482	-0.3%
Total other income	674	576	-14.5%
Gross profit	7,883	8,946	13.5%
Selling general and administrative expenses (SG&A)	4,947	5,688	15.0%
Selling and distribution expenses	3,498	3,902	11.6%
Administrative expenses	1,449	1,786	23.3%
Earnings before interest and tax (EBIT)	3,803	3,999	5.2%
Earnings before interest, tax, depreciation and amortization (EBITDA)	4,875	4,988	2.3%
Profit for the period from continuing operations	3,035	3,268	7.7%
Profit for the period from discontinued operation, net of tax	27	-	-100.0%
Profit for the period	3,062	3,268	6.7%
Profit attributable to owners of the parent	3,005	3,259	8.4%
<b>Key Ratios (%)</b>			
Gross profit margin	32.4%	34.9%	2.5%
SG&A to net sales ratio	20.4%	22.2%	1.8%
EBIT margin	15.7%	15.6%	-0.1%
EBITDA margin	20.1%	19.5%	-0.6%
Net profit margin for the period	12.6%	12.8%	0.2%
Net profit margin attributable to the owners of the parent	12.4%	12.7%	0.3%

## Key Change in Segment Grouping

In 2019, the Company has changed reportable segments. The strategic divisions offer different products and services and are managed separately because they require different business operation and marketing strategies. The new segments are comprised of 3 segments as the following; 1) Beverage (includes C-Vitt and Calpis) 2) Personal Care and 3) Others (includes OEM, healthcare, confectionery and others). FY2018 numbers have been restated accordingly.

## Financial Performance Summary for 2019 vs 2018

In 2019, OSP reported total revenue of THB 26,187 million, an increase of +4.9% YoY as total reported revenue from sales grew by 5.4% YoY, amounting to THB 25,611 million, aligned with our guidance. Taking out effect from exchange rate translation, revenue from sales grew by 6.7% at constant FX.

### Beverages Segment

In 2019, total beverage revenues increased by THB 1,114 million (or +5.5% YoY) to THB 21,473 million, as a result of growth in both energy drinks and functional drinks categories. Domestic beverage sales were at THB 17,792 million, THB 1,106 million higher than the same period of last year (or +6.6% YoY) and reported international beverage business slightly grew at +0.2% YoY due to FX impact. However, at constant FX, our international business showed 8.7% growth YoY, mainly from CLM (Cambodia, Laos and Myanmar) countries and Middle East.

M-150 maintained its leading position with 2019 market share of 37.5%. Herbal-variant segment also grew double-digit from Som In-Sum and Chalarm Black Galingale, together with M-150 Black Galingale and honey, a new variant added to portfolio. By using multi-brand portfolio and consumer-centric marketing strategy, the Company drove the domestic market back to growth at 5.7% (versus 0.6% growth in 2018) and maintained its market share at 53.5%, aligned with our mid-term guidance.

Functional drinks showed impressive growth, driven by the success of both C-Vitt and Peptein. In functional drinks market, C-Vitt, now a No.1 brand, strongly drove the market to grow by 19.3%. At the same time, the brand was successfully grew its market share by 470 bps to 25.6%. Peptein showed outstanding growth of 14.0% YoY after launching Peptein Plus in Q1'19. Hence, the Company's market share in functional drinks market grew from 30.7% to 33.3% in 2019. During the year, OSP continued to expand its functional drink pipeline in order to address different consumer needs and/or habits, such as health, wellness and aging society. Several new launches include, **"Slimma"**, a block and burn drink that contains

fibersol, L-carnitine and vitamin B, **"Peptein Gold"**, natural superfoods which provide anti-aging properties, boost the immune system and reduce inflammation, and **"VPlus"**, a drink with electrolytes, vitamin C and cool mint. OSP used start-up spirit to handle these new launches, by mean that we can hear feedback from our targeted consumers before leveraging our mainstream operation. We targeted these launches in selective channels, especially e-commerce, sport venues, fitness centers and with additional support from the social media channels.

### Personal Care Segment

In 2019, total personal care revenues increased by 8.3% YoY (THB 204 million) to THB 2,656 million. The growth driver were the continued success of Babi Mild from the momentum of Babi Mild Sweet Almond range launched in Q2'19 and stronger Twelve Plus brand through packaging innovations and continued momentum of cooling powder range, and new facial and skincare segments through Plantstory and Olé personal care. Our presence in emerging channels which cater to modern moms, such as baby fairs and e-commerce, grew more than doubled in 2019. OSP will continue to expand communication and distribution channels in accordance with the ever-changing lifestyle of shoppers. In addition, the joint-scheme with BNK 48 also drove sales growth in Exit (our male grooming brand).

### Others Segment

Overall others segment revenues in 2019 booked at THB 1,482 million, decreased by THB 4 million (or -0.3% YoY), mainly due to a decline in OEM-personal care. However, the confectionery showed strong sales growth, led by Botan and Olé, particularly with new products launches, Olé Boost and Olé Mini Sugar Free.

