



Stay Healthy
Stay Safe









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In case this Annual Registration Statement / Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report.

Mission

Bring wellness to society

Wellness means the state of being in good health, physically and mentally. Wellness can be achieved through our overall way of living, not through any particular activity. Wellness requires self-discipline and time. There is no short-cut. Thus, TIPCO aims not only to sell products but also to learn and understand people's way of living in order to create and propose living patterns that lead to the well-being of people by using products and services to bring wellness to society.

Core Value

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O

Teamwork
Innovation
Passion
Commitment
Openness

Vision

A market driving company that enhances value to stakeholders

To realize our mission, TIPCO not only focuses on the needs of consumers but also leads and drives changes in consumers' behaviors and living patterns. Leading and driving the market will enhance value to all stakeholders from employees, customers, trading partners, business alliances, shareholders and lenders to communities and society as a whole. That is, we aim to improve the well-being of each and every party.





Message from the Chairman

To All Shareholders

In 2021, Thailand and the rest of the world still face the epidemic situation of the Coronavirus Disease 2019 (Covid-19) which significantly has affected all economic sectors until present. However, the Company's plan has been adapted for coping with the changing circumstance. The overall performance by business group can be summarized as follows:

Vegetables, Fruits and Vegetables Business : The world demand for canned pineapples and other processed fruits was said to be slightly affected by Covid-19, but overall, the demand for the products remains stable. In 2021, the Company has adjusted processed fruit business plan to reduce the impact on prices and raw material quantities by using a long-term pineapple supply contract system. This includes controlling production costs toward a maximum efficiency for compensating the negative impact affecting production such as rising packaging costs, labor shortages, and etc. Sales and exports were affected by container shortages, so the export volume was slightly less than projected. However, the Company continued to focus on product quality in order to meet the Company's main customers who prioritize quality over price competition.

Beverage Business : In 2021, the domestic ready-to-drink fruit juice and vegetable juice market growth decreased by 10 percent when comparing to the previous year. The market will still be affected by the Covid-19 situation, which is still an important factor causing the economy and consumer purchasing power to slow down. At the same time, the Company remains the No. 1 leader in the 100% ready-to-drink fruit juice and vegetable juice market, or the premium group due to product quality maintenance and new product offerings to meet the needs of consumers, given the intense competition in the domestic beverage market. In the part of Aura natural mineral water, the Company conquered the 4th market share of the domestic mineral water market. Overall, the mineral water market in Thailand has declined by 7%. However, Aura natural mineral water sales increased from 2020's figure as a result of the existing customer loyalty in quality, the unique source of Aura natural mineral water, and positive response of consumers to the bundle pack promotion. The Company expected to gain confidence continually from consumers under the Tipco and Aura brands via marketing communications during the past year.

Retail business : Retail businesses have been adapted to the Covid-19 situation by increasing distribution channel; home delivery, which has received good feedback from customers. In addition, the Company has developed new products to serve all diversified consumer needs in addition to the original products such as smoothies, which are considered to be a popular product among consumers.

Extraction and Agriculture Business : Although the Covid-19 situation has affected other business groups of the Company, this created the opportunities of the herbal market for extraction and agriculture businesses. For example, Andrographis paniculata extract capsule under Tipco brand for those infected with Covid-19 and Ban Ta Khun Turmeric under Tipco brand that helps strengthen the body's immune system, which are available through online channel. They are products which are able to keep up with the demand and have been well received by consumers.

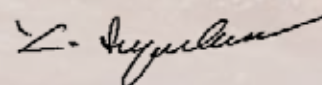
In 2021, the Group received awards which reflected product quality and consumer confidence in the Tipco brand as follows:

- Tipco F&B Co., Ltd. received the No. 1 Brand Thailand award for the year 2020-2021, the top of mind awareness for consumers in the category of 100% Fruit Juice.
- Tipco F&B Co., Ltd. received 2 Superbrands 2021 awards or the best brands of the year 2021 from Superbrands Thailand, given to Tipco fruit juice and Aura mineral water.
- Tipco F&B Co., Ltd. received The Most Powerful Brands of Thailand 2020 award or the strongest and most powerful brand award in Thailand in the fruit juice beverage category.

The Company became a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and was certified by the CAC Council. The Company has conducted business based on the principles of good corporate governance, social and environmental responsibility, and equitable treatment of all stakeholders.

All principles are the guideline for business management towards sustainable growth which are expressed via Company's policy "Tipco develops its business along with the environment and society."

On behalf of the Board of Directors, I would like to thank the shareholders, trading partners, and business alliances in all sectors for the support and the trust in the Company throughout all these years. Also, I would like to extend my appreciation to all executives and employees for their dedication and hard work among the challenge of economic situation and unpleasant circumstances as a result of COVID-19 pandemic in the previous year.



Laksana Supsakorn
Chairman of the Board of Directors

Part 1

Business Operation and Operating Results





1

Structure and Business Operations of A Group of Companies

1.1 Policy and Business Performance Overview

Tipco Foods Public Company Limited and its subsidiaries are mainly engaged in production and distribution of processed fruits, fresh fruits, fruit juice, vegetable juice, natural mineral water, ready-to-drink beverages, food and drink shops, herbal extracts, and agricultural products for domestic and overseas markets. The company was established on 22nd March 1976, currently has a registered capital of Baht 500 million with paid-up capital of Baht 482.58 million. The capital is divided into 482.58 million ordinary shares, with of value of Baht 1 per share.

1.1.1 Vision, Objective, and Goal of Business Operations

Corporate Vision

Focus on development as well as drive business toward sustainability with added value of products, by adapting innovations in production process for new products filling market needs. This includes creating new experiences for consumers together with social and environmental development for enhancing added value to all stakeholders; internal stakeholders, executives, employees, and external stakeholders, customers/consumers, trade partners, business alliances, shareholders, government sectors as well as communities and society.

Objective and Goals of Business Operations

The Company set the target of sustainable business operations as follows:

1. Goals of Product Research and Development

The Company set the goal of product research and development of quality food and beverage, identifying market demand for product diversification, creating outstanding and unique goods with adaption of cutting-edge technology to working process, and take a further step to be business leader with specialization of product research and development, under business sustainability in the future.

2. Goals of Production

The company focuses on the management of the production process with the effective utilization of resources in production. This includes production cost control in raw materials, production machinery, labor, as well as the development of production method and creation process by applying modern technology. The adaptation creates product features according to standards and flexible to meet changing market demands in the dynamic of industry growth.

3. Goals of Marketing

The company set corporate marketing goals to signal business directions, create corporate image, and promote product marketing to express the quality and distinctive taste of products, including being part of the lifestyle of consumers

In addition, marketing targets are also set to analyze and find true demands, including the latent needs of consumers as well as understand the process of making purchase decisions and the consumption of goods and services for development of products and services to respond to such consumer behavior.

4. Logistic & Distribution

The company focuses on expanding diverse distribution channels to meet the needs of customers via wholesale, retail, distributors, export, and expanding distribution to online channel. This includes management of transportation to be suitable for various distribution channels. In addition, the Company focus on the most effective delivery with the accuracy of purchase orders in perfect condition and punctual, along with controlling the cost of delivery to an appropriate level.

1.1.2 Major changes and developments

● Year 1973	Established a company under the name of Thai Pineapple Company Limited.
● Year 1989	Listed on the Stock Exchange of Thailand under the symbol “TIPCO”
● Year 1993	Expanded business into Tipco ready-to-drink fruit juice products under Tipco F&B Co., Ltd.
● Year 2004	Expanded business into retail business of smoothie juice under the brand “Squeeze Juice Bar” under Tipco Retail Company Limited.
● Year 2005	Expanded business into natural mineral water products by investing in a natural mineral water beverage factory in Chiang Mai under the brand “AURA” from Dharaniphat Company Limited.
● Year 2007	Expanded business into agriculture and cultivation business and established biology lab, namely Tissue Culture Lab for the selection and expansion of plant species, and also built extraction plant under Tipco Biotech Company Limited.
● Year 2009	Tipco Biotech Company Limited researches and develops Tipco Homsuwan pineapple strains at Tissue Culture Lab, Biology Lab and started distributing Tipco Homsuwan pineapples

● Year 2013	Tipco Biotech Co., Ltd. has been certified Good Manufacturing Practice (GMP) from the National Food Institute.
● Year 2014	Expanded the production capacity of natural mineral water from 100% to approximately 120 million bottles per year.
● Year 2016	The Company expanded 2 new retail businesses, namely 1. August Organic Eatery Restaurant 2. Homsuwan Pina Pina Shop
● Year 2017	Established Tipco Pineapple Company Limited to restructure the business of producing and selling processed fruits from By partial business transfer where the Company is a 100% shareholder in Tipco Pineapple Company Limited
● Year 2018	Expanded the production of natural mineral water by investing in new factories and natural mineral water sources Phukham Subdistrict, Wichian Buri District, Phetchabun Province, which has a production capacity of about 140 million bottles per year.
● Year 2020	Launched new products, 40% Tipco Shogun Juice with orange pulp, Tipco 100% low sugar vegetable and fruit juice, Tipco guava juice, and jumbo size Tipco 100% Mandarin orange juice.
● Year 2021	Expanded business into distribution business via online distribution channel as a new distribution channel. Consumers are able to order products through various online channels as follows: via the Company's website, including www.auramove.net , www.tipcoherb.com , online channels such as LAZADA, SHOPEE, JD Central, Food Panda, Lineman, and Media Partner channels including Amado, RS Mall, etc.

New product of the herbal extract business and the beverage business. The details are as follows.

1. Andrographis paniculata extract capsules by Tipco

with active ingredients or essential substances known as Andrographolides up to 20 mg per capsule. Packaged in a box of 50 capsules.

2. Mandarin orange juice mixed with golden orange juice,

emphasized on the strengths of the invention and development until a specific recipe is obtained. The product contains value of natural vitamin C up to 110% RDI.

3. 100% fruit juice mixed with mixed vegetable juice, less sweet formula, red box,

research and development of 100% real fruit juice products. By bringing innovative combinations of vegetable juices and fruit juices, this resulted in a mellow, perfect taste, targeting consumers who love health, skin and beauty.

4. Plant-Based Products and Plant-based meat.

The Company research and develop plant-based meat products by selecting quality raw materials and producing a ready-to-eat menu. The product is distributed by Squeeze by Tipco.

5. Cannabis-infused beverages

such as coconut-infused hemp tea, smoothies, honey-lime cannabis sodas. The product is distributed by Squeeze by Tipco.

6. Tipco Kaempferia Honey Lemon,

concentrated formula with high vitamin C 200%, contains important antioxidants.

Year 2021 Awards of Achievement

- Tipco Foods Public Company Limited received the Superbrands 2021 award, the best brand of the year 2021 for Aura mineral water from Superbrands Thailand, an independent international organization that evaluates brand excellence.
- Tipco F&B Co., Ltd. received the Superbrands 2021 award, the best brand award 2021 for Tipco fruit juice from Superbrands Thailand.
- Tipco F&B Co., Ltd. was awarded The Most Powerful Brands of Thailand 2020, ranking as the most powerful brand in the fruit juice category from the Department of Marketing Faculty of Commerce and Accountancy, Chulalongkorn University
- Tipco F&B Co., Ltd. has received a certificate of prevention and resolution of drug problems in the workplace for the 9th year consecutive from the Ministry of Labor.
- Tipco Pineapple Co., Ltd. received an honorary award for outstanding entrepreneur in labor relations and labor welfare for the year 2021 at the national level, the 11th year.

Year 2021 Environmental Contribution Award

- Tipco Biotech Co., Ltd. received a certificate for participation in the opening of the Academic World Market for Learning at Ban Thang Wai School in 2021.
- Tipco F&B Co., Ltd. received an honorary award for an outstanding role model entrepreneur in safety, occupational health, and work environment for the year 2021 at the national level (Diamond level) for the 5th year.
- Tipco F&B Co., Ltd. has been accredited for the work of innovation projects on occupational safety and health, innovation development projects on occupational safety and health for the year 2021.
- Tipco F&B Co., Ltd. has received a certificate for the prevention and resolution of drug problems in the workplace. The company was able to cope with the problem and managed to prevent and resolve drug problems in the workplace according to the standard criteria for preventing and solving drug problems in the workplace.

1.2 Nature of Business

1.2.1 Sales by Products and Revenue Structure

(Unit : Million Baht)

Product/Service	Manufacturer	% Shareholding of the Company	2019		2020		2021	
			Revenue	%	Revenue	%	Revenue	%
Products from plants, vegetables and fruits	Tipco Biotech Co., Ltd.	100						
	Tipco Pineapple Co., Ltd.	100						
	Total		1,418	40%	834	33%	860	35%
Beverage	Tipco Foods Plc.	100						
	Tipco Retail Co., Ltd.							
	Tipco F&B Co., Ltd.							
	Total		2,107	59%	1,648	66%	1,547	64%
Other		100	36	1%	18	1%	21	1%
Total Revenue			3,561	100%	2,500	100%	2,428	100%

1.2.2 Product Information

Business of plants, vegetables and fruits

Products from plants, vegetables and fruits

(1) Product and Service Characteristics and Business Innovation Development

Characteristics of the products of plants, vegetables and processed fruits are as follows:

1. Canned Pineapple
2. Pineapple Juice Concentrate
3. Aseptic Crushed Pineapple
4. Pineapple in plastic cup
5. Pineapple in retort pouch
6. Canned Tropical Fruit Salad
7. Tropical fruit salad in plastic cup
8. Canned Aloe Vera
9. Aseptic Crushed Aloe Vera
10. Aloe Vera in retort pouch
11. Canned Coconut Milk and Canned Coconut Water
12. Dehydrated Pineapple core and low-sugar Dehydrated Mango

Business Innovation Development

The company has established new product development plans and policies to serve the needs of both domestic and international customers. At present, processed fruit products have been developed by innovative and modern manufacturing processes which increase the variety of processed fruits and create new experiences in consumption. In addition, the Company plans to develop packaging types which differ from competitors' packages available in market in order to increase export and expand potential customer base. The Company place importance on maintaining quality and standards of each product which been certified by an internationally recognized organization as well as maintaining business reputation in production that has been around for a long time. This could build confidence in product quality for importers and consumers.

(2) Marketing and Competition

1. Competition Policy and distribution of the company's products

1.1 Target Customer Group

The company focuses on developing products to serve the needs of big clients from overseas markets. The export market is divided into 4 main regions as follows :

Americas: United States, Canada, and Latin American countries

The United States is a trading partner with the highest value of processed fruit imports at 44 percent of total processed fruit exports. In the past, the Company used to have a commercial advantage in the United States because the Company was exempt from the US Department of Commerce's anti-dumping system on general companies. Later, when the anti-dumping tax system was terminated, the competition became more severe because the US is a large market with high purchasing power. The Company's major trading partners in the United States are top 10 major retailers in the country.

Europe: Eastern European countries and the Russian Federation

Processed fruits exported by the Company was accounted for 21 percent of the total export volume of processed fruit products. This market is one of the markets of Pineapple Juice Concentrate, which is mainly exported to Blending houses in European countries. For canned pineapple exports, European customers are considered as highly price sensitive meanwhile Thailand is not eligible for GSP and FTA tax incentives prescribed by European countries. Thus, this affected the competition with competitor countries such as the Philippines, Indonesia, Vietnam and others.

Asia, Australia and New Zealand

In 2021, the Company exports processed fruit at 18% of the total export volume of processed fruit products. At present, the Company does not obtain the Anti-dumping duty benefit from Australia, causing the Company to possess a very small amount of processed fruit export volume to Australia. Meanwhile, China keeps its borders closed due to the Covid situation. Therefore, the Company focuses mainly on the export market in Japan where there is a demand for high quality products.

Middle East countries

In 2021, the Company's proportion of processed fruit exports accounted for 17% of the total export volume of processed fruit products. This is considered as another potential market for export concentrated pineapple juice. However, as for canned pineapple exports, customers in the Middle East are as highly price sensitive as in European countries. Since Middle Eastern countries are not provided with any tax benefits, so they become target group that many entrepreneurs try to expand market in order to compensate the lost market share from the European and Eastern European countries

2. Market Conditions and Competition

Trend of Export Market Demand and Product Selling Price

For international market demand trend in 2022, cost of raw materials is expected to increase, whereas the trading price tends not to change much when comparing to the previous year. The selling price is not flexibly adjustable since there are still competitors who are able to keep their costs low with the same selling price. Meanwhile, for exports in Europe, the selling price is relatively low, therefore distribution in this region is not expected to be in priority. For customers in other partner countries, most of them make purchases in the form of FOB, so the cost is considerably high. This may cause difficulties to adjust the selling price over the rising raw material price and become a challenge to increase competitiveness with competitors in the future.

Competitive Strategies

1. This year's strategy also focuses on selecting clients in the high margin and high market segments that can be managed.
2. For new product development for export market, the development of packaging and product variety will be focused. The needs of customers are expected to meet as comprehensively as possible meanwhile for domestic market, the development of snack products from processed fruits will be focused.

(3) Procurement of Products and Services

Characteristics of the Seasons of Business

Plants, vegetables and processed fruits business are carried out and distributed under Tipco Pineapple Company Limited. The manufacturing of processed fruit is carry outed for 11 months in 1 year approximately. After that, the factory will be closed for a month for maintenance of machinery and equipment. In the 11-month production cycle, the production can be divided into two seasons, which are in the summer (March to May) and in the winter (October to December). The raw material prices rise and fall depending on the quantity of pineapples available in each period.

Production

Tipco Pineapple Company Limited

Processed Fruit Factory

212 Moo 16, Aow Noi Subdistrict, Petchkasem Road, Mueang District, Prachuap Khiri Khan Province, 77000

Raw Materials and Raw Material Suppliers

Important raw materials for the production of processed fruit are fresh pineapple, sugar, canned pineapple. and packing material with details as follows:

Cans for Processed Fruit

Cans used for containing processed fruits are divided into 5 sizes as follows: 8 ounces, 15 ounces, 20 ounces, 30 ounces and 108 ounces. The Company purchases from all local manufacturers.

Fresh Pineapple

Since the location of the factory is in Prachuap Khiri Khan where large fresh pineapple plantation and production are available, possess approximately 50 percent of the fresh pineapple production in Thailand. The Company has therefore established a policy to buy pineapples from farmers from the local factories surrounding areas in order to enhance the quality of life of farmers. The policy has created job opportunities with stability for people living in the area, and allow them to receive appropriate and sustainable returns. At the same time, the Company is able to obtain enough raw materials for production according with the production capacity available in long-term production. The Company has set up a project to promote and develop sustainable pineapple farmer cultivation which is divided into 3 projects as follows:

1. Guaranteed Income Project for members: The objective is to encourage farmers to focus on improving yield per rai. In the practices, the Company will assign agricultural extension team to work closely with farmers and train them on cultivation and farm management. For the Company, apart from the competitive pineapple price paid to the farmers, the receiving inputs also allow a greater quality control in terms of size, ripeness, and residue protection.

2. Price (per kilogram) Guarantee Project, whereby the Company and farmers will agree on the guaranteed price that is satisfying both parties

3. Market Insurance Program, available for members who expect a freedom to cultivate and oversee pineapples in their own way. All products purchased by members are guaranteed in which all members must inform planting information and clear implementation.

	2019	2020	2021
Proportion of purchasing raw materials in the country : overseas	99.0 : 1.0	99.0 : 1.0	99.0 : 1.0

Production Machinery

The company has installed 15 production lines for processed fruit, capable of producing processed fruit to meet the needs of customers. At the same time, the Company possesses warehouses that holds up to 1.7 million standard chests.

Trends in Production Volumes and Raw Material Prices

In 2022, raw material volumes are expected to decrease slightly due to the seasonal change weather conditions. This includes the cultivation of farm sectors which was slowed down due to the cost of cultivation, especially the rising price of fertilizer. As a result, the output will not be as much as expected. In addition, the cost of raw materials for production of processed fruit rose for a short period. Therefore, it is expected that the raw material prices in production will not be different much from the previous year.

Health and agriculture products

Health Products

(1) Characteristics of Products/Services and Business Innovation Development

Extract business is a contract manufacturing business of plant and herb extracts with the largest solvent in Thailand which is efficient and has a high level of security. It covers raw material procurement, drying, grinding and extracting. The extracts will be used as raw materials which are components of food, beverages, cosmetics, food supplements and drugs.

Business Innovation Development

In 2021, the Company researches and develops herbal supplements and drugs with the introduction of innovation and modern technology. The purpose is to obtain important substances that are the highlight of each herb such as turmeric, Ban Ta Khun by Tipco, which helps to expel intestinal gas, cure flatulence, gastritis, acid reflux, strengthen immunity. Antioxidant and phlox paniculata extract capsules by Tipco help treat colds, reduce sore throat from tonsillitis, etc. The products are available online and at leading pharmacies.

In 2022, the company focuses on producing efficient products to meet the needs of customers as well as developing high value ingredients for the Company's products, including herbal extracts which are attracted by consumers. The Company is ready to work with partners to expand distribution channels to reach and acquire more consumers.

(2) Marketing and Competition

1. Competition and Product Distribution Policy

1.1 Target customers, distributed both in domestic and overseas with 2 main types

1. Contracting services for extracting plant extracts and herbs according to customer requirements. to be used as a food ingredient dietary supplement Cosmetics and Pharmaceuticals (OEM)
2. Extract and sell plant and herb extracts, using as food ingredients, dietary supplement cosmetics and medicine (ingredient)

2. Marketing and Business Competition

Industry trends and competition

In many recent years, health and beauty products in local still tend to expand continually. This is an opportunity for the company to expand customer base and create sales growth with main raw materials for food, beverage, dietary supplements, cosmetics and pharmaceutical manufacturer. Meanwhile, the Company also focus on building cooperation with business alliances and foreign partners who demand for raw materials from plant extracts and herbs with higher quality and lower cost.

At the same time, the coronavirus (Covid-19) epidemic has created opportunities for growth in Thai herbs market such as Andrographis paniculata, that has the effect of inhibiting the proliferation of the COVID-19 virus or turmeric which strengthen human immune system. The company has therefore used the strengths of those herbs to develop products such as turmeric, Ban Ta Khun(Tipco brand), and Andrographis paniculata extract capsules(Tipco brand), and etc. The products are sold through online channels and at leading pharmacies. It is a product that keeps up with the demand and has been well recognized by consumers.

3. Procurement of products and services

Production

Tipco Biotech Company Limited

Extraction plant

504 Moo 16, Prachuap Khiri Khan Subdistrict, Mueang District, Prachuap Khiri Khan Province 77210

Agricultural Products

(1) Characteristics of Products or Services and Business Innovation Development

Agribusiness: conducts business research and development of plant varieties and cultivation. The main products are Tipco Homsuwan pineapple, recognized as a unique taste and nutritional value resulting from continuous research and development

Business Innovation Development

In 2021, the Company developed processed products from Tipco Homsuwan pineapples, namely Homsuwan pineapples with honey, Hom Suwan Pineapple Cracker with Honey, Pineapple Hom Suwan Cheese Shake with Honey, pineapple toffee, Hom Suwan, stir in honey, and etc.

(2) Marketing and Competition

1. Marketing and Business Competition

Industry trends and competition

In the past years, Thai people consumed fresh pineapples of about 600,000 tons per year, most of which are the Pattavia (Sriracha pineapples) variety. As for the Tipco Homsuwan pineapples, their characteristics are different from those of others in terms of aroma, sweetness, tight and tender meat, smooth taste, and high vitamins. These unique and non-GMO features make the Tipco Homsuwan pineapples a popular choice among consumers despite the fact that the prices of Tipco Homsuwan pineapples are considerably high due to the need for high maintenance to ensure high quality. The consumers find these pineapples easy to peel as they do not have to remove pineapple eyes. Thus, consumers can buy the whole fresh fruits back home and peel by themselves.

Competitive Strategies

1. Agribusiness focuses on agriproduct processing development, preservation, and quality control of Tipco Homsuwan pineapples, including controlling production costs and expanding distribution channels both domestically and internationally.

2. Cultivar Development of Tipco Homsuwan Pineapple: Due to discrepancies in planting planning as well as weather conditions that resulted in lower yields in the first quarter, the Company is trying to improve the quality to grade A and focus on the selection of other pineapple varieties which have good quality and taste to compensate for the reduced productivity.

Consumer Business

(1) Product or Service Characteristics and Business Innovation Development

Characteristics of Beverage Products are as follows:

1. Ready-to-drink fruit and vegetable juices

1. Tipco 100% fruit juice in 200-ml, 750-ml and 1-liter cartons.
2. Tipco Mandarin Orange Juice Mixed with 100% golden orange juice - jumbo size, in 225-ml cartons.
3. Tipco Squeeze - 100% pasteurized fruit and vegetable juices in 300-ml and 1-liter cartons.
4. Tipco Veggie - 100% Mixed Vegetable and Fruit Juice, packed in 200-ml and 1 liter-cartons.
5. Tipco Pro Fiber - 100% mixed vegetable juice and dietary fiber in 1-liter carton
6. Tipco Fruity Mix - 40% mixed vegetable and fruit juice in 225-ml carton.
7. Tipco Cool Fit - 40% Mixed Vegetable and Fruit Juice Packed in 200-ml and 1-liter cartons.
8. Tipco Super Fruit Essence - Pomegranate juice concentrated in 110-ml carton.
9. Tipco Super Kid - 100% fruit and vegetable juice mixed with fruit juice for kids, in-110 ml carton.
10. Tipco Apple Cider - 30% pomegranate juice drink mixed with apple cider juice in 1-liter carton.
11. Tipco - 100% Vegetable and Fruit Juice, less sugar in 200 ml-carton.
12. Tipco Fruit Juice with Vegetable Juice - 100% less sugar in 200 ml-carton.

2. Bottled Natural Mineral Water

1. Aura 100% natural mineral water containing 330 ml bottles, 500 ml and 1.5 liters, from natural mineral water sources at Pong Yang Subdistrict, Mae Rim District, Chiang Mai Province
2. Aquare 100% natural mineral water containing 500 ml bottles and 1.5 liters from natural mineral water sources at Phu Kham Subdistrict, Wichian Buri District Phetchabun Province

Business Innovation Development

The Company make raw materials purchasing plans for production, select quality raw materials, and choose a method for storing raw materials to keep the highest nutrition. The development includes research and development of new beverage products with a variety of nutrition, including invention of new innovations to serve the needs of consumers. It also focuses on maintaining standards in the production of products, both in terms of quality and production as well as creating new distribution strategies for diversifying distribution channels.

(2) Marketing and Competition

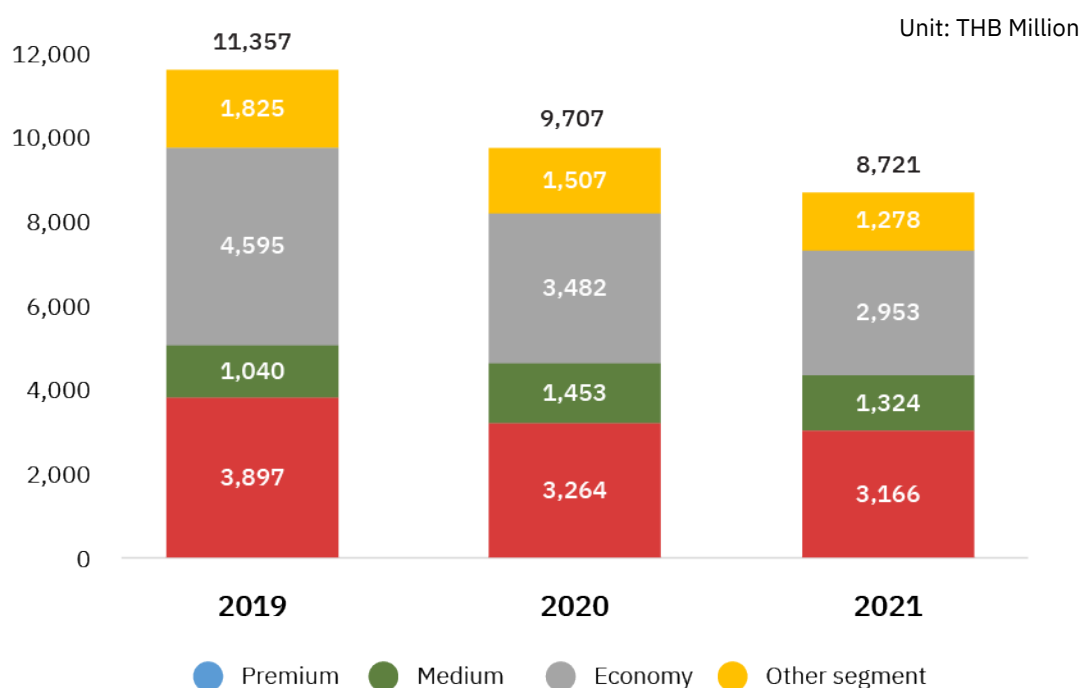
1. Marketing and Business Competition

Industry trends and competition

Ready-to-drink fruit and vegetable juices

In 2022, the trend of fruit and ready-to-drink fruit and vegetable juice local consumption level is expected to be similar to the previous year. At the same time, the epidemic situation of the new Corona virus (Covid-19) also still affects the purchasing power of consumers continually, causing consumers to be more cautious in their spending. This includes changes in health trends that lead consumers to reduce the consumption of beverage with high sugar content which may directly or indirectly affect their health. The consumers tend to consume more alternative drinks such as vitamin water. Therefore, entrepreneurs have to adapt to new consumer behavior and develop new products to meet the needs of consumers in the severe internal competition of fruit juice and ready-to-drink vegetable juice industry.

The total market value of fruit juices and ready-to-drink fruit juices in Thailand in 2019-2021



Source: The Nielsen Company (Thailand) Limited

Premium: 100% fruit and vegetable juices, both UHT and pasteurized.

Medium: 40% fruit and vegetable juices but not more than 90% UHT.

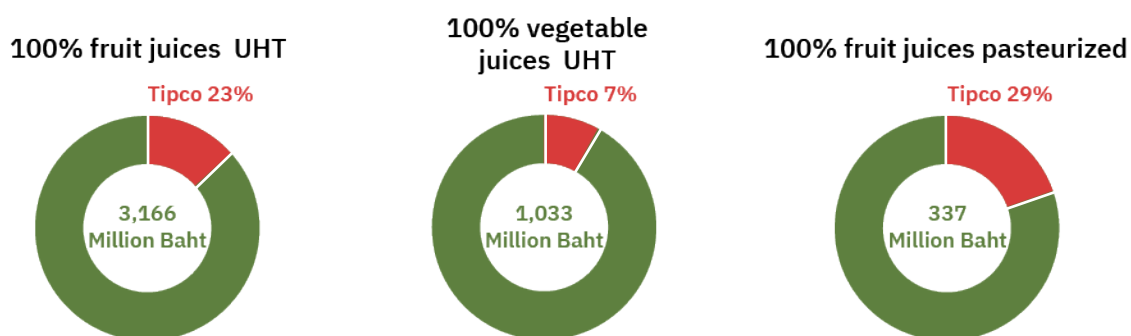
Economy: 20% fruit and vegetable juices but not more than 30% UHT.

Super Economy: Fruit and vegetable juices below 10% UHT.

The Company's Market Share in 2019-2021

The Company's Market Share	2019	2020	2021
Premium fruit and vegetable juices market	31%	27%	23%

In 2020, Market Share of premium fruit and vegetable juices market are as follows:

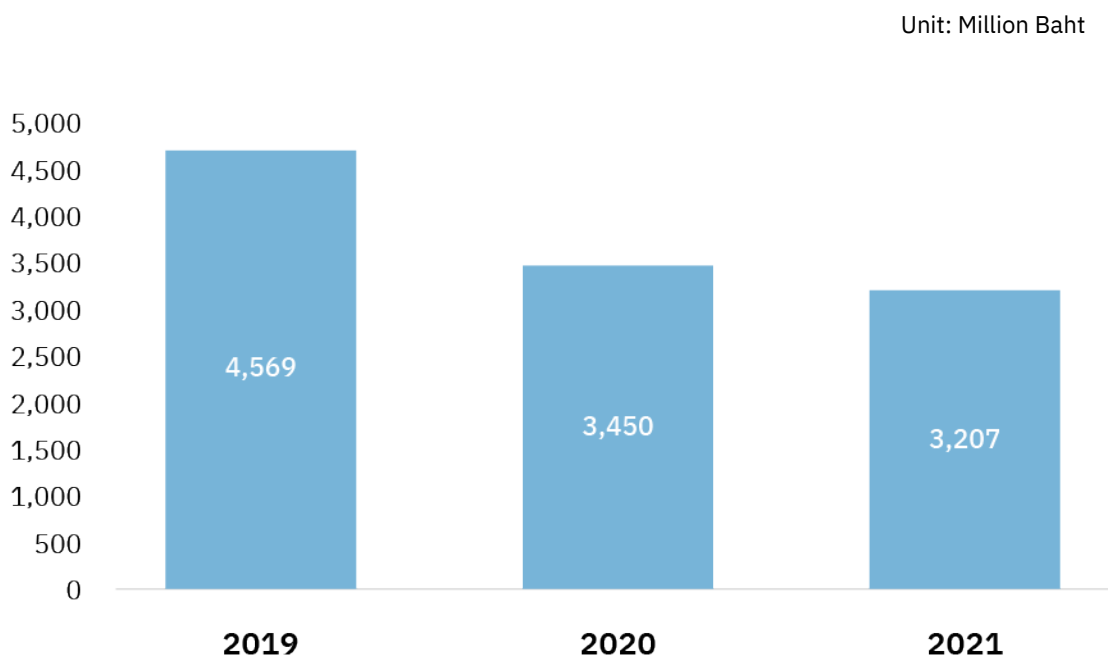


Source: The Nielsen Company (Thailand) Limited

In 2021, ready-to-drink fruit juices and vegetable juices markets in Thailand was valued at 8,721 million Baht, accounted for a decrease of 10% due to the continued impact of the Coronavirus (Covid-19) epidemic situation. As a result, the domestic economy slowed down, causing in the shrinking of consumer purchasing power. Consumers therefore reduced consumption of food and beverages, especially beverages with high sugar content that affect or have side effects on health. In addition, the government has implemented measures of progressive tax rate which imposes a higher rate on beverages containing high sugar, so this caused entrepreneur to burden higher costs. As a result, the domestic beverage market became more severe as all businesses aim to acquire more market share. However, the company remains the number one leader in the fruit juice and 100% ready-to-drink vegetable juice market (Premium group). As the Company keep on maintaining product quality as well as focusing on research and innovation development. Therefore, the introduction of suitable new products for a particular group will continually gain attractions and trust from customers.

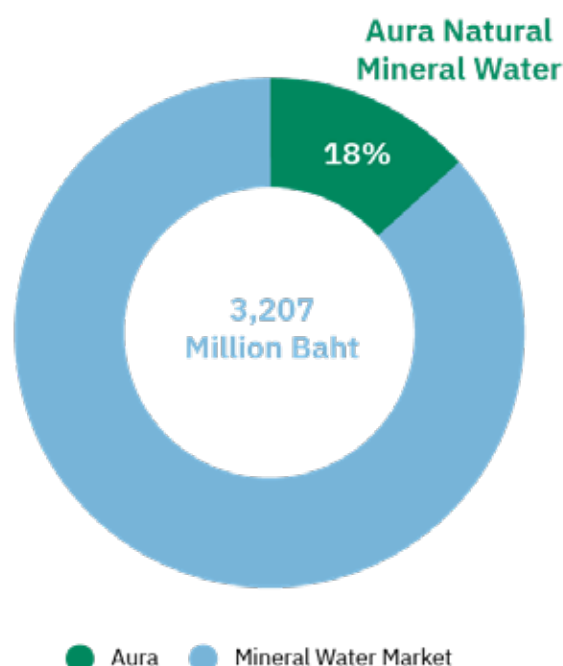
Bottled Natural Mineral Water

In 2021, Aura Natural Mineral Water gained 18% of market share, ranked no. 4 of the market. The mineral water market valued at 3,207 million Baht, accounted for a decrease of 7% comparing to the previous year as a result of the epidemic of the Coronavirus (Covid-19). In addition, there has been a change in consumption behavior about living. Initially, the consumers tend to consume bottled water when going out because it is convenient. However, when consumers spend less time outside, the consumption of bottled water has also decreased. While the overall market of drinking water is still an intense competition, the selling price of mineral water is not different much from the price of alternative drinking water such as mineral water containing vitamins. Presently, the vitamin water has become a very popular choice for consumers. It is expected that in 2022 the mineral water market trend will have a stable growth rate similar to that of the previous year.



Source: The Nielsen Company (Thailand) Limited

The Company's Market Share in 2021



Source: The Nielsen Company (Thailand) Limited

Competitive Strategies

1. Maintain production standards both in terms of quality and product benefits.
2. Study, research and develop new products with high benefits including inventing new innovations to meet the needs of consumers
3. Plan the purchase of raw materials in production, select quality raw materials, and choose an effective method of storing to retain the highest nutritional value.
4. Use a distribution strategy by creating more diversified distribution channels.