In 2019, the Company's gross margin improved to 34.9%, +250 bps YoY. 2019 gross profit increased by THB 1,063 million (or +13.5% YoY) to THB 8,946 million. This showed continued improvement throughout the year since Q4'18 thanks to "Fit Fast Firm" project (OSP's efficiency improvement and cost saving program) that helped driving overall costs down.

During the year, the Company has utilized IPO proceeds to invest as planned. The new glass factory (SGA2) has completed in Q3'19 and started commercial operations in Oct'19. This factory is equipped with state-of-the-art technology that allows higher production efficiency, improves capability for lighter-weight bottle production and offers flexibility of raw material usage, contributing to cost saving under Fit Fast Firm project. The new powder plant, which provides flexible manufacturing capabilities together with certified high quality systems, has started commercial operation in Q4'19. The new production facility in Myanmar will start production in Q1'20, providing

additional flexibility to respond to market demand and allowing OSP to fully capture manufacturing margins.

In addition, several strategic moves and investments has been made throughout the year. To capture opportunities on the domestic front through one of the fastest-growing channels, OSP invested in Asia Vending Machine Operation Company Limited ("AOC"), a former subsidiary of Fuji Electric, a top global vending machine manufacturer and operator. This subsidiary has started its contribution to OSP since Q4'19. Furthermore, OSP broadened its international exposure by launching its energy drinks in Vietnam in Q4'19. The Company expects to capture opportunities from this rapidly growing economy which features a large and young population and relatively low consumption level primed for expansion. OSP also leveraged its strong expertise in glass manufacturing in the overseas market, investing in Myanmar's only glass bottle factory, which is expected to commence in 2021.

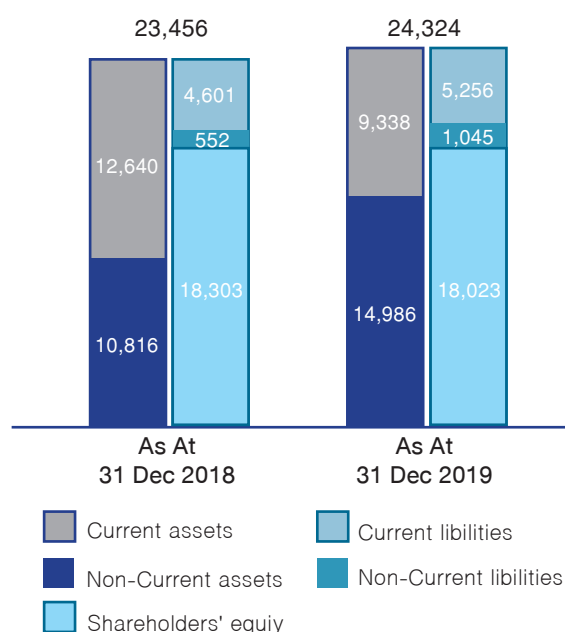
In 2019, Selling and administrative expenses (SG&A) level of spending was at 22.2% of sales, in accordance with the phasing of advertising and promotion activities implemented to support growth of existing brands and new products launches domestically and internationally, together with the impact of additional provision for retirement benefits at the amount of THB 96.8 million recorded in Q2'19 to reflect severance payment of maximum 400 days of wages stated in the new Labor Protection Act.

The Company reported 2019 profit of THB 3,268 million (+6.7% YoY) and the profit attributable to owners of the parent was THB 3,259 million (+8.4% YoY).

## Financial Position

### Balance Sheet

(Unit: THB million)



### Balance Sheet Breakdown

ASSETS (THB million)	As at 31 Dec 2018	As at 31 Dec 2019
Cash and cash equivalents	4,486	2,819
Current investments	3,500	1,299
Trade and other receivables	3,030	3,628
Inventories	1,557	1,523
Other current assets	67	69
<b>Total Current Assets</b>	<b>12,640</b>	<b>9,338</b>
Net PP&E	6,518	8,925
Long term investments	2,608	3,887
Other assets	1,690	2,174
<b>Total Non-Current Assets</b>	<b>10,816</b>	<b>14,986</b>
<b>Total Assets</b>	<b>23,456</b>	<b>24,324</b>

LIABILITIES and EQUITIES (THB million)	As at 31 Dec 2018	As at 31 Dec 2019
Trade and other payables	4,131	4,829
Other liabilities	1,022	1,472
<b>Total Liabilities</b>	<b>5,153</b>	<b>6,301</b>
Issued and paid-up share capital	3,004	3,004
Share Premium	11,848	11,848
Retained earnings	3,298	3,376
Surplus on business combination		
under common control	353	353
Other components of SE	(415)	(710)
Non-Controlling Interest	215	152
<b>Total Shareholders' equity</b>	<b>18,303</b>	<b>18,023</b>
<b>Total Liabilities &amp; Equity</b>	<b>23,456</b>	<b>24,324</b>