(3) Procurement of Products and Services

Production

Tipco F&B Company Limited

Ready to drink fruit and vegetable juice factory

90/1, Moo 7, Sanab Thub Subdistrict, Wang Noi District, Phra Nakhon Si Ayutthaya Province 13170

Tipco Foods Public Company Limited

Bottled natural mineral water factory

1. 205/1, Moo 2, Pong Yang Sub-district, Mae Rim District, Chiang Mai Province 50180, a large natural cold spring source with a production capacity of 120 million bottles per year.
2. 999, Moo 7, Phukham Subdistrict, Wichian Buri District, Phetchabun Province 67180, the source of natural mineral water called "Phu Nam Yod" with a production capacity of 140 million bottles per year approximately.

Other Businesses

Retail Business

(1) Product or Service Characteristics and Business Innovation Development

Retail business involved in a food and beverage production and distribution under the brand “Squeeze by Tipco”. The business emphasizes quality raw materials, product diversification, and tasty flavors such as smoothies which made from a variety of real fruits, new beverages containing cannabis leaves, plant-based food, beverages such as Almond Milk, Tonkatsu with steamed rice, Tsukune Salad, and etc. In addition, the retail business is also a distribution channel for affiliated companies’ products such as fruit juices and ready-to-drink vegetable juices, Tipco Homsuwan fresh pineapple, and Aura natural mineral water, plant-based products, and other products which will be launched in the future.

Brand	Squeeze by Tipco
Number of Branches	Total 31 branches 22 branches of the Company 9 franchise branches
Type of Service	1. Dine in 2. Take Away 3. Delivery 4. Catering

(2) Marketing and Competition

1. Marketing and Business Competition

Industry Trends and Competition

In 2022, the healthy drink business still has a tendency to grow continually with supporting factors from changing lifestyles of consumers. This is partly due to the Coronavirus (Covid-19) epidemic that allowed consumers to pay an attention to health issues and choose foods or beverages that help boosting their immunity. This includes the beverages that have health benefits such as drinks containing vitamin C, drinks that nourish the brain, skin, or stimulate the digestive system. All entrepreneurs have to adapt themselves to new environment and develop new products to meet the needs of more diverse consumers.

Competitive Strategies

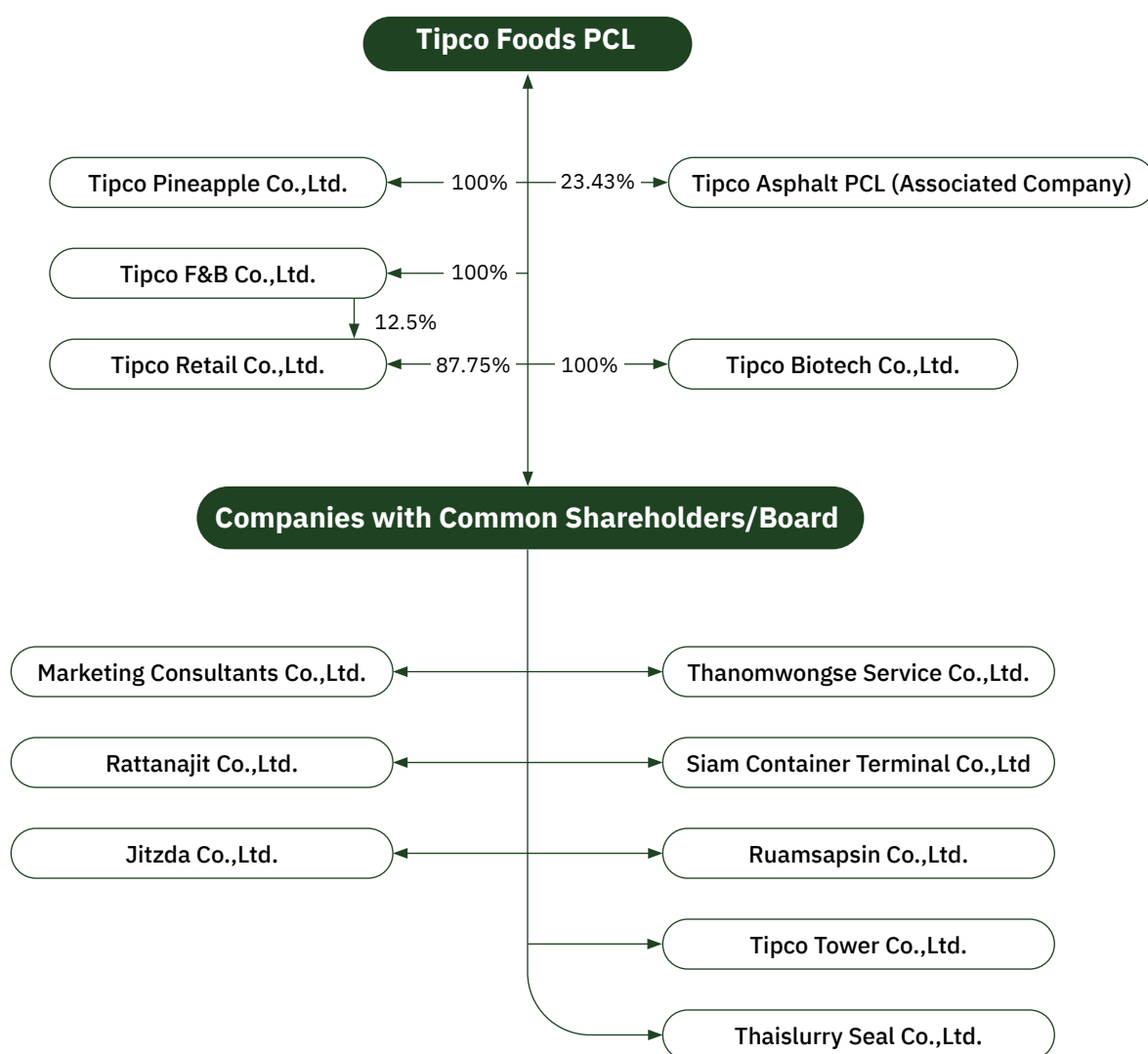
Squeeze by Tipco places importance on the development of new beverages throughout the years, including seasonal beverages such as healthy products which contain of natural ingredients. Not only the development of beverages, Squeeze by Tipco also focuses on the development and distribution of additional products such as food products under the Squeeze Eat brand, plant-based food products, snack products, and etc. Diversification of distribution channels is one of the Company’s concerns as new channels are presently available such as online distribution, food delivery channels, and etc.

1.3 Group shareholding structure

1.3.1 Group shareholding structure

Policy on dividing the company's operations in the group: Company management team is responsible for overseeing the operations of Tipco Foods Public Company Limited, Tipco Pineapple Company Limited, Tipco F&B Company Limited, Tipco Retail Company Limited and Tipco Biotech Company Limited, called Tipco Foods Group. All associated companies and other related companies have separate management teams.

Overview of business operations of the Company's subsidiaries, associated companies, and related companies: relationship chart



Information of Subsidiaries and Associated Companies

1. Tipco Asphalt Public Company Limited (Associated Company)

Type of Business	: Factory and distribution of asphalt rubber, water-based asphalt, products made from asphalt or other asphalt mixtures and all kinds of petroleum products
Head Office Address	: 118/1 Rama 6 Road, Phayathai, Phayathai, Bangkok, Tel. 0-2273- 6000.
Registered capital	: 1,579.88 million Baht, 1 Baht per share
Paid-up capital	: 1,578.36 million Baht
Security	: Listed on the Stock Exchange of Thailand on March 1, 1991

2. Tipco Pineapple Co.,Ltd.

Type of Business	: Production and export of canned pineapple Pineapple and Mixed Fruit Juice
Head Office Address	: 118/1 Rama 6 Road, Phayathai, Phayathai, Bangkok, Tel. 0-2273- 6200.
Registered capital	: 700 million Baht, 10 Baht per share
Paid-up capital	: 700 million Baht

3. Tipco F&B Co.,Ltd.

Type of Business	: Production and distribution of ready-to-drink packaged beverages
Head Office Address	: 118/1 Rama 6 Road, Phayathai, Phayathai, Bangkok, Tel. 0-2273- 6200.
Registered capital	: 600 million Baht, 10 Baht per share
Paid-up capital	: 600 million Baht

4. Tipco Biotech Co.,Ltd.

Type of Business	: Farming, growing plants and herbs, which are used as ingredients in pharmaceuticals, including establishing a factory for the production or processing of pharmaceutical ingredients and medical products
Head Office Address	: 118/1 Rama 6 Road, Phayathai, Phayathai, Bangkok, Tel. 0-2273- 6200.
Registered capital	: 50 million Baht
Paid-up capital	: 36.8 million Baht

5. Tipco Retail Co.,Ltd.

Type of Business	: Retail, beverage and food
Head Office Address	: 118/1 Rama 6 Road, Phayathai, Phayathai, Bangkok, Tel. 0-2273- 6200.
Registered capital	: 200 million Baht
Paid-up capital	: 200 million Baht

1.3.2 Persons who may have conflicts

- None -

1.3.3 Relationship with the business group of the major shareholder

Persons with mutual interests: Interests of the management in the company, details of business operations of each related company; subsidiaries, associated companies, and related companies which some are customers of Tipco Foods Public Company Limited. Some companies are suppliers, providing transportation service of goods or raw materials in which the price of the goods sold or the service fee rate that the said company charged to the company is a market price, based on policy in accordance with the notes to the financial statements. And also, there are no contracts are binding between them Directors of companies who have interests as directors or shareholders as the following details

1. Ms. Laksana Supsakorn
2. Mrs. Anurat Tiamtan
3. Mr. Surachet Supsakorn
4. Mr. Sitilarb Supsakorn
5. Mr. Kris Sertthin

Table: The relationship between the Board of Directors of the Company and important related companies

Related company	Type and Nature of Business	Relationship with the related companies		Relationship with the company/ shareholder name and equity stake of the related company's total share	
Thanomwongse Service Co., Ltd.	Distributor of petroleum products, constructor of buildings, roads and surface maintenance	Ms. Laksana Supsakorn Mr. Sitilarb Supsakorn	Director Director	Ms. Laksana Supsakorn Mr. Sitilarb Supsakorn	1 share 1 share
Tipco Asphalt PCL	Producer and distributor of asphalt and distributor of fuel products	Ms. Laksana Supsakorn Mr. Sitilarb Supsakorn	Director Director	Tipco Foods PCL	23.43%
Siam Container Terminal Co., Ltd.	Container Terminal Service, Shipping and Transportation Service	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn	Director Director Director	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn	16.67% 16.67% 16.67%
Ruamsapsin Co., Ltd.	Purchase, provide, acquire , rent , lease, possess improve, use, manage and others any assets including benefit of such assets	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn Mr. Surachet Supsakorn	Director Director Director Director	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn -none-	20.00% 20.00% 20.00%
Tipco Tower Co., Ltd	Rental office, contractor and civil works of all types.	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn Mr. Surachet Supsakorn	Director Director Director Director	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn -none-	20.00% 10.20% 20.00%

Related company	Type and Nature of Business	Relationship with the related companies		Relationship with the company/ shareholder name and equity stake of the related company's total share	
Thai Slurry Seal Co., Ltd	Road building and construction services	Ms. Laksana Supsakorn Mr. Sitilarb Supsakorn	Director Director	Ms. Laksana Supsakorn Mr. Sitilarb Supsakorn	1.76% 4.62%
Marketing consultants Co., Ltd.	Vehicle parking service and rent a car park building	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn	Director Director Director	Ms. Laksana Supsakorn Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn	20.00% 20.00% 20.00%
Rattanajit Co., Ltd.	Renting and operating real estate business which owned by itself or renting from others, not for housing purpose	Mr. Kris Sertthin	Director	Mr. Kris Sertthin	50.00%
Jitzda Co.,Ltd.	Renting and operating real estate business which owned by itself or renting from others, not for housing purpose	Mr. Kris Sertthin	Director	Mr. Kris Sertthin	50.00%

1.3.4 Shareholders

List of the top 10 shareholders as of August 27, 2021 are as follows:

Number	List of Shareholders	Number of Shares	Percentage
1	Supsakorn Group	175,277,894	36.32
2	Tiamtan Group	34,566,865	7.16
3	Sertthin Group	19,599,846	4.06
4	Mr. Apirum Panyapol	22,100,000	4.58
5	Thai NVDR Co.,Ltd.	11,896,820	2.47
6	Ms.Vanissa Dhupchinda	11,143,074	2.31
7	Mr.Sommart Dhupchinda	7,201,300	1.49
8	Mr.Somkiat Limsong	3,455,135	0.72
9	Mr. Nantaphan Mahathanathan	3,273,200	0.68
10	Mrs. Piriaporn Saeheung	2,971,100	0.62
	Top Ten Shareholders	291,485,234	60.40
11	Other Shareholders	191,094,406	39.40
	Total	482,579,640	100.00

There is neither cross-shareholding nor pyramidal shareholding in the company's group.

Shareholders holding shares via Thai NVDR Company Limited as of August 27, 2021 from 0.5% of the paid-up shares

Number	List of Shareholders	Number of Shares	Percentage
1	CREDIT SUISSE AG, SINGAPORE BRANCH	3,000,000	0.62

1.4 Amount of registered and paid-up capital

The company has a registered capital of 500 million Baht, paid-up 482.58 million Baht, divided into 482.58 million ordinary shares with a par value of 1 Baht per share (par value changed from 10 Baht per share to 1 Baht per share on December 19, 2003)

1.5 Other Issuance

- none -

1.6 Dividend Policy

The Company and subsidiaries will pay dividends when the retained earnings are positive. The dividend payout is based on the Company's performance and future investment projects, which is determined not less than one-third of the Company's net profit.

Year	2021	2020	2019	2018	2017
Earnings per share	1.15	0.66	0.25	0.72	0.98
Dividend per share	0.77	0.94	0.34	0.25	0.75
Dividend Payout Ratio (%)	67%	142%	134%	35%	77%

2

Risk Management

2.1 Risk Management Policy and Plan

Tipco Foods Public Company Limited has conducted a continuous implementation of Enterprise Risk Management (ERM), covering all business groups to ensure the same standards, resemble in business expansion, as well as promote business growth of the corporate group.

Under an uncertain conditions and situations, organization management often experience unavoidable vulnerability from internal and external factors which creates both risks and opportunities to the business. Therefore, risk management is an important tool to help preventing from business failure, maintaining and supporting the business to achieve objectives and goals. In addition, risk management is an important element of Good Corporate Governance, with an emphasis on transparency and efficiency in all processes. This creates a positive effect on the image and increase added value to the organization. Therefore, the Company has established **the Corporate Risk Management Committee** which consists of

1. Chief Executive Officer
2. Director of Treasury Department
3. Director of Accounting and Internal Control Department
4. Human Resources Director
5. Director of Information Technology Department

to assess the risks that may affect the business operations both in the short term and long term, as well as find measures to manage and mitigate such risks to an appropriate or acceptable level, ensuring successful business operations in accordance with the implemented objectives. The risk management sub-committee may be assigned for planning a particular process. Meanwhile, risk management committee shall periodically follow up, oversee, and report the operating results to the Audit Committee and the Board of Directors every quarter.

In 2021, the Risk Management Committee has analyzed and assessed organizational risks under the framework of 5 areas as follows:

1. Strategic Risk (S)

is a risk arising from strategic plans formulation or an implementation failure to meet the business goal. These are caused by internal or external factors such as organizational structure competitive conditions, resources, and different environments which have different impacts on the goals of organization as follows:

1.1 Coronavirus epidemic situation which affected on business and caused the overall economy to slow down.

1.2 The growth of core business growth which is currently under the business target.

1.3 The organization is not ready for change in adaptation strategy.

The Company has assessed the above risks and managed to mitigate the risks by adjusting both short-term and long-term strategies, and also adjusted the internal management structure to resemble to the new strategy.

2. Operational Risk (O)

is a risk arising from the unsuitable operation in each step which is inconsistent with the current situation detailed as follows:

2.1 Fruit juice business is not growing as planned. During the year, the Company has improved and developed new products to meet the needs of customers, and also considered the utilization of existing resources and machinery for benefit maximization.

2.2 As unavailability of successors in important positions caused a discontinuity in operation, the Company therefore focuses on planning and place importance on human resource development, including adjusting the management structure to be in accordance with the work plan.

3. Financial Risk (F)

is a risk related to financial liquidity, financial management, and financial statements. In the past year, due to the epidemic situation of the coronavirus which caused a business interruption in domestic economic activities. A negative change in income and purchasing power of consumers, the volatility of raw material prices, and changing consumer behavior had a great impact on the overall performance of the Company including consumer business, processed fruit business, and retail business, which were unable to meet the business goals. However, the Company has taken many steps to improve processes by accelerating product development as well as creating new innovations by bringing cutting-edge technology. In order to reduce costs and increase operating profits, the Company still maintain and create excellent relationships and partnerships with fund providers, keeping the Company's financial risks to a low level.

4. Compliance Risk (C)

is a risk related to compliance with different laws and regulations, forcing business to properly carry out its operation under legal control, including the Personal Data Protection Act B.E. 2562, which required all organizations for business standard in managing personal data appropriately and adequately to prevent all risk concerns regarding confidentiality, integrity, and availability of personal information that possibly cause negative impacts or damages at the individual or organization level. At present, the Company is in the process of implementing the plan.

5. Information System Risk (I)

is a risk from the system used in the organization in management and business resource planning or ERP (Enterprise Resource Planning) in which some systems may be obsoleted, and also cybersecurity protection is not up to date. The Company is in the process of developing the new modern system as well as keeping cybersecurity update as planned.

2.2 Risk Factors for the Company's Business Operations

2.2.1 Business Risks

2.2.1 A) Risk from fluctuations in the quantity and price of raw materials

As climate change has effects on agricultural production in terms of both quantity and price, the Company need to adapt to the change and mitigate the risk concerns that may occur to business, and also control the quality of raw materials. Therefore, the Company conducted order planning by bringing in the contract farming system to manage and control the quality and continuity of the quantity of raw materials, and keep the price of raw materials to an acceptable level.

2.2.1 B) Risk from changes in consumer behavior.

Nowadays, consumer behavior is changing rapidly, and there are many types of demand. In order to keep the continuous growth of business, product features must be diversified, attractive, and satisfy the needs of customers. This can be seen from the Company's products innovation, product customization, containers, as well as focusing on healthy products and etc. In addition, the Company also place importance on the management of product distribution to cover all customer groups in each area, allowing an increase in sales revenue and create brand recognition.

2.2.1 C) Environmental Impact Risks

Product manufacturing usually entails wastes which have an impact on the environment. In the past, the Company arranged various activities regarding to the environment, such as recycling used plastic bottles into usable items such as shirts and blankets. Also, added value was increased by producing food containers. In summary, this reduces waste to the externality and disposal costs, so there is a reduction in the impact on the environment.

2.2.2 Production Risk

Labor Risk

In a situation where there is a change in economic conditions, higher market competition, this often results in labor shortages. Labor is considered an important factor of the Company in driving business operations which resulting in an increase in product costs. The Company therefore restructured the organization by recruiting personnel with knowledge and abilities. This includes modifying work processes to control labor costs and create flexibility in work to the maximum efficiency.

2.2.3 Financial Risks

2.2.3 A) Exchange Rate Risk

For the purchase of raw materials and sale of goods in certain businesses of Tipco Foods Group, foreign currency is used. Meanwhile the exchange rate fluctuation may affect the price of raw materials and goods, the Company hedges the potential risk by contracting some forward foreign exchange in a particular transaction to reduce the foreign exchange risk

2.2.3 B) Interest Rate Risk

The Company has both short-term and long-term borrowings which are used for working capital and business expansion. For any business transaction, the consideration is based on interest rates and condition of each financial institution. A Decision is made for the Company's maximum benefits.



3

Driving Business for Sustainability

3.1 Sustainability Management Policies and Goals

Sustainability Management Policy

The Company is committed to business management development in 3 aspects, economic aspect, social aspect, and environmental aspect. An awareness of sustainable business management to both internal and external stakeholders is created for all parties to participate in business development. This includes product quality orientation, product development, improvement of production process by adapting modern technology, safety, and occupational health. Also, attractive taste for consumers' happiness in everyday life, including the working environment of employees, community and social development in all aspects, as well as reducing environmental impacts in all parts of the value chain which improving a sustainable business balance in the future.

Sustainability Management and Development Goals

“Enjoy Healthier Life”

Sustainable product development toward enhancement of quality of life for consumers is ensured by food, beverage and health products business provided with various and delicious flavors. An adaptation of innovation with modern technology, including the application of digital systems in the work process to achieve accuracy, speed, and precision, which creates confidence and trust among consumers for lasting happiness in a better world.

3.2 Managing Impact on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain



1. Marketing/Business Group Head

Driving new business and product development strategies includes planning frameworks for all parts of the value chain. The parts refer to raw material procurement, production, marketing, logistics, appropriate distribution channels, and also an analysis of the whole business and work plans development toward business sustainability.

Marketing refers to marketing pattern management of Master Branding and Products Branding, including a marketing campaign planning to satisfy the needs of all targeted group of customers and consumers.

2. Innovation

Emphasize the development and creation of new value in products which have never been launched in the market before. This includes creative development of original products, quality of new products improvement according to production standards by using of quality raw materials, modern packaging, innovation and technology adaptation which bring out the strengths and product differentiation. The purpose is to create reasonable price which reflects the value of the products as demanded by markets.

3. Sourcing

For agricultural business and internal sourcing of raw materials, the Company continually invested in research and development of Tipco Homsuwan pineapple by laboratory experiments. Tipco Homsuwan pineapple is a special strain; thin skin, sweet taste, and no burning tongue. Presently, the cultivation process has been meticulously developed in order to build standards and maintain the quality of the production. In the future, the Company plans to determine a quality measurement of production by using technology for grading raw materials. The purpose is to build confidence in product quality as well as maintain product standards under the Tipco brand.

For community support for agricultural products and external suppliers (External Sourcing), the Company set quality standards of raw materials selection from farmers in the community. This includes business partners and alliances from external to create a variety of new products, quickly respond to market demands. The satisfaction will generate business income along with an improvement of quality of life of people living in the area of communities.

4. Production / OEM OUT

Production

The Company has built a production process development plan with modern innovations. At present, the Company is able to produce various kind of products. There are 5 factories as follows: 1. processed fruit factory producing standard canned pineapple products for export, 2. large herbal extract factory where is able to extract various important substances of Thai herbs, 3. fruit juice factory producing fruit juices in many types, both UHT and Pasteurized, 4. Mae Rim natural mineral water factory, a source of cold springs from the high mountains, and 5. Phu Nam Yod mineral water factory where contains important minerals and essential for health.

OEM OUT

The Company selects external manufacturers who qualified production standards and possess modern production. The research and development of new products is also conducted together with the manufacturers to create business opportunities by delivering a variety of new quality products at standards level implemented by Tipco.

5. Logistic

Domestic Logistics

The Company has built an efficient distribution system which covered all areas in Thailand by placing a distribution system from the plant site to the regional distribution center. The distribution of products is made through retail dealers to various department stores in Bangkok and shops in local areas. The logistics emphasizes the delivery pattern in a country by using suitable trucks for a particular product. Especially for agricultural products, the quality and the freshness of the product is maintained along with reducing environmental impact by cutting the amount of carbon generated by transportation to an emission standard.

For retail customers, all available products can be ordered via the website of the Company which has been installed a digital system for delivery including warehouse systems, online distribution, and analysis of retail customer satisfaction. The system will sustainably build trust and confidence in Tipco brand.

Overseas Logistics

The Company efficiently deliver products to partner countries by selecting the appropriate delivery channel for each product and a particular partner country. The logistical process includes contacting and selecting a quality transport company, comparing the freight and charges, planning the lead time, checking all information of the container via the system provided, as well as preparing required documents for export to build confidence for customers.

6. Distribution

The Company delivers products to consumers through various efficient distribution channels which were divided to domestic and international distribution as follows:

Domestic Distribution

For offline Channels, products are distributed via distributors, a main channel of the Company in term of wholesaling and retailing, including transporting goods to department stores, convenience stores, and supermarkets in Bangkok and shops in local areas. In addition, the Company is a distributor itself by setting up a booth in the product shop and other special distribution channels.

For online Channels, products are distributed via online sales, a new diversified distribution channel which helps facilitating the transportation of goods, especially heavy goods such as Aura natural mineral water, Aura and Tipco fruit juice. By providing transportation services for delivery, a modern logistics management system is applied for convenience improvement and enhancement of speed.

For retail channels, products are distributed via storefronts under the brand “Squeeze by Tipco” with a selection of quality food and beverage products, focusing on the product tastes. The distribution is made for increasing convenience in ordering at comprehensive branches located in hospitals, department stores, and various workplaces.

International Distribution

For overseas distribution of products, the Company currently export products under the brand “Tipco” such as Tipco fruit juice to Asia and Europe zone. The distribution includes the contract production of processed fruit to foreign customers. Most of products are exported to the United States and countries in Europe. In the future, the main strategy of the business regarding expanding marketing channels and exporting various products will promote the expansion and export.

7. Post-Consumer Packaging Waste Management

As business management is committed to environmental and social responsibility, the Company has adopted an efficient post-consumer packaging management principle. The management includes setting a plan, starting from raw materials selection process of the packaging, packaging production, including the collection of used plastic water bottles from consumers and put into the recycling process. The Company organized a project to produce valuable items by recycling plastic bottles. After collecting plastic bottles back from consumers, the plastic bottles will be used as materials for shirts and blankets knitting with modern innovations, so this enhanced sustainable business operations in all parts of the value chain. In the future, the Company expected to determine the continuity plan of this project. In addition, the waste management includes bringing waste from the production in various factories such as pineapple peel and waste from processed fruit production. This will create added value by using processed pineapple peels to make food containers, reduce waste and generate additional income from what is available at the same time. The management also helps reducing garbage as well as relieve the environmental impact of production toward sustainable business operations of the Company throughout the value chain.

3.2.2 Stakeholder Analysis of the Business Value Chain

Stakeholders	Expectations of Stakeholders	Ways to Meet Stakeholder Expectations
Internal Stakeholders		
Executive & Employee	<ol style="list-style-type: none"> 1. Appropriate remuneration and welfare 2. Job Security and Career Advancement 3. Potential development, knowledge and competency of employees 4. Develop work conditions, promote good health and work safety 	<ol style="list-style-type: none"> 1. Allocate suitable compensations and welfares for employees in all sectors 2. Determine work plans, business goals and strategies, and also run business as planned 3. Determine performance indicators to assess job performance transparently 4. Organize training sessions to develop competency in all aspects, including setting measures related to work safety and encourage employees to place importance on safety at work.
External Stakeholders		
Consumer	<ol style="list-style-type: none"> 1. Develop new products and create product diversification and modernization 2. Create certified products for quality standards 3. Pay attention to health and safety of consumers 4. Communicate and fully disclose product information 5. Provide various distribution channels and transport service to facilitate the customer purchase 6. Determine a reasonable price that reflects product value. 	<ol style="list-style-type: none"> 1. Research for consumer needs and adopt new innovations to production process 2. Choose quality raw materials 3. Emphasis on efficient production processes from reputed institutions that have been certified by international standards 4. Provide full information via different channels and accessible formats to communicate effectively 5. Increase distribution channels to online platform and provide Home Delivery service 6. Develop new products that create added value
Stockholders & Analysts	<ol style="list-style-type: none"> 1. The Company has a continuous growth in sales and operating profits. 2. The Company pays dividends regularly. 3. Availability of important information related to business plan, performance analysis, and sustainable business development 	<ol style="list-style-type: none"> 1. Effective business operations and efficient internal and external risks management 2. Determine and declare a clear dividend policy and create continuous and sustainable growth in business 3. Prepare and present accurate and complete company's important information through the Company's website and annual reports

Stakeholders	Expectations of Stakeholders	Ways to Meet Stakeholder Expectations
Business partner	<ol style="list-style-type: none"> 1. The Company supports the operations of its trading partners in order to achieve the most effective cooperation 2. Generate income for business partners that are growing steadily. 3. Transparent and fair selection of trading partners 	<ol style="list-style-type: none"> 1. Organize a joint meeting between the Company and its business partners to raise the competency of business partners' operations. 2. Clearly determine work plans between the companies and make a payment on time. 3. Establish a fair criterion on business partner selection as well as ensure confidentiality of information between the Company and its business partners and alliances.
Distributor	<ol style="list-style-type: none"> 1. Determination of fair and appropriate selling price 2. Ensure product quality according to the specified standards. 3. Regularly release new products to meet market demands. 4. Receive goods in the right amount and on time. 5. Continually launch sales and marketing promotion 	<ol style="list-style-type: none"> 1. Determine a suitable price of the product which is fair to all parties 2. Production has to be made under the specified standards to ensure the quality of the products 3. Determine product development plans and timing of new product releases 4. Procurement of raw materials and production needs to be planned meanwhile delivery term needs to be clear 5. Provide various marketing communication channels for reaching consumers in all target groups
Social community	<ol style="list-style-type: none"> 1. Improve the quality of life and enhance benefits in various aspects of community and society 2. Need for production which reduce social and environmental impact from manufacturing 3. Take care of the area within the neighboring community. 4. Respect the human rights of nearby communities 	<ol style="list-style-type: none"> 1. Make contract farming to purchase quality raw materials from nearby communities 2. Effectively manage waste from the production process including modifying manufacturing process to ensure quality and make business to environmentally friendly 3. Preserving and restoring biodiversity 4. Assess the satisfaction and listen to the opinions of people living in community.
Mass media	<ol style="list-style-type: none"> 1. Provide accurate, complete and timely information 2. Build and sustain a healthy relationship with the media 3. Present and listen to opinions that are beneficial to the Company 	<ol style="list-style-type: none"> 1. Organize related activities and participate in trade fairs to communicate important company information 2. Present various information through a variety of communication channels 3. Publish press releases and giving the opportunity to express opinions through various channels

Stakeholders	Expectations of Stakeholders	Ways to Meet Stakeholder Expectations
Government agencies	<ol style="list-style-type: none"> 1. Comply with social and environmental regulations 2. Cooperate with government agencies and propose suitable guidelines for sustainable development 	<ol style="list-style-type: none"> 1. Follow the rules, social and environmental regulations 2. Cooperate with the government in various matters including organizing sustainable environmental conservation activities with government agencies
Wellness Specialist, Innovator, nutritionist, researcher)	<ol style="list-style-type: none"> 1. Joint research and development of health products 2. Support research to extend the knowledge, technology and innovations obtained from research 3. Building experience and expertise in research 	<ol style="list-style-type: none"> 1. Conduct research with academics to create and develop products with technology and innovation 2. Support and develop the laboratory including various equipment for doing research 3. Encourage internal experts to do research with external researchers in the field of healthy beverage development in order to foster knowledge exchange between employees and the external researchers

3.3 Sustainability Management in Environmental Aspect

3.3.1 Environmental Policies and Practices

Environmental policy

- 1.The Company is committed to complying with law, environmental regulations, commitments and other conditions related to environmental business.
- 2.The Company is committed to reducing significant environmental impacts including protecting environment with effective pollution prevention.
- 3.The Company is committed to monitoring and assessing environmental operations under management plan as well as continually improving the environmental management system.
- 4.The Company is committed to creating environmental awareness among stakeholders and communicating to the general public.

Environmental Practices

- 1.Control and prevent pollution from hazardous activities related to production and services. This includes the identification of pollution sources, measurement, writing, and reporting of pollution effects. The practice also requires determination of measures to prevent pollution and waste, public disclosure of Pollution and actions to be prepared to prevent chemical accidents and pollution from operations
- 2.Supervise and control the sustainable use of resources by identifying sources of energy, water and other resources, and also implement effective resource utilization measures
- 3.Continually implement measures to mitigate the impacts of climate change which caused from the Company's operations, both directly and indirectly
- 4.Protect and restore natural habitats that may affected by business activities, production and services. The restoration includes identifying impacts and determining measures to reduce or properly eliminate the effects. This also requires proactive actions to restore and maintain an ecosystem that promotes a conservation of sustainable use of natural resources

3.3.2 Environmental Performance

1. Energy Management

The Company has established energy policies and targets to reduce energy consumption in both the manufacturing plant and the office. The implementation includes adoption of innovation to develop in the production process, determination of proper power management system and plan, as well as communication to all employees to create awareness of the reduction of energy consumption. The purpose is to manage energy in every part of the value chain in the most cost-effective and efficient way.

In 2021, the management of electricity and fuel was said to be efficient. For fruit processing plants, the running hours of machines is set according to the quantity of raw materials and steaming machines were opted instead of electrical machines. This entailed reduction in production costs and recognition of the value of energy

As for Tipco fruit juice factory, the Company prepared a project to install a Solar Rooftop system, which is a renewable energy from nature and said to be environmentally friendly. This could reduce the pollution that destroys the earth's atmosphere. The targets in 2022-2024 is aim to reduce electricity and power consumption by at least 5 percent comparing to 2021's utilization..

Energy Consumption (Electricity and Fuel)

Electricity Consumption Unit: M.kWh	2019	2020	2021
Processed Fruit Factory	13.61	8.36	8.81
Pineapple Plantation and Agriculture (Office, Room for Packaging)	0.02	0.02	0.02
Tipco Fruit Juice Factory	9.54	7.81	7.80
Mineral Water Plant	2.82	2.12	2.40
Extract Plant	0.74	0.64	0.90

2. Water Management

The Company set a water management plan in order to maximize efficiency of water utilization. For fruit processing plants, the reuse RO system was installed to reduce the utilization in pineapple washing process. For fruit juice factory, there is a wastewater treatment system for the production process. First, the treated water is kept in a pond inside the factory and then released to various natural water sources. In addition, the Company encourage all employees to be aware of water utilization, reduction and reuse of water. The management plan was implemented by setting a target for 2022-2024 to reduce water use by at least 5 percent compared to 2021.

Water Consumption

Water Consumption Unit : Cu.m	2019	2020	2021
Processed Fruit Factory	734,390	426,731	520,478
Pineapple Plantation and Agriculture (Office, Room for Packaging)	24,704	26,574	27,986
Tipco Fruit Juice Factory	301,418	239,397	226,196
Mineral Water Plant	92,384	66,667	82,904

3.Waste Management and Pollution

The Company set measures regarding environmental responsibility and also place importance on waste reduction in manufacturing process. Therefore, the Company applied the principle of reducing waste, reuse and recycle to improve and develop waste management toward sustainable business management along with pollution prevention.

In 2021, the Company implemented management of waste incurring from production processes. For fruit processing plants, since canned pineapples were produced the most, so the core of pineapple were used for dried pineapple production. In addition, pineapple peel was used as important substances for an extraction process. Meanwhile, pineapple pulp left over from production was used as an ingredient of animal feed. This waste management totally reduced the amount of waste from the production process. For fruit juice factory, a waste incinerator was reproduced from a drum containing fruit juice and used for waste disposal. The targets in 2022-2024 aims at waste reduction in which the waste is expected to decrease by at least 5 percent comparing to 2021's figures.

Amount of Garbage and Waste from Production Process

Amount of Garbage and Waste from Production Process Unit : Ton per year	2019	2020	2021
Processed fruit factory	26,166	6,133	12,332
- fruit peel	25,969	5,889	12,268
- scrap material	197	144	64
Pineapple plantation and agriculture			
- Fruit peel from cutting	26	305	686
Tipco fruit juice factory	643	502	442
- Plastic	70	56	55
- Paper	196	150	115
- Hazardous waste	377	296	272
Mineral water plant	84	61	47
- Plastic from water bottle production	59	43	27
- Paper from office	25	18	20

4.Management to Reduce Greenhouse Gas Problems

As the impact of climate change was identified as high priority, the Company therefore assessed risks from the emissions of greenhouse gases. The risks management includes risks from climate change as well as greenhouse gas emissions management in accordance with the emissions standards, from upstream to downstream such as production, transportation, and waste management. The Company set the scope of operation of all 5 factories to control greenhouse gas emissions. The arrangement includes scheduling machine running time according to the quantity of raw materials, and also selecting of good quality coal with high calorific value. Targets for 2022-2024 were set to reduce greenhouse gas emissions incurring from production processes by at least 5 percent when comparing to 2021.

Greenhouse Gas Volume

Greenhouse Gas Volume Unit : M. kgCO ₂ eq	2019	2020	2021
Processed fruit factory	8.18	5.39	5.70
Tipco Fruit Juice Factory	8.42	5.86	4.61

3.4 Sustainability Management in Social Aspect

3.4.1 Social Policy and Practice

The Company has established a policy of responsibility towards communities and society by cultivating the value of good citizenship and people relationship management. The policy aims to raise awareness of employee's dignity and put those principles into practice. As Tipco Foods Group's principle said "Tipco's business is developed along with the environment and society", the business conduct is managed in a socially responsible manner. The principles also include focusing on participation in community development in economic, social and environmental aspects. Likewise, as for employees, the Company emphasizes on strictly complying with labor contracts which mentioned about respect for human rights, liberty, and equality. Additionally, the code of conduct regarding human rights were acknowledged by all employees. As all related requirements and policies for whistleblowing and complaints were recognized, the management of human rights become more effective.

3.4.2 Performance in Social Aspect

1. Employee and Labor

The Company has established guidelines for labor practices regarding health and safety at work for employees as prescribed by Labor Protection Act and Thai Labor Standards. This includes confidentiality and information about compensation and fringe benefits. In 2021, the implementation of human resource management became more efficient as there has been a change in operational plan in accordance with the new business strategy. The communication and meeting systems within the organization were developed by applying modern technology. This facilitated the speed of operation between departments and reduced interpersonal contact. In the time of corona virus pandemic, the Company handled employees (Covid-19) by allowing them to work from home. In addition, enhancing facilities and developing work condition were also focused. The Company aimed to create opportunities for advancement in work as well as prescribing criteria for wages, compensation, and various welfares in which all treatments were based on fairness, equality and no discrimination. In 2021, the progress which has been made are as follows:

Employment

Number of employees by gender

Detail of Employees	Number of employees (person)		
	Male	Female	Total
Full time employees			
1. Bangkok Head Office	69	150	219
2. Prachachuen Warehouse	11	10	21
3. Fruit Processing Factory	48	46	94
4. Tipco Fruit Juice Factory	106	129	235
5. Mineral Water Factory	46	28	74
6. Extraction Plant	19	20	39
Daily Staff			
1. Bangkok Head Office	-	-	-
2. Prachachuen Warehouse	3	-	3
3. Fruit Processing Factory	197	386	583
4. Tipco Fruit Juice Factory	7	40	47
5. Mineral Water Factory	4	6	10
6. Extraction Plant	90	80	170
Total	600	895	1,495

Number of Employees by Job Hierarchy

Job Levels	Number of employees (person)		
	Male	Female	Total
Executive Staff	32	42	74
General Staff	78	180	258
Operational Staff	490	673	1,163
Total	600	895	1,495

Employee Training

The Company place importance on competency development of employees at all levels. The purpose of training session arrangement is to increase knowledge and abilities. The development starts from defining a training plan in the compulsory course or courses that are beneficial to employees. This will enable employees to develop their competency and skill in their works, and also allows the Company to have qualified personnel to support the growth of the business in the future. In 2021, the Company provided a number of training courses for employees to increase skills and competency in their works. There were 64 courses, representing the number of training hours or knowledge development activities at average 3.08 hours per person per year, from a target of 6 hours per person per year.

Safety, Occupational Health and Working Environment

The Company has established a policy on safety, occupational health and working environment for employees. The requirements of safety include development and improvement of the efficiency of safety operations, inspection of workplaces, machine condition, and safety for employees. Additionally, safety manuals for training are written and available for new employees along with an annual safety plan and occupational health. As the Company attached great importance to quality of life and employees' health appropriately, welfare such as annual health check-up medical benefits are provided. As a result of Covid-19 pandemic, the Company determined measures to monitor and prevent the spread of the corona virus (Covid-19). In 2021, the Company reported 5 cases of accident, caused employees unable to work during a period of injury.

Employee Engagement

In 2021, the Company has adjusted the activities plan related to development of employee engagement with the organization. The adjustment was made appropriately in accordance with the situation of the Corona virus (COVID-19) as well as work conditions. In 2021, the ratio of number of employees voluntarily resigned; turnover rate was 24.35%, accounted for an increase of 3.98% comparing to the previous year.

2. Customer

The Company focuses on development of quality products, including creating satisfaction for customers. The development of production processes requires establishing standards, transportation, communicating the information of product quality, and listen to customer's opinion and feedback. All steps allow a modern adaptation of product features and packaging to meet the needs of all target groups of consumers. This will create increased consumer satisfaction and a good relationship between consumers and the Company. In the future, as the Company put the importance of consumer responsibility as first priority, therefore the principle of "We create products and services customers want, to bring wellness to society" was set as the Company's vision. By regularly measuring satisfaction, this could build confidence in products under Tipco brand, and also further increase customer satisfaction in the future.

Domestic Customers

Due to the epidemic of Coronavirus (Covid-19), the Company has increased distribution channels through online system for purchasing products via www.auramove.net, www.tipcoshop.com. All products purchased via online will be delivered in the form of Home Delivery, which covers all areas in Thailand. The purpose is to prevent the spread of COVID-19 and to facilitate consumers.

As consumer responsibility is the first priority, this can be seen from the vision of the Company which said “We create products and services customers want, to bring wellness to society”. This includes creating satisfaction for consumers with standards in production process, transportation, as well as dissemination and communication of product quality facts, and also listen to comments via customer service contact. All collected comments will help to improve production processes production and products. This will create more satisfaction for consumers and build good relationships in the future. In order to create the satisfaction, the customer relations department provided an online customer satisfaction assessment system regarding the convenience of contacting service to see if customers receive clear and complete information. From the overall result, the customers are satisfied with the products and services of the customer relations department. In 2021, the Company got the domestic customer satisfaction assessment score at 4.79 from a full score of 5. Nevertheless, an improvement of the efficiency of service model of the customer relations department is expected.

Foreign Customers

The Company is committed to developing products and type of after-sales service types in order to create a good relationship between customers and the Company, and also respond to the needs of customers in trading partner countries. The Company prepared a customer satisfaction assessment form to survey the service quality of sales and other departments on annual basis. The criteria of the customer satisfaction assessment were defined into different issues such as sales department service (Commercial), shipping information communication (Shipment), labeling and packaging, delivery, export documents preparation, production information, and product quality. In 2021, the Company received an excellent customer satisfaction assessment result of 99 percent from the target of 95 percent.

3. Community and Society

The Company is committed to ensuring environmental and social responsibility by acting as a good citizen who live with others in society with pride and dignity. The Company instills such concept into its employees at all levels and share the same set of cultural norms, focusing on reducing environmental impact. This includes the formulation of community development in various fields to reduce negative impacts on the quality of life of people surrounding the factories and establishments. Therefore, the Company set guidelines for rigorous compliance with the law, and be responsible for the community, society and environment.

Community and Social Responsibility Policy

1. Encourage systematic consultation with representatives of community groups in making investment decisions on community development activities
2. Promote and support education at all levels, participate in activities that promote quality development, education access, local knowledge, especially children's education, including conservation of local culture and traditions on a regular basis
3. Encourage local job creation and skill development toward adequate job opportunities
4. Encourage participation in discussions and meetings in order to develop appropriate technology for the community
5. Participate in generating income for the community by paying local taxes and provide the necessary information accurately to communities and government agencies
6. Reduce or eliminate negative health effects arising from the production process, product or service, including promoting good health with the provision of basic health services such as clean water supply and proper sanitation
7. For business investment, the opportunity for people in the community must be taken into account first. This requires avoiding or reducing donation activities that make communities become dependent or not contribute to sustainable development

Corporate Social Responsibility Practices

1. Make a presentation for consideration of supporting social activities for government agencies and communities in each affiliate area
2. Coordinate and carry out social activities under the approved budget
3. Supervise, monitor, and propose activities to ensure that factory's social management is in accordance with the relevant legal requirements and standards
4. Be a center of public relations of social activities through local media
5. Make an annual activity plan and propose a budget for social support projects
6. Other activities related to the promotion of the Company's social good image as assigned

In 2021, the Company organized activities to grant various products of the Company to the government, private sector, and nearby communities. The purpose was to improve the quality of life and promote participation with community. The total value was recorded at 947,260 Baht, with details as follows:

Head Office

Due to the epidemic situation of the Coronavirus (Covid-19), the Company has implemented a policy of products donation such as Aura mineral water, Tipco fruit juice, Andrographis Paniculata extract capsule (Tipco brand) to government agencies and private sectors. The purpose was to grant assistance to infected persons as well as people who were affected by the pandemic as follows:

1. Social Aspect

- Granted Aura mineral water, Tipco juice to Thammasat Hospital, Bamrasnaradura Institute, Ramathibodi Hospital, Rajavithi Hospital, Bang Bua Thong 2 Hospital and Department of Corrections Hospital, etc.
- Granted Aura mineral water, Tipco Fruit Juice, and Tipco Andrographis Paniculata extract capsule to Duang Prateep Foundation, Khlong Toei Community, Sueb Samphanthawong Foundation.
- Granted Aura mineral water to government agencies; Department of Corrections, Nonthaburi Province and Ban Doi Saeng Border Patrol Police Learning Center.
- Organized social activities with Social Giver in the form of Social Enterprise by distributing discount Give Cards through social media channels. Such discount Give Cards are cash in lieu which can be used for any Company's products purchasing via www.tipcoshop.com, SocialGiver's. All revenues will be granted to the Food4Good program, providing nutritious meals to underprivileged children by the Yuvabadhana Foundation, the organization in charge of the project.

2. Arts, cultural and religious aspect

- Granted Aura mineral water to Wat Pa Yen Boon for Kathin Samakkhi(religious activity).

3. Educational Aspect

- Granted Super Kids Tipco Fruit Juice to hill tribe children in Chiang Rai.
- Granted Tipco Fruit Juice to the Preparatory Alumni Association under the Royal Patronage of His Majesty the King for the 20th "Walk-Run Pinhathai" event.

Fruit Processing Plant

1. Social Aspect

- Granted rice cookers to the Immigration Office of Prachuap Khiri Khan Province in the event of New Year's activities.
- Granted the Company's products, namely Aura mineral water to Office of Disaster Prevention and Mitigation, Prachuap Province, for the officers working at public service points. The service was temporary provided to prevent and reduce road accidents during 2021 Songkran Festival.
- Granted the Company's products such as Aura mineral water, food and equipment which are necessary during quarantine period to Prachuap Provincial Industry Office and government agencies; Tung Kratai Community Isolation Center and Ban Nikom Community Isolation Center km. 5, assistance center for people infected with the Covid-19 virus.

2. Educational Aspect

- Provided financial grant for nursery teachers of Bang Bueng School in lunch program activities.

Aura Mineral Water Factory

1. Social Aspect

- Granted Aura mineral water products to Ban Pong Yang Sub-District Health-Promoting Hospital, Mae Rim District, Chiang Mai Province, COVID-19 Vaccination Center Maya Department Store, Social Security Office who organized activities of COVID-19 vaccination for people in Pong Yaeng sub-district, and the Labor Protection and Welfare Office, Chiang Mai, who organized activities in occasion of 2021 Safety Officers' Day, and etc.

2. Environmental Aspect

- Granted mineral water products to Khun Khan National Park, Mae Sap Subdistrict, Samoeng District, Chiang Mai Province, in forest planting and forest fire prevention activities.

Fruit Juice Factory

1. Social Aspect

- Granted Tipco Fruit Juice to government agencies; Sanap Thub Subdistrict Service Organization, Wang Noi District, Phra Nakhon Si Ayutthaya Province, in the campaign to prevent and reduce road accidents during the New Year festival, the Highway Patrol Division Phra Nakhon Si Ayutthaya Province, in the campaign for safe driving during the Songkran Festival.
- Granted Tipco Fruit Juice and utilities in community assistance activities for fire victims.
- Granted Tipco Fruit Juice, Aura mineral water, medical necessities to Public Health Department to help infected people in field hospitals located in Phra Nakhon Si Ayutthaya Province, Saraburi Province, including Community Isolation Center for Covid-19 patients in Tambon Sannab Tung, Wang Noi District, Phra Nakhon Si Ayutthaya Province.
- Granted Tipco Fruit Juice and Aura mineral water for Department of Labor Protection Welfare, Phra Nakhon Si Ayutthaya Province, in the occasion of 2021 Safety Officers Day.

2. Arts, Cultural and Religious Aspect

- The Company participated in making merit by offering the royal Kathin robe of the Ministry of Public Health at Wat Phutsaiwan, Ayutthaya.

3. Environmental Aspect

- Granted used paper boxes, on the occasion of the REBOX postal project, merit boxes for the year 2021, in which the Company's management were a giver, and the management of the Post Office District 1 were a recipient.

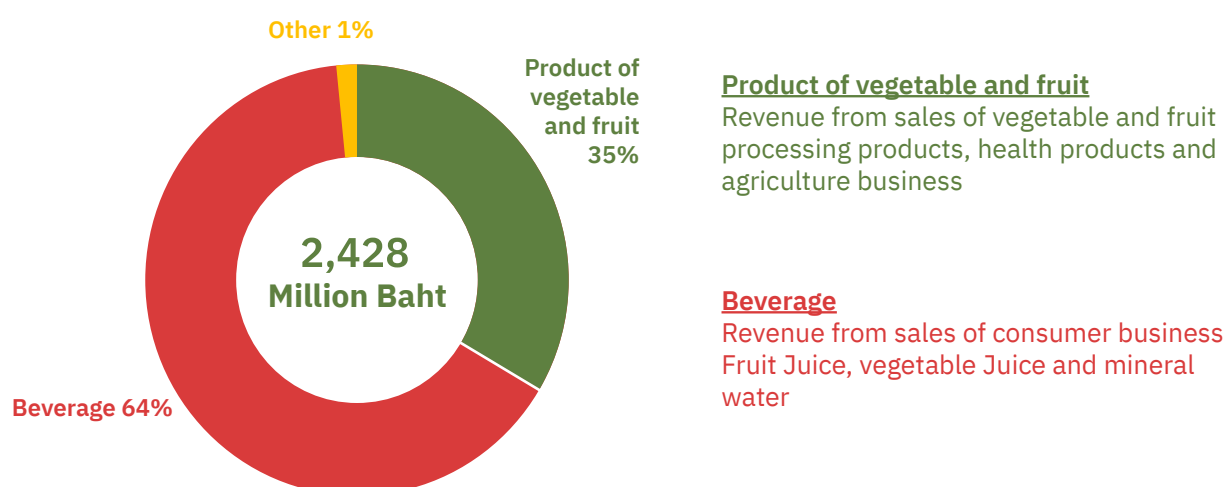
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Management Discussion and Analysis (MD&A)

Consolidated statement of comprehensive income

Statement of comprehensive income	Consolidated financial statements		Changes	
	2021	2020	Increase (Decrease)	%
unit : baht				
Sale	2,427,550,913	2,500,123,559	(72,572,646)	(3%)
Other income	96,427,071	75,687,763	20,739,308	27%
Total revenues	2,523,977,984	2,575,811,322	(51,833,338)	(2%)
Expenses				
Cost of sales	1,835,088,518	2,064,387,522	(229,299,004)	(11%)
Selling and distribution expenses	332,440,076	311,001,624	21,438,452	7%
Administrative expenses	408,699,925	477,038,964	(68,339,039)	(14%)
Loss on exchange	16,035,352	24,191,743	(8,156,391)	(34%)
Total expenses	2,592,263,871	2,876,619,853	(284,355,982)	(10%)
Operating profit (loss)	(68,285,887)	(300,808,531)	232,522,644	77%
Share of profit from invesment in associate	520,178,467	836,967,622	(316,789,155)	(38%)
Finance income	15,295	52,264	(36,969)	(71%)
Finance cost	(38,703,506)	(50,962,001)	(12,258,495)	(24%)
Profit before income tax expenses	413,204,369	485,249,354	(72,044,985)	(15%)
Income tax benefit (expenses)	15,397,866	(3,436,893)	18,834,759	548%
Profit for the year	428,602,235	481,812,461	(53,210,226)	(11%)

Operating Revenues Structure in 2021



Revenues from sales of goods and gross profit

(Unit : Million Baht)

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Others		Changes		Consolidated financial statements		Changes	
	2021	2020	Increase (Decrease)	%	2021	2020	Increase (Decrease)	%	2021	2020	Increase (Decrease)	%	2021	2020	Increase (Decrease)	%
Revenues from sales of goods	860	834	26	3%	1,547	1,648	(101)	(6%)	21	18	3	17%	2,428	2,500	(72)	(3%)
Gross profit (Loss)	155	79	76	96%	433	361	72	20%	4	(5)	9	180%	592	435	157	36%
Gross Profit (Loss) Margin	18%	9%	9%		28%	22%	6%		19%	(28%)	47%		24%	17%	7%	

In 2021, the Company and its subsidiaries reported sales of Baht 2,428 million, decreased by 3% compared to the same period of last year and reported gross profit of Baht 592 million, increased by 36% compared to the same period of last year details are as follows:

Product of vegetable and fruit

Product of vegetable and processed fruit business reported sales of Baht 860 million, increased by 3% compared to the same period of last year, mainly due to higher selling price of processed fruit and the sale of new products in the health products, such as Green chiretta extract capsules that contain andrographolide up to 20 mg. And effective management of raw material costs. Therefore the company has a gross profit margin of Baht 155 million, increased by 96% compared to the previous year.

Beverage

Beverage business reported sales of Baht 1,547 million, decreased by 6% compared to the same period of last year, mainly due to a slowdown in domestic purchasing power affected by COVID-19. However, the company implemented production cost control program. Therefore the company reported gross profit of Baht 433 million, increased by 20% compared to the previous year.

Others

Other business reported sales of Baht 21 million, increased by 17% compared to the same period of last year, mainly due to the sale of new products. Therefore the company reported gross profit of Baht 4 million, increased by 180% compared to the previous year.

Operating Expenses

In 2021, the Company and its subsidiaries reported total operating expenses of Baht 2,592 million decreased by 10% compared to the same period of last year, which can be explained as follows

- Cost of sales decreased by 11% from production cost controlling.
- Selling and distribution expenses increased by 7% from marketing and promotion expenses through various channels.
- A decreasing in administrative expenses by 14% from expenses controlling.

Share of profit from investment in associate

In 2021, the Company reported share of profit from investment in associate of Baht 520 million decreased by 38% compare to the same period of last year.

Finance cost

In 2021, the Company and its subsidiaries reported Finance cost of Baht 39 million decreased from the previous year by 24% compare to the same period of last year mainly due to decreased in both short-term and long-term Loan.

Consolidated statement of financial position

Statement of financial position	Consolidated financial statements		Changes	
	2021	2020	Increase(Decrease)	%
Unit : Baht				
Assets				
Current assets	1,119,600,084	980,510,187	139,089,897	14%
Non-current assets	5,318,504,636	5,506,748,838	(188,244,202)	(3%)
Total assets	6,438,104,720	6,487,259,025	(49,154,305)	(1%)
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,528,317,303	1,601,400,008	(73,082,705)	(5%)
Non-current liabilities	508,892,761	666,358,539	(157,465,778)	(24%)
Total liabilities	2,037,210,064	2,267,758,547	(230,548,483)	(10%)
Shareholders' equity				
Total shareholders' equity	4,400,894,656	4,219,500,478	181,394,178	4%
Total liabilities and shareholders' equity	6,438,104,720	6,487,259,025	(49,154,305)	(1%)

Assets

As of December 31, 2021, the Company and its subsidiaries had total assets of Baht 6,438 million, a decrease of 1% from the end of 2020. Current assets increased by Baht 139 million or 14% mainly due to the increase in Inventories. While non-current assets decreased by Baht 188 million or 3% due to the decrease in Property, plant and equipment.

Liabilities

As of December 31, 2021, the Company and its subsidiaries had total liabilities of Baht 2,037 million, a decrease of 10% from the end of 2020, with the main changes from current liabilities decreased by Baht 73 million or 5% due to the decrease in short-term loan. Non-current liabilities decreased by Baht 157 million or 24% due to a decrease in long-term loan.

Consolidated cash flow statement

Cash flow statement	Consolidated financial statements
	2021
Unit : Baht	
Cash flows from operating activities	
Net cash flows from operating activities	235,450,089
Cash flows from investing activities	
Net cash flows from investing activities	510,388,094
Cash flows from financing activities	
Net cash flows used in financing activities	(723,274,062)
Net increase in cash and cash equivalents	22,564,121
Cash and cash equivalents at beginning of period	55,544,446
Cash and cash equivalents at end of period	78,108,567

As of December 31, 2021, the Company and subsidiaries had an increase in net cash and cash equivalents Baht 23 million, with the company and its subsidiaries had net cash flow from operating activities of Baht 235 million. Net cash flow from investing activities was Baht 510 million, mainly from dividend received from associate company. Net cash flow used in financing activities of Baht 723 million from repayment of short-term loan and long-term loans from financial institutions and dividend paid.

Financial Ratio from consolidated financial statement

Profitability ratios	Consolidated financial statements		Changes
	2021	2020	
Gross Profit Margin	24.4%	17.4%	7%
EBITDA Margin	33.7%	35.6%	(2%)
Net Profit Margin	17.0%	18.7%	(2%)
Return on Equity	9.7%	11.4%	(2%)
The Capacity to pay and liquidity ratios	2021	2020	Changes
Debt to equity ratio (Times)	0.46	0.54	(7%)
Liquidity ratio (Times)	0.73	0.61	12%

Financial Highlight

As of / for the year ending 31 December	2021 (Consolidated)	2021 (Company)	2020 (Consolidated)	2020 (Company)	2019 (Consolidated)	2019 (Company)
Common Share (Per Share)						
Par value	1.00	1.00	1.00	1.00	1.00	1.00
Book value	9.12	4.80	8.74	4.53	8.10	4.23
Profit (Loss) per share	0.89	1.15	1.00	0.66	0.43	0.25
Financial Performance (Baht)						
Revenues from sale	2,427,550,913	295,836,756	2,500,123,559	255,066,768	3,561,064,263	353,565,577
Total Revenues	2,523,977,984	914,871,808	2,575,811,322	858,701,883	3,687,017,406	714,031,368
Gross Profit	592,462,395	110,976,524	435,736,037	81,413,835	382,486,783	108,682,651
Earning before interest and tax	451,907,875	579,096,842	536,211,355	351,238,734	262,629,329	162,690,434
Net Profit (Loss)\	428,602,235	552,925,314	481,812,461	317,549,351	207,667,159	122,481,331
Financial Position (Baht)						
Current Assets	1,119,600,084	524,275,467	980,510,187	498,771,349	1,256,513,591	372,339,023
Total Assets	6,438,104,720	3,329,073,549	6,487,259,025	3,317,897,440	6,669,002,920	3,406,202,762
Current Liabilities	1,528,317,303	682,570,315	1,601,400,008	723,895,691	1,844,007,417	769,706,782
Total Liabilities	2,037,210,064	1,013,160,388	2,267,758,547	1,130,244,861	2,762,208,235	1,363,120,709
Issued and paid-up share capital	482,579,640	482,579,640	482,579,640	482,579,640	482,579,640	482,579,640
Shareholder's equity of the parent	4,400,894,656	2,315,913,161	4,219,500,478	2,187,652,579	3,906,794,685	2,043,082,053
Shareholder's equity	4,400,894,656	2,315,913,161	4,219,500,478	2,187,652,579	3,906,794,685	2,043,082,053
Financial Ratio						
Gross Profit margin (%)	24.4%	37.5%	17.4%	31.9%	10.7%	30.7%
EBIT margin (%)	17.9%	63.3%	20.8%	40.9%	7.1%	22.8%
Net Profit margin (%)	17.0%	60.4%	18.7%	37.0%	5.6%	17.2%
Dividend Payout ratio (%)	86.7%*	67.2%*	94.1%	142.9%	79.0%	134.0%
Return on Equity (%)	9.7%	23.9%	11.4%	14.5%	5.3%	6.0%
Return on Fixed assets (%)	8.1%	19.7%	8.7%	11.3%	3.8%	4.0%
Return on Total assets (%)	6.7%	16.6%	7.4%	9.6%	3.1%	3.6%
Time interest earned (Times)	11.7	22.0	10.5	10.9	3.8	3.8
Current ratio (Times)	0.7	0.8	0.6	0.7	0.7	0.5
Quick ratio (Times)	0.3	0.7	0.3	0.6	0.3	0.4
Debt - equity ratio (Times)	0.5	0.4	0.5	0.5	0.7	0.7

*Dividend payout ratio calculated from the dividend that paid from the operation in that year. Dividend payment in Year 2021 included the dividend from second half operation of year 2021 amount 0.58 Baht/share which subject to the Annual General Meeting No.1/2022

General Information and Other Important Information

5.1 General Information

5.1.1 Company Information

Tipco Foods Public Company Limited (former name “Tipco Foods (Thailand) Public Company Limited”) operates the main business in the manufacture and distribution of ready-to-drink mineral water. Current paid-up capital is Baht 482.58 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok. 10400
Public Company	No. 0107535000052 Home Page www.tipco.net
Tel.	0-2273-6200
Fax.	0-2271-4304, 0-2271-1600
Factory	205/1 Moo 2, Tambon Pongyang, Maerim District, Chiangmai Province 50180.
Factory	999 Moo 7, Tambon Phukham, Wichianburi District, Phetchabun Province 67180.

5.1.2 Subsidiary and Associated Companies

Tipco Asphalt Public Company Limited

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
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Tipco Pineapple Company Limited.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
Factory	212 Moo 16, Tambon Aou Noi, Muang District, Prachuab Kirikan Province 77210.

Tipco F&B Company Limited

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
Factory	90/1 Moo 7, Tambon Sanubtueb, Wang Noi District, Ayutthaya Province 13170.
Factory	212 Moo 16, Tambon Aou Noi, Muang District, Prachuab Kirikan Province 77210.

Tipco Biotech Company Limited

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
Factory	504 Tambon Prachuab Kirikan, Muang District, Prachuab Kirikan Province 77210

Tipco Retail Company Limited

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
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5.1.3 References:

Company Registrar :	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, 14 Fl., Rajadapisek Road, Dindaeng, Dindaeng, Bangkok 10110 Telephone: 0-2009-9000
Auditor :	Mr. Natthawut Santipet, CPA No. 5730, and/or Ms. Isaraporn Wisutthiyan, CPA No. 7480 and/or Ms. Waraporn Prapasirikul, CPA No. 4579 EY Office Limited 193/136-137 33rd Floor, Lake Rajada Office Complex Klongtoey, Bangkok 10110, Thailand Telephone: 0-2264-9090
Legal Advisors :	Mr. Tawadchai Jaranakranya Ch. Chana Songkram Law Firm 52/3 Su-main Road, Bangkok Telephone: 0-2282-2955

5.2 Other Information

- none -

5.3 Legal Disputes

- none -

5.4 Secondary Market

- none -



Part 2

Corporate Governance



Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

The Company adopted the Stock Exchange of Thailand's 2012 Principles of Good Corporate Governance for Listed Companies and the Securities and Exchange Commission's 2017 Corporate Governance Code for listed companies as guidelines for good corporate governance development and business ethics policy implementation for the Tipco Foods Group subject to an annual review.

The Company set out the good corporate governance guidelines to promote a culture of good governance among employees at all levels. This was to assure its shareholders, investors, customers, and other stakeholders that it has adopted the efficient, transparent, auditable, and fair management system for increasing value and corporate sustainable growth. This was in accordance with its vision of "To achieve ongoing growth and competitiveness and to gain trust from customers in both domestic and global markets".

According to the corporate governance assessment result of the company for the year 2021, conducted by National Corporate Governance, the Company got an overall score of 92%, or "excellent" level, higher than the previous year which got an overall score of 91%. In addition, the score was higher than the overall average score of listed companies which was at 84%. The details are as follows:

	<u>2021</u>	<u>2020</u>
Rights of Shareholders	99%	99%
Equitable Treatment of Shareholders	96%	96%
Rights of Stakeholders	91%	91%
Information Disclosure and Transparency	95%	95%
Board of Directors' Responsibility	86%	87%

Corporate Governance Policy

To achieve the Company's objectives, develop a sense of responsibility for work performances, build a culture of transparency and integrity, sustainably enhance long-term business competitiveness, and increase the stakeholders' confidence; the Board of Directors implemented the policy in compliance with the principles of good corporate governance as follows:

1. It shall be ensured that the Board of Directors perform duties according to their stipulated role and responsibilities in an efficient manner.
2. There shall be efficient risk management and internal control systems.
3. Set policies and review strategic and business plan with management.
4. There shall be supervision to ensure no conflicts of interest.
5. Shareholders and stakeholders shall be treated equally and fairly.
6. Operations shall be undertaken with transparency, integrity, and audit ability.
7. Information shall be adequately disclosed to the stakeholders, especially in terms of operating results and financial statements.

8. The Company's code of conduct shall be provided and complied with by all directors, executives, and employees.
9. Environmental and social activities shall be conducted in a concrete manner and the management team shall implement and communicate the policy on the said matters to the employees for their understanding and compliance.

6.1.1 Policies and Practices regarding to Board of Directors

Composition of the Board of Directors and Appointments

1. The number of board of directors is determined by the shareholders' meeting, but must not be less than 5 persons and must compose of independent directors who are not executive directors, not involved in the routine administration, and not a major shareholder in the Company, not less than 3 members, and not less than half of the total number of directors must reside in the Kingdom.
2. The Board of Directors consists of at least 3 independent directors.
3. The Board of Directors consists of qualified persons with knowledge and understanding of finance, commercial, or industry and possess experience regarding business administration. This also require continuous self-development according to the Thai Institute of Directors Association (IOD) curriculum.

Board independence

The committee must be able to independently express opinions with their own discretion based on ethical principles, and also prioritize the interests of the organization without considering only the interests of the major shareholders or minority shareholders or themselves. the Board of Directors has therefore determined the definition and qualifications of independent directors which are more stringent than the regulations prescribed by the Capital Market Supervisory Board. The regulations mentioned about holding shares, which allowed the maximum percentage at 0.75% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or the controlling person of the Company, including the shareholding of Related person of independent director.

Nomination of directors

The company recruit people who possess experience in business administration, have knowledge and understanding of finance with no tainted work history, including having a vision for the overall business as well as have good human relations, morality and appropriate characteristic. This includes having effective communication skill, and also have enough time to perform the duties of a director, and also has all the characteristics under the Public Company Act. The person who will be nominated must not have any prohibited characteristics according to the rules of the Office of the Securities and Exchange Commission. The nomination includes transparent process to build confidence for shareholders.

Nomination of directors There will be a variety of skills that are useful for implementation of business direction and operations control.

Board of Directors' Meetings

- The Company requires that a Board of Directors' meeting shall be held at least once per every 3 months. And also, the directors must always attend the meetings if there is any special Board of Director's meeting.
- There must be at least one half of the total number of directors present to form a meeting quorum.
- In case of the Chairman of the Board of Directors is absent or not be able to perform respective duties, the Vice-Chairman of the Board of Directors shall act as the chairman of the meeting. If there is no Vice-Chairman of the Board of Directors or he/she cannot perform respective duties, the directors present at the meeting shall select one of them as the chairman of the meeting. The final decision at the meeting shall be based on a majority vote.
- One director shall have one vote. A director with beneficial interests on any specific matter shall have no right to vote on such matter. If the votes are tied, the chairman of the meeting shall cast a final vote.
- A meeting invitation letter, the meeting agenda, and supporting documents shall be submitted to the Board of Directors for their information at least 7 days before the meeting.
- Meeting schedules for the Board of Directors and all other committees shall be prepared in advance, on an annual basis before the date of meeting in following year, excluding special meetings.
- Set up a meeting of non-executive directors at least once a year, to provide opportunities for expressing opinions or discussing issues of interest.

Tenure

At every annual general meeting of shareholders, one-third of the directors shall retire from office. If the number of directors cannot be divided exactly into three parts, the closest number to one-third shall retire from office. The directors who are required to retire in the first and second year after the registration of the company shall be drawn by drawing lots to see who will retire. For the next years, the person who is in the position for the longest time is retired.

Evaluation of the Board's performance

There is a self-assessment for Board of Directors and Sub-Committees of the Company which is made at least once a year. This allowed the Board to jointly consider the results and make improvements. The assessment is conducted both individually and individually.

Remuneration for Directors and Executives

The Company set a clear and transparent policy on directors' remuneration in which the compensation is at the appropriate level of a particular industry. The compensation is at market average level meanwhile the remuneration is considered by the Nomination and Remuneration Committee. To ensure transparency and clarity in determining the remuneration of the Managing Director and senior executives, the remuneration is considered based on detail as follows:

1. Remuneration for Managing Director and Senior Executives which includes salary, welfare, and other benefits shall be made in accordance with the value of the job in each position
2. The compensation is determined by
 - 2.1 Ability to pay of the Company
 - 2.2 Competitiveness in the labor market and
 - 2.3 Base on the ability and according to the performance of the employees.
3. Board of Directors is responsible for approving the budget for the compensation for each year. The company's financial position performance and the Company's business projections shall be considered for remuneration.

Director Competency Development

The Company requires new directors to attend to an induction training of business operations, company regulations, good corporate governance, and business ethics. The training program is for improvement in knowledge and understanding of the roles and duties, as well as necessary information which is useful for of directors' position. The new directors will obtain relevant documents for using as reference for their duties. The directors are required to visit their workplaces, both the head office and the factory as appropriate. In addition, the Company also provide opportunity and encourage all directors to attend to training session in various ways which are useful for their performances. This includes the presentation of necessary information to the Board of Directors' meetings on a regular basis for their continuous self-development.

Subcommittee

The Board of Directors has established 4 sub-committees, namely the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee, which consist of directors who have qualifications and responsibilities in accordance with the regulations of the Stock Exchange of Thailand. The regulations clearly defined roles and responsibilities between the Board of Directors, Management, and the board of directors and major shareholders.

Supervision of Subsidiaries and Associated Companies

Same guidelines are applied for supervision of operations of subsidiaries and associated. The guidelines are written for Tipco Foods Group which operates its business via subsidiaries, associated companies, details appear in section 1.3 Shareholding structure.

6.1.2 Policies and Practices regarding to Shareholders and Stakeholders

• Rights and equality of shareholders

1. Rights of Shareholders

In annual meeting of shareholders, the Company set out the meeting procedures according to relevant laws, including meeting invitation, document submission, and meeting agenda notification. Also, adequate information was provided to the shareholders for their consideration in a timely manner prior to the meeting. Absentee shareholders were allowed to assign independent directors to act as proxies to attend and exercise their votes at the meeting. The Company adopted the barcode registration system at the Annual General Meeting of Shareholders to identify the number of participating shareholders and voting results on each agenda item faster. Regarding voting, the Chairman informed the shareholders

of the voting procedure by using paper ballots provided prior to the meeting. The vote counting process was witnessed by representatives being independent directors and external auditor. The meeting was videotaped to ensure transparency and auditability. Furthermore, all shareholders were given an equal opportunity to query and express opinions. All questions which have been answered including the minutes of the shareholders' meeting were disclosed in the Company's website. However, as for the rights of minority shareholders, the Company allowed time for its minor shareholders to propose agenda items and nominate candidates for directors in advance through the Company's website prior to the shareholders' meeting.

The Company was assessed for the Quality Assessment Program of the Annual General Meeting of Shareholders for the year 2021 with an evaluation result of "Excellent", a full score of 100.

2. Equitable Treatment for Shareholders

Shareholders equal rights to receiving accurate and adequate information in a timely manner is recognized by the Company 14 days prior to the meeting date, an invitation letter, including supporting documents for all meeting agenda items, a list of identity documents required for attending the meeting, proxy forms, and details of proxy assignment procedures will be delivered to its shareholders. The Company allowed its shareholders to access information at the earliest opportunity by sharing meeting agenda supporting documents in advance in its website before submitting such documents. In addition, the Company determined meeting time and venue to facilitate convenience for its shareholders. On the meeting date, the registration service started 2 hours before the meeting and the shareholders are allowed to independently raise their opinions and questions. Voting on each agenda item was undertaken according to chronological order. No new agenda item was added without a prior notice being given to the shareholders. The shareholders were informed of the voting procedure before voting. Each agenda item was open for clarification and discussion before voting. All shareholders were allowed to vote equally, except for those with conflicts of interest. The Company publish their objectives and criteria that its minor shareholders are allowed to propose agenda items and names of candidates for directors via the Company's website. For each meeting agenda item, relevant details, rationale, potential impacts, and opinions of the Board of Directors were provided to shareholders for their better understanding, analysis and decision making, and examination. The shareholders are not only allowed to assign others as their proxies to attend the meeting and vote, but also to assign independent directors as their proxies to vote on their behalf. The Board of Directors realized the importance of shareholders' meetings and all directors intended to attend all meetings unless in necessary cases. The Company's high-level executives attended shareholders' meetings on a regular and consistent basis.

The meeting minutes represented all significant details, including participating directors, clarifications provided by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Managing Director, and other relevant directors. The meeting minutes also contained questions and opinions raised by shareholders; voting and counting processes; numbers of approval votes, disapproval votes, and abstention votes; and other relevant information. The meeting minutes were submitted to the Stock Exchange of Thailand within 14 days from the meeting date. The Company posted the meeting minutes

via its website to allow its shareholders to check the accuracy of all resolutions and matters discussed or clarified at the meeting as well as to provide additional suggestions regarding matters to be added or corrected before submitting them to the next shareholders' meeting for adoption.

Voting ballots, documents, and other evidence were systematically stored and could be examined and referred to. The Company shared the shareholders' meeting resolutions through the Stock Exchange of Thailand's news channel within the next day after the meeting. The said resolutions contained voting results in terms of approval votes, disapproval votes, abstention votes, and voided ballots, so that the absentee shareholders could learn of the meeting results soonest.

With respect to profit allocation, the Company adopted a mechanism to ensure that its shareholders would receive their returns in a comprehensive manner. Such mechanism included a clear shareholding structure without cross-shareholding. The Company and its related company, Tipco Asphalt Public Company Limited, shared the same shareholders through investments in ordinary shares. Related party transactions were approved by the Audit Committee before submission to the Board of Directors for approval. Any directors with conflicts of interest would refrain from voting for such transactions. The Audit Committee had authority to oversee and prevent conflicts of interest and implemented the measure on prevention against misuse of insider information for personal gains. It is required to report to the secretary of the Board of Directors for any transaction movement of shareholding of directors and executives, in addition to the disclosure of the shareholding of the Company in every meeting of the Board of Directors.

• Role of Stakeholders

The importance of the rights of both internal and external stakeholders is recognized by the Company, therefore the "Code of Conduct" covering anti-corruption measures is established. This includes responsible political involvement, equal and fair treatment of stakeholders, social and environmental responsibility, compliance with labor laws, and respect for employees' rights. Also, the Company stipulated desirable practices for the main 3 groups of people involved in the Company's operations and beneficial interest, including directors, executives and employees, and major shareholders. In particular, the desirable practices of the management team included the details of how the management team should treat 7 groups of stakeholders, namely shareholders, employees, customers/consumers, trading partners and/or creditors, competitors, and environment, as well as their roles in community engagement and development. The aforesaid code of conduct and desirable practices were based on the philosophy of quality and integrity. In addition, the Company focused on the process of good corporate governance to prevent its major shareholders from influencing decisions made by its management team based on the principles of integrity and professionalism.

Realizing its role as a member of the community, Tipco stipulated the policy on doing business with social and environmental responsibility. To promote such policy, responsible employees and relevant activities were determined. Examples of environmental and community support activities included the adopting schools which located nearby the factories or other appropriated schools as well as granting scholarships, providing educational equipment, or conducting other forms of development for schools via other means. The Company donated funds or products to support various activities held by government

agencies, schools, temples, other organizations, and nearby communities. The Company also made efforts to prevent any possible impacts of its factories' environments on surrounding communities.

- **Conflicts of Interest**

To prevent conflicts of interest, the Company implemented the code of conduct and defined desirable practices for various stakeholder groups, especially its major shareholders, with a focus on preventing any adverse impacts of its major shareholders on other stakeholder groups. The Board of Directors is always informed of any transaction that might cause conflicts of interest and any related party transaction; and carefully reviews the suitability of such transaction (Please refer to the "Elimination of Conflicts of Interest" under the "Equitable Treatment of Shareholders"). The Company complied with the regulations of the Stock Exchange of Thailand and amended its articles of association to protect the interests of its minority shareholders. The amendments were duly approved by the 2003 Annual General Meeting of Shareholders, details as follows:

"Item 48, Section 8, the Company's Articles of Association: In the case where the Company or its subsidiaries agree to enter into a related party transaction, or a transaction related to acquisition or disposal of the Company's or its subsidiaries' assets according to the definition stated in the Stock Exchange of Thailand's Notification Re: Undertaking of Related Party Transactions of Listed Companies; or acquisition or disposal of listed companies' assets as the case may be; the Company shall comply with relevant regulations and methods stated in the said notification."

- **Information Disclosure and Transparency**

The Company pays attention to disclosure of information as it could affect decisions made by investors and other stakeholders. It is necessary to control and specify measures on disclosure of financial and non-financial information to comply with laws. The disclosed information shall be comprehensive, adequate, reliable, transparent, and in a timely manner; and shall be available in both English and Thai versions. The information shall be disclosed via SET Portal system of the Stock Exchange of Thailand and the Company's website.

The Company shall strictly adhere to laws, rules, and regulations stipulated by the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and government agencies. The Company shall also follow up on any regulatory updates on a regular basis to ensure that the laws, rules and regulations being implemented are correct and to assure the shareholders that the business is undertaken with transparency, accuracy, and integrity.

The Board of Directors adheres to the guideline on disclosure of relevant information of the Company to ensure systematic information disclosure and to prevent any potential damage from presenting incorrect information as well as to assure shareholders, investors, the public or other stakeholders that the Company's information disclosure is correct, clear, compliant with laws, fair according to the information disclosure policy.

- **Non-Infringement of Intellectual Property Rights**

The Company set out a policy and a guideline regarding non-infringement of intellectual property rights and copyrights as part of the Company's Code of Conduct as follows: Respect for property rights

shall be ensured through supporting concerned parties to respect property rights and local wisdom and not to buy products or services from or partner with organizations violating human rights.

- **Anti-Corruption**

The Board of Directors considers encouraging the Company to participate in declaration its intention to comply with Anti-Corruption Collective Action in Thailand as follows:

1. It is the Company's policy to combat all forms of corruption by developing a written guidance and posting it in the Company's website. Such guidance was approved by the Board of Directors.
2. The Board of Directors stipulated the anti-corruption policy by declaring its intent to join the CAC. The Company subsequently ratified and acknowledged the agreements as per its intent to join the CAC in order to counter all forms of corruption
3. The Board of Directors approved the anti-corruption measures in writing as shown in the Company's website, which shall be strictly adhered to by all employees to promote transparency and fairness in doing business according to the good corporate governance and anti-corruption policies.
4. In 2015, the Company established a working group comprising representatives from all relevant departments in order to request certification as a member of the CAC. The Company was certified to be a member of the CAC.

The company received a certificate of membership of the Thai Private Sector Collective Action Coalition in Anti-Corruption Commission (CAC) since October 2016 and has been certified as a member continuously on August 5, 2019. Such certification will be valid for 3 years from the date of approval.

6.2 Business Ethics

Business ethics is the codes of conduct for stakeholders in the company, which was built the business ideology of the Group of Companies. It is guidelines and practices which consists of ideology, belief in good corporate governance, commitment to excellence, and belief in social responsibility

- Business ethics include anti-corruption, responsible political participation, equal and fair treatment for those involved social and environmental responsibility, and also labor practices and respect for the rights of employees.

- Code of conduct for Stakeholders includes code of conduct for the Company's Directors, code of conduct for executives and employees, and practices of major shareholders

The conduct includes informing to all directors and employees continually for implementation, and also require the relevant parties sign for acknowledgment every year. In addition, the management is responsible for ensuring that all subordinate employees strictly comply with the requirements. In the event that the employee does not comply with the Company's code of conduct, they will be considered punished according to the company's regulations.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the previous year

6.3.1 Significant changes and developments related to the review of policies, practices and the corporate governance system in the previous year

Corporate governance policy, a manual on good corporate governance and business ethics were annually reviewed by the Board of Directors. The Company also arrange training program in the topic of good corporate governance and business ethics for employees at all workplaces. The purpose is to ensure all employees to possess a deep understanding and strictly comply with good corporate governance and business ethics, as well as pushing for a culture of continuous supervision. This will create the foundation for sustainable growth and create added value for all groups of stakeholders

6.3.2 Compliance with Good Corporate Governance Principles for Listed Companies 2017 (CG Code)

The application of the CG Code according to the Company's business context:

The Board of Directors understands the role, duties, benefits and practices relating to the CG Code and its contribution to the business sustainability. The Board of Directors' Meeting No. 6/2020 considered and reviewed the implementation of the CG Code according to the business environment. The review of the code shall be conducted on annual basis. For the practices that could not be or have not yet been implemented, the reasons were already recorded as part of the Board of Directors' resolution.

6.3.3 Compliance with the good corporate governance principles – other matters

Risk Management: Risk management has been reviewed every 3 months. In addition, the Company has adopted an early warning system and conducted regular reviews to identify the severity of risks and if they are increasing or decreasing as well as the effectiveness of the mitigation/preventive measures. The time frame or frequency of the reviews depends on the nature of transactions. Such practice has been implemented since 2014. Clearer warning signs have been defined. Color codes have been used to indicate the severity levels. For example, red color means a high severity level. Besides identifying severity levels, the Company evaluates risk possibilities and impacts. To foster awareness of employees at all levels about risk management; functional meetings are held on a daily basis; department meetings and management meetings are held on a monthly basis; and the Risk Management Committee's meetings are held on a 3-month basis. Furthermore, the Audit Committee assigns the Internal Control Audit Department to examine the practicality of risk management and track the progress of rectification of each issue on a quarterly basis. The Audit Committee then reports the issues to be improved to the Board of Directors.

Corporate Secretary: The Board of Directors requires that a corporate secretary shall be a person who has relevant skills, knowledge and capabilities as well as truly understands laws, rules, regulations, and practices of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission. The current corporate secretary already attended the training in corporate secretarial practices in 2016. Her duties and responsibilities in the capacity of corporate secretary are prescribed by laws. She shall directly report to the Chairman of the Board of Directors and the managing director. Her profile is as shown in the section of profiles of directors and executives.

Disclosure of shareholders' meeting agenda information:

Disclosure of shareholders' meeting agenda information shall be made in advance via the Company's website before submission of relevant documents to the shareholders and at least 30 days prior to the shareholders' meeting. This practice was first adopted at the Annual General Meeting of Shareholders No. 1/2008 held on 24 April 2008.

Nomination of candidates for independent directors by minority shareholders:

Since 2006, the Company has provided minority shareholders with the opportunity to nominate candidates for independent directors. The Company submitted a letter to the Stock Exchange of Thailand (SET), requesting the announcement via the SET's website that minority shareholders of the Company may nominate qualified candidates for independent directors to replace those retiring by rotation according to the Company's selection process and in a timely manner. From 2008 onwards, nomination has been directly made via the Company's website.

Channels of communication between stakeholders and the Board of Directors:

Stakeholders having concerns regarding accuracy of financial reports, internal control weaknesses, or violations of laws or business ethics may reach out to the Board of Directors by contacting the Executive Committee through the following channels:

- www.tipco.net (Topic: Reporting leads and corrupt practices)
- e-mail address: anti-corruption@tipco.net
- Telephone numbers: 02-273-6888 (Chief Executive Officer), 02-273-6400 (Chairman of the Board of Directors), or Call Center at 095-205-1864
- Mailing to: Chairman of the Board of Directors/Chief Executive Officer, Mailing Address: Tipco Foods Public Company Limited 118/1 Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
- For issues relating to high-level executives or directors, please directly reach out to the Chairman of the Audit Committee at email address: viratpt@hotmail.com

Formulation of a clear environmental and social responsibility policy:

The policy was established in 2006.

Inclusion of reports on the opinions of respective committees in the Company's annual reports:

From 2005 onwards, such practice has been adopted.

Chairman of the Board of Directors:

The Chairman of the Board of Directors shall not be a chairman or a member of a respective committee, starting from 2003. The Chairman of the Board of Directors shall not be the Chairman of the Executive Committee, starting from 2007.

Reporting of operating results to the Board of Directors:

In the case where the Board of Directors meetings are not held every month, the Company shall ensure that the operating results are reported to the Board of Directors on a monthly basis. Such reporting practice was adopted in 2007 and adjusted in 2009.

The principles and the policy regarding remuneration of the managing director and high-level executives:

The Nomination and Remuneration Committee prepared and submitted the principles and the policy regarding remunerations to the Board of Directors for consideration before further submission

to the Annual General Meetings of Shareholders No. 1/2006 for approval. The Nomination and Remuneration Committee considered and adjusted remunerations of employees at all levels in line with the Company's business operations and industry peers of similar size.

Managing Director Succession Plan:

The managing director is required to regularly report the succession plans for the managing director and high-level executive positions as well as to implement and report executive development activities on an annual basis, starting from 2005 onwards.

Board of Directors' Meetings:

In 2021, there was self-assessment of compliance with the good corporate governance principles based on the 99-topic questionnaire developed by the Corporate Governance Center, the Stock Exchange of Thailand in May 2013. This questionnaire was filled out by the Board of Directors before its meeting. The directors exchanged views and opinions regarding the performance and the meeting concluded that the following items were not yet implemented or fully implemented:

- The Chairman of the Board of Directors being an independent director:

This practice has not yet been implemented since the major shareholders are not ready and there is no independent director has expressed their interest to assume the position.

- Clear determination of director's office term:

The maximum office term of each director has not yet been determined due to concerns about lack of qualified candidates. Although currently the IOD has a list of chartered directors, only a handful of people met the criteria. The retirement age is however determined at 75 years.

- Clear determination of committee member's office term:

The maximum office term has not yet been determined due to the same reason as the director's office term.

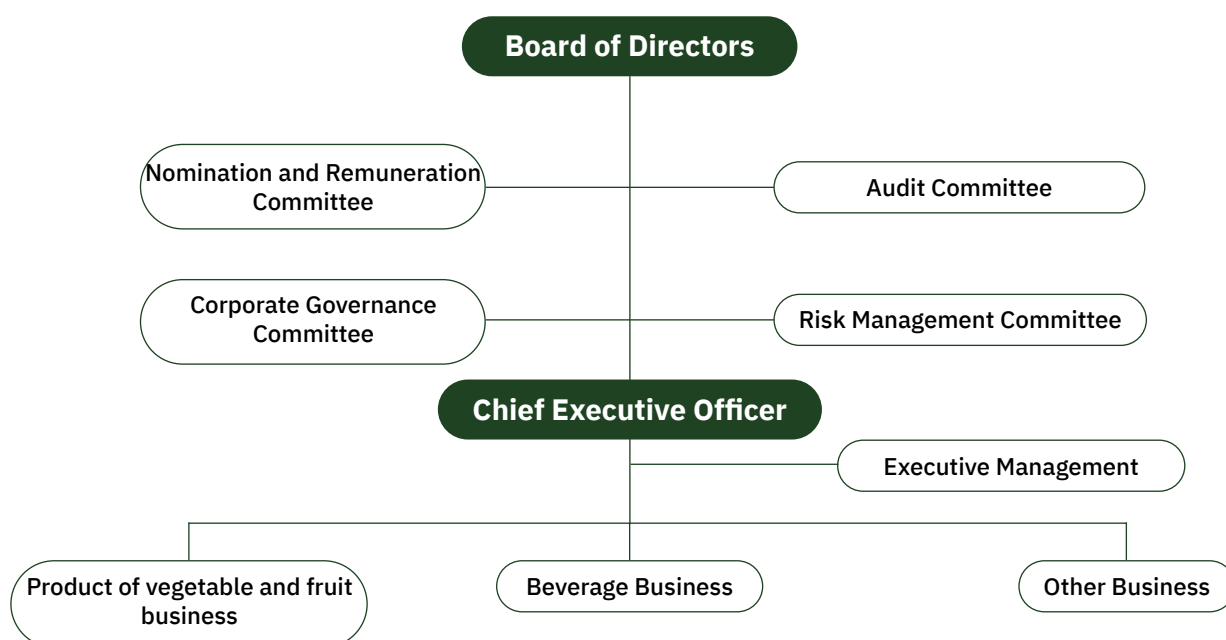
- The Board of Directors' stipulation of the policy on Tipco's directors serving as directors in other companies based appropriately on the business nature or circumstance :

According to the policy, each director of Tipco may serve as a director for up to 3 listed companies. However, there is no requirement regarding serving as a director for a non-listed company.

Corporate Governance Structure and Important Information about the Board, Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

Organizational Structure



7.2 Information about the Board of Directors

The Board of Directors consists of knowledgeable persons who possess a wide variety of skills, and also have roles and responsibilities, and the suitability of the Board of Directors, which is consistent with the needs of the business in aspect of transparency, compliance audit, and balances according to the principles of good governance. The list is as follows.

Board of Directors

1. Ms. Laksana	Supsakorn	Chairman of the Board
2. ACM Pongsatorn	Buasup	Vice Chairman/Independent Director
3. Mrs. Anurat	Tiamtan	Director
4. Mr. Kris	Sertthin	Director
5. Mr. Sitilarb	Supsakorn	Director
6. Mr. Surachet	Supsakorn	Director
7. Mr. Virat	Phairatphiboon	Independent Director
8. Mr. Chalit	Limpanavech	Independent Director
9. Mrs. Achara	Pricha	Independent Director
10. Mr. Paisal	Pongprayoon	Independent Director
11. Mr. Yongsit	Rojsrikul	Chief Executive Officer (Appointed on January 13, 2021)
12. Ms. Kullakarn	Cheenpun	Company Secretary

7.2.1 Composition of the Board of Directors

The Board of Directors consists of 11 members, consisting of people with a wide range of knowledge and experiences which are beneficial to the company. Detail is provided as follows:

Executive Director 1 person,	representing 9%
10 Non-Executive Directors,	representing 91%
5 Independent Directors,	representing 46%

The Board of Directors consists of more than one-third of those qualified as independent directors and more than one-two of the total number of non-executive directors.

Number of directors representing shareholders with controlling power, considered as a fair ratio to other shareholders.

Chairman and 4 directors, totaling 5 representatives of major shareholders.

The roles and responsibilities between the Board of Directors and the management and the Board of Directors and the major shareholders must be clearly defined in writing.

The Chairman of the Board is not the same person as the Chief Executive Officer and does not hold any position on the sub-committee. This is for a clear of the separation of duties and operation

The Chief Executive Officer is not affiliated with or has any relationship with the major shareholders.

Directors with financial knowledge are Ms. Laksana Supsakorn, Mr. Krit Sertthin, Mr. Yongsit Rojsrikul and Mr. Wirat Phairatphiboon.

7.2.2 Information of the Board of Directors and the Company's individual controllers

List of Board of Directors as of December 31, 2021

No.	List of Directors	Position	Appointment Date
1.	Ms. Laksana Supsakorn	Chairman	April 2, 2012
2.	ACM Pongsatorn Buasup	Vice Chairman/Independent Director	November 11, 2019
3.	Mrs. Anurat Tiamtan	Director	March 22, 1976
4.	Mr. Surachet Supsakorn	Director/Nomination and Remuneration Committee	August 14, 2003
5.	Mr. Kris Sertthin	Director	November 11, 2019
6.	Mr. Sitilarb Supsakorn	Director	April 2, 2012
7.	Mr. Virat Phairatphiboon	Independent Director/Chairman of the Audit Committee	September 7, 2007
8.	Mr. Paisal Pongprayoon	Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee	April 2, 2012
9.	Mrs. Achara Pricha	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee	April 25, 2014
10.	Mr. Chalit Limpanavech	Independent Director	April 24, 2008
11.	Mr. Yongsit Rojsrikul	Chief Executive Officer	January 13, 2021

Directors authorized to sign on behalf of the Company are Ms. Laksana Supsakorn, Mrs. Anurat Thiamtan, Mr. Sitthilarb Supsakorn, Mr. Surachet Supsakorn, Mr. Krit Settin, Mr. Yongsit Rojsrikul, two of these six, jointly sign and affix the Company's seal.

7.2.3 Roles, Duties and Responsibilities of the Board of Directors

Authority and Duties of the Board of Directors

1. Oversee and manage the Company's business activities to ensure compliance with relevant laws, business objectives, the articles of association, and resolutions of shareholders' meetings, and protect the Company's interests in accordance with the principles of good corporate governance.
2. Determine the Company's policies and business directions as well as monitor and supervise management performance to ensure effectiveness, efficiency and compliance with such policies with a view to maximizing the Company's economic value and shareholders' wealth.
3. Arrange for the organization of an annual general meeting of shareholders within 4 months from the end of the Company's accounting period, and convene an extraordinary general meeting of shareholders as necessary.
4. Hold a Board of Directors meeting on a quarterly basis, wherein at least one-half of the total number of directors shall be present. Decisions at the meetings shall be resolved by a majority vote. If votes result in a tie, the Chairman of the meeting shall have the casting vote.
5. Provide recommendations, discuss problems in a collaborative and comprehensive manner, and make decisions with discretion and prudence concerning agenda items proposed at Board of Directors meetings.
6. Arrange for the preparation of the balance sheets and the profit and loss statement at the end of the Company's accounting period, and have them audited before submitting to the Annual General Meeting of Shareholders for consideration and approval.

7. Appoint the Chief Executive Officer and determine his/her remuneration.
8. Empower the Managing Director to direct the Company's business activities, appoint and terminate employment of employees, determine remuneration in accordance with policies set by the Board of Directors, and authorize employees to take actions in accordance with business situations.
9. Consider and approve capital expenditures and the annual operating budget, and supervise usage of the Company's resources.
10. Determine guidelines and policies for remuneration of high-level executives.
11. Arrange to have internal controls and audits, financial control systems, compliance supervision, and risk control and management.
12. Ensure preparation of financial reports and general information important to shareholders in a complete, correct and adequate manner. Also, confirm verification and certification of such reports.
13. Establish policies relating to anti-corruption and supervise and ensure that the system to support the anti-corruption measures is efficient in order for the management to be aware of and place importance on fighting against corruption and forming a culture of anti-corruption within the organization.

Approval Authority of the Board of Directors

The Board of Directors has authority to approve various corporate matters according to the scope of duties specified by laws, the Company's Articles of Association, the Board of Directors' duties, and the shareholders' meetings' resolutions. Its approval authority also covers determination and review of visions, missions, operational strategies, annual business plans, risk management policies and annual budgets, setting of performance targets and follow-up and evaluation of actual performance as compared to specified plans, oversight of capital expenditures and related-party transactions, mergers and acquisitions, business split-up, and joint investments

7.3 Information about Committees

7.3.1 Information of Committees

The Board of Directors has appointed 4 committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and the Risk Management Committee. They consist of directors who have qualifications and responsibilities in accordance with the regulations of the Stock Exchange of Thailand.

1. Audit Committee

The Audit Committee consists of 3 members, consisting of 1 Audit Committee Chairman and 2 Audit Committee members, all of whom are independent directors. In addition, at least one member of the Audit Committee must be a person with knowledge and experience related to accounting or finance. The term of office is 3 years each.

Authority and Duties of the Audit Committee

1. Review the Company's financial reports to ensure that the reports are correct according to accounting standards and relevant laws and that the disclosed information is adequate, complete, and reliable.
2. Conduct reviews to ensure that the Company complies with securities and exchange laws, requirements of the Stock Exchange of Thailand, or laws relating to the Company's business.
3. Perform reviews and provide advice to ensure that the Company's internal control, risk management, and internal audit systems are appropriate and effective according to international standards. The reviews shall be jointly conducted with external and internal auditors. The operations shall also be audited and reviewed to ensure accuracy and compliance with the operating regulations and laws. This is to ensure that there is an appropriate and adequate control over potential corruption risks.
4. Consider the independent status of the internal audit function. Also, endorse appointments, transfers, and terminations of internal audit heads or heads of other functions relating to internal audits; or endorse hiring of internal auditors from outsourced agencies. Additionally, endorse annual audit plans and audit fees.
5. Work with the management in considering, selecting, proposing an appointment or cancelling the hiring of the Company's external auditor as well as considering appropriateness of audit fees before proposing the matters to the Board of Directors for endorsement and to the Annual General Meeting of Shareholders for approval. The selection criteria shall include the auditor's independence, past performance, and experience.
6. Consider and ensure that related party transactions are in compliance with laws and requirements of the Stock Exchange of Thailand, reasonable, and beneficial to the Company.
7. Prepare the Audit Committee's report which shall be disclosed in the Company's annual report. The Audit Committee's report shall be signed by the Chairman of the Audit Committee and contain opinions on matters as required by the Stock Exchange of Thailand.
8. Seek consultation or opinions or suggestions from external consultants or experts as deemed appropriate by the Audit Committee.
9. Review the Charter of the Board of Directors as necessary and appropriate once per year.
10. Supervise the Company to ensure that there is a process for handling complaints from employees and external parties.
11. Perform other tasks as assigned by the Board of Directors.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of not less than three directors, of which more than half must be independent directors. The Chairman of the Nomination and Remuneration Committee must be an independent director. The term of office is 3 years each.

Authority and Duties of the Nomination and Remuneration Committee

1. Select and nominate persons qualified for being directors according to the Company's operating procedures on selection and nomination of directors. The committee shall also consider the performance, qualifications and appropriateness of the directors leaving office and qualified for re-election. The committee shall then propose a list of candidates to the Board of Directors for consideration and endorsement before submission thereof to the shareholders' meeting for election as directors.

2. Propose remuneration rates and employment conditions, including remuneration rates of Chairman of the Executive Committee, the Managing Director, and high-level executives of the Company, as assigned by the Board of Directors.
3. Provide opinions regarding remuneration rates of the Chairman of the Board of Directors and directors according to the regulation on consideration of remuneration to the Board of Directors for approval and to the shareholders' meeting for endorsement.
4. Provide recommendations regarding successors of the Chairman of the Executive Committee and the Managing Director to the Board of Directors. Review succession plans for high-level executives, executives and key positions as prepared by the Chairman of the Executive Committee or the Managing Director.
5. Determine duties and responsibilities related to the following strategies:
 - 5.1 Human resources strategies for high-level executives
 - 5.1.1 Consider and provide opinions on human resources policies for high-level executives as proposed by the Chairman of the Executive Committee and/or the Managing Director to ensure alignment with the Company's business strategies before submission to the Board of Directors.
 - 5.1.2 Ensure that qualified candidates are included in succession plans for high-level executives, executives, and key positions. Ensure that these plans are regularly reviewed by the Chairman of the Executive Committee and the Managing Director.
 - 5.2 Strategies on performance evaluation and remuneration of high-level executives
 - 5.2.1 Review remuneration strategies and propose them to the Board of Directors for endorsement.
 - 5.2.2 Review and propose remuneration, including allocation of the Company's shares, to the Board of Directors to motivate high-level executives to develop and promote their capabilities and subordinates' performance as well as to dedicate their efforts to business development and duty performance in the long and short terms.
 - 5.2.3 Provide recommendations to the Chairman of the Executive Committee and the Managing Director regarding guidelines for considering salary, welfare and benefits for high-level executives of the Company.
 - 5.2.4 Consider and provide opinions to the Board of Directors regarding policies and incentive programs aimed at retaining personnel with capabilities, quality, and capacity.

3. Corporate Governance Committee

The Corporate Governance Committee consists of the entire Board of Directors. The term of office is equal to the term of the Company's director.

Powers and duties of the Corporate Governance Committee

1. Determine the corporate governance policy in accordance with the regulations of the Stock Exchange of Thailand.
2. Periodically review the corporate governance policy and evaluation of its implementation.
3. Consider and approve the Company's business ethics

4. Risk Management Committee

The Risk Management Committee consists of the top management of each company division. The Chief Executive Officer is the Chairman of the Risk Management Committee. The term of office is equal to the duty of each division of the company.

Authority and Duties of the Risk Management Committee

1. Arrange a meeting to assess and review risks that may affect business operations both in short term and long term at least once per quarter.
2. Establish an action plan to reduce business risks.
3. Follow up and report the results of risk management to the Board of Directors.

7.3.2 List of 4 committees

1. Audit Committee

- | | |
|-----------------------------|---------------------------------|
| 1. Mr. Virat Phairatphiboon | Chairman of the Audit Committee |
| 2. Mr. Paisal Pongprayoon | Director |
| 3. Mrs. Achara Pricha | Director |
| 4. Ms. Kullakarn Cheenpun | Secretary |

Mr. Virat Phairatphiboon, Chairman of the Audit Committee, is knowledgeable expertise and possesses sufficient experience to review the reliability of financial statements.

2. Nomination and Remuneration Committee

- | | |
|---------------------------|---|
| 1. Mr. Paisal Pongprayoon | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Surachet Supsakorn | Director |
| 3. Mrs. Achara Pricha | Director |

3. Corporate Governance Committee

The entire Board of Directors acts as the Corporate Governance Committee.

4. Risk Management Committee

- | | |
|--|-----------|
| 1. Chief Executive Officer | Chairman |
| 2. Treasury Division Director | Director |
| 3. Human Resources Director | Director |
| 4. Information Technology Manager | Director |
| 5. Director of Accounting and Central Internal Control | Secretary |

7.4 Information about the Management

7.4.1 Names and positions of executives as of December 31, 2021 are as follows:

1. Mr. Yongsit Rojsrikul	Chief Executive Officer
2. Mr. Leuchar Pisitthakarn	Chief Financial Officer/Acting Of Head Operations
3. Ms. Thanyaporn Wanichkitpaisal	Director - Accounting and Central Internal Control
4. Mrs. Saranya Borisutsawat	Director – Corporate Financial Management
5. Mr. Pongthorn Kanchana-akaradej	Department Management - Corporate

Authority and duties of the Chief Executive Officer

1. Manage and direct the Company's operations according to the policies and authority determined by the Board of Directors.
2. Establish short-term and long-term business goals, annual business plans, expenditure budgets, and long-term strategic plans for submission to the Board of Directors for approval.
3. Manage operations through the management team in order to achieve goals stipulated in business plans; and ensure sustainable competitiveness and appropriate returns for shareholders.
4. Allocate resources and recruit high potential personnel for maximum benefits to the Company.
5. Promote and develop a strong organizational culture to support the Company's vision and business growth.
6. Closely monitor the Company's operations, evaluate performance, and report activities undertaken by the management to the Board of Directors on a regular basis and in a timely manner.
7. Consider, screen and present to the Board of Directors for approval the following matters: policies and business directions of the Company, affairs which may have significant impact on the Company's business after their implementation, and issues related to compliance with laws and regulations of the Stock Exchange of Thailand.
8. Prepare details of the scope of authority for submission to the Board of Directors for approval. The determined scope of authority is aimed at delegating authority to employees to perform duties and make decisions efficiently while ensuring flexibility and control management.
9. Prepare reports on the Company's financial positions and financial statements for submission to the Board of Directors for consideration and approval on a quarterly basis.

7.4.2 Executive Remuneration Policy

The Company has established a compensation policy with details as follows:

1. Remuneration for Chief Executive Officer and Senior Executives includes salary, welfare, and other fringe benefits are set in accordance with the value of the job in each position
2. Compensation is considered by
 - 2.1 Ability to pay of the Company
 - 2.2 Competitiveness in the labor market
 - 2.3 It is paid according to the ability and according to the work performance (Pay for Performance) of the employees.
3. Board of Directors is the person who approves the budget for compensation in each year by considering the Company's financial position, operating results, and business projections.

Principle

1. Remuneration for the Chief Executive Officer and senior management is considered by The Board of Directors considers via the Nomination and Remuneration Committee according to the rules set out in the policy.
2. Remuneration for the subordinates is considered by The Chief Executive Officer according to the employee's performance in hierarchy within the budget framework approved by the Board.
3. Assessment of performance is carried out through an evaluation system under clear and concrete goals. Therefore, the compensation can be taken into account and adjusted to wages, salaries, benefits and other fringe benefits for all employees with fairness.

The structure of the Nomination and Remuneration Committee above has been considered. The Board of Directors viewed that the compensation is appropriate for directors and executive's responsibilities, and also is able to incentivize directors and executives to lead the organization to achieve both short-term and long-term goals. The remuneration rate is comparable with the rate in the Food and Beverage industry and industries with generate the similar income.

7.4.3 Total Compensation of Executives

Executive Compensation

In 2021, the Company has paid compensation consisting of salary and bonus to 2 executives, totaling 14,980,240 Baht.

Other Remuneration of Management

The Company has provided a provident fund for the management. The company has contributed in the ratio of 5% of the salary. In 2021, the company has paid contributions to the provident fund for 2 executives, totaling 673,092 Baht. 1 executive directors and executives were granted executive company car meanwhile 1 executives were granted an allowance for car and transportation expenses amounting to 734,400 Baht

7.5 Information about Employees

Employee Compensation Policy

Employees' Remuneration Policy The Company has the policy of paying wages or salaries that are commensurate with the duties and responsibilities of the employees, taking into consideration the Company's ability to pay and the labour market conditions.

Payments of employees' remuneration are commensurate with the Company's operating results (short-term and long-term). Regarding short-term remuneration, the Company's profitability of a particular year shall be taken into consideration and key performance indicators (KPIs) shall be used to assign performance ratings based on job values. As regards long-term remuneration, it is the Company's policy to take care of its employees continuously on a long-term basis. In this regard, the provident fund was set up and the member employees shall pay monthly contributions to the fund at the rates of 5-15% of the wages. The Company shall also pay monthly contributions to the fund at the rate of 5% of the wages according to the length of service of each employee

For welfare management, the Company stipulated the clear policy and procedures on managing employees' welfare, which were disclosed in the human resources management regulations and the disciplines and guidelines on human resources management of the Company. Welfare schemes were created with a focus on all groups of employees appropriately and fairly. All welfare schemes were subjected to regular reviews to ensure alignment with changing circumstances and to cover all aspects including operational benefits such as per diem, travel expense, accommodation expense, uniform, etc. The Company placed its employees' health as one of its priorities. The annual budget for the physical check-up program was 784,896 Baht. In the previous year, the Company paid medical treatment expenses (through health insurance), Corona virus epidemic, and influenza vaccination expenses totaling 1,778,030.64 Baht and other welfare schemes to support the well-being or other matters of the employees such as provident fund contributions, accident insurance policies, loans, compensation payments, etc.

In a longer term, the Company takes care of its employees by establishing a provident fund where the member employees are required to make monthly contributions to the fund at their preferred rate of 5%, 7%, 10%, 12%, or 15%. They can also choose one of the 4 investment plans. The Company shall pay make contributions to the fund at the rate of 5%.

Total employees of the Company and its subsidiaries as of December 31, 2021 were reported at 1,495 persons, of which 74 are executive-level employees, 258 general-level employees, 1,163 operating-level employees.

In 2021, the Company and its subsidiaries paid compensation to employees in the total amount 326,890,788.18 million Baht. The compensation includes salary, overtime pay, living allowance, special grant, social security contributions, and provident fund contributions.

Changes in the number of employees in the past 3 years

The total number of employees of the Company and subsidiaries is as follows:

- As of December 31, 2019, there were a total of 2,328 employees.
- As of December 31, 2020, there were a total of 1,572 employees.
- As of December 31, 2021, there were a total of 1,495 employees.

Accident Statistics in 2021

- The number of employees taking leave as a result of accidents– 5 cases

Major Labor Dispute

- none -

Labor Union Establishment

There are no labor union in the Company. However, all employees are able to report or make complaints according to employee practices. (Please see the topic of Whistleblowing and Complaint Channels)

Personnel Development

The Company places importance on developing its personnel to improve their knowledge, skills, capabilities, and competencies to be in line with business strategies and goals and be ready for further growth of the Company moving forward.

In 2021, the company provided training courses for employees in order to increase their skills and competency. The number of training courses were reported at 64 courses, representing the number of training hours or knowledge development activities average 3.08 hours per person per year from a target

of 6 hours per person per year. In addition to training courses that would help employees to be ready to work. The company has also provided training and knowledge on the environment issues.

1. Training on Waste Management on May 20, 2021
2. Training on Energy Conservation Measures on September 12, 2021
3. Training on Social Assistance and Community Relations for Environmental Action in Community on December 29, 2021

7.6 Other important information

7.6.1 List of designated persons

Company Secretary

Board of Directors has resolved to appoint Ms. Kullakarn Cheenpun to be the Company Secretary since April 1, 2017. The person who possesses appropriate qualifications and experience, and be able to perform secretarial duties is prescribed by the Company as details mentioned in Attachment 1. The qualifications and qualifications as well as duties and responsibilities are defined as follows:

Qualifications and Specifications

- Bachelor's degree (Accounting or Law)
- Knowledge of various legal principles related to the Company and the SEC
- Good interpersonal and communication skills
- Have experience working in this position before
- Knowledge of corporate governance

Responsibilities

- Oversee operations related to meetings of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the shareholders
- Prepare and retain minutes of the Board of Directors' meetings
- Oversee the disclosure of information and reporting in accordance with relevant laws and regulations and the principle of good corporate governance
- Provide preliminary recommendations and advice on legal issues, operating procedures, and good corporate governance practices for the Board of Directors
- Circulate resolutions and policies of the Board of Directors to relevant parties, follow up on results, and submit reports to the Board of Directors
- Communicate and provide information concerning the Company's businesses to the directors
- Arrange orientation sessions for new directors and support continuous development of directors
- Coordinate matters with external consultants such as legal consultants

Persons assigned to be directly responsible for overseeing bookkeeping

The Company assigned Ms. Thanyaporn Vanichkitpaisan to Director of Accounting and Central Internal Control Department. She is directly responsible for the supervision of bookkeeping as details mentioned in Attachment 1.

Head of Internal Audit

In the Audit Committee Meeting No. 3/2004 dated August 9, 2004, Audit and Management Consultants Company Limited (AMC) was appointed to perform the duties of the Company's Internal Auditor in which Mrs. Pilai Piampongsarn was assigned to be an Internal Auditor. She was primarily responsible for the performance of the Company's internal auditors as details mentioned in Attachment 3.

However, the consideration and approval of the appointment, removal or transfer of Head of the Company's Internal Audit Department must be approved or approved