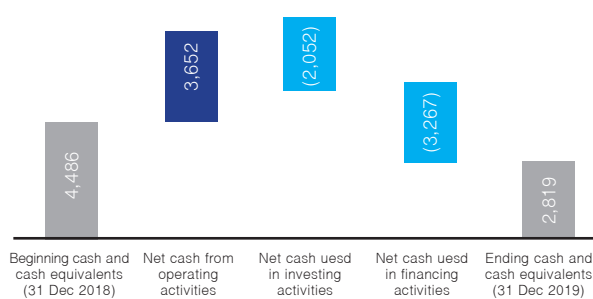
As of 31 December 2019, the Company had total assets of THB 24,324 million, an increase of THB 868 million (or +3.7%) from 31 December 2018. Cash and cash equivalents decreased by THB 1,667 million, where cash outflow for PPE and investments and 2018 dividend payments and 2019 interim dividend payment were offset by cash inflow from operation. Current investment decreased by THB 2,201 million due to divestment in debt securities (see more details in notes to financial statement 7 Other investments). Net PPE increased by THB 2,407 million from investing in a new glass factory (SGA2), a new beverage factory in Myanmar and consolidation of assets from acquisition of vending machine business.

As of 31 December 2019, the Company had total liabilities of THB 6,301 million, an increase of THB 1,148 million (or +22.3%) from 31 December 2018 primarily from higher trade and other payable of THB 698 million.

As of 31 December 2019, the Company had total shareholders' equity of THB 18,023 million, a decrease of THB 280 million (or -1.5%) from 31 December 2018 mainly from decrease in other components of shareholders' equity (see reconciliation in statement of changes in equity). However, retained earnings increased THB 78 million as profit for the period offsetting with the 2018 dividend and 2019 interim dividend paid to shareholders with the total amount of THB 3,124 million.

### Cash Flow

(Unit: THB million)



As of 31 December 2019, the Company had cash and cash equivalents of THB 2,819 million, decreased by THB 1,667 million from 31 December 2018. The Company had cash flows from operating activities of THB 3,652 million. Net cash used in investing activities THB 2,052 million was mainly from 1) investment in new production facilities, which are a new glass factory (SGA2), a beverage manufacturing facilities in Myanmar and a new powder plant 2) investment in new growth opportunities, which are additional investment in Basecamp Brews Ltd and a new glass bottle business in Myanmar 3) divestment in debt securities. The Company's cash outflow from financing activities of THB 3,267 million was mainly from 2018 dividends paid to OSP shareholders in Feb'19 and May'19 and 2019 interim dividend paid in Sep'19 with total amount of THB 3,124 million.

### Financial Ratio Analysis

	2018	2019
<b>Liquidity Ratios</b>		
Current ratio (times)	2.7	1.8
Number of days of inventory	36	33
Collection period (days)	45	47
Accounts payable (days)	43	46
<b>Profitability Ratios</b>		
Gross profit margin (%)	32.4	34.9
EBITDA margin (%)	20.1	19.5
Net profit margin for the period (%)	12.6	12.8
Net profit margin attributable to owners of the parent (%)	12.4	12.7
Return on equity (%) - trailing	28.2	18.0
Return on assets (%) - trailing	15.8	13.7
<b>Other Ratios</b>		
Total debt to equity (times)	0.3	0.3

As Fit Fast Firm project (OSP's efficiency improvement and cost saving program) helped driving the overall costs down, the Company's gross profit margin in 2019 reported at 34.9% (+250 bps YoY). Thus, net profit margin attributable to owners of the parent improved from 12.4% to 12.7% in 2019 thanks to cost saving program, which helped offsetting the increase in SG&A spending.

In 2019, number of days of inventory decreased, reflecting in lower cash cycle from 38 days to 34 days. Moreover, current ratio was at 1.8 times, showing strong liquidity position as the Company had a large amount of cash and current investments from IPO proceeds. Debt to equity ratio was at 0.3 times.

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## APPENDIX: Ratio & Formula

### Liquidity Ratios

Current ratio (times)	= Total current assets/Total current liabilities
Number of days of inventory	= Average inventory/(Cost of sales of goods/Number of days in the period <sup>1</sup> )
Collection period (days)	= Average trade account receivables before allowance for doubtful account/ (Total revenue from sales/Number of days in the period <sup>1</sup> )
Accounts payable (days)	= Average account payables/(Cost of sales of goods/Number of days in the period <sup>1</sup> )

### Profitability Ratios

Gross profit margin (%)	= (Total revenues from sales - Total cost of sales of goods)/Total revenues from sales
SG&A to net sales ratio (%)	= (Selling and distribution expenses + Administrative expenses)/ Total revenues from sales
EBIT margin (%)	= (Profit before income tax expense + Finance Cost)/Total revenues from sales
EBITDA margin (%)	= (Profit before income tax expense + Finance Cost + Depreciation and Amortization)/ Total revenues from sales
Net profit margin for the period (%)	= Net Profit for the period/Total revenues from sales
Net profit margin attributable to the owners of the parent (%)	= Net Profit attributable to owners of the parent/Total revenues from sales
Return on equity (%)	= Profit for the period/Average total equity
Return on assets (%)	= Profit for the period/Average total assets

### Other Ratios

Debt to equity (times)	= Total liabilities/Total equity
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<sup>1</sup> Number of days in the period is defined to have 360 days in a year. For example, 90 days and 180 days should be used for quarterly and half-year ratio analysis.







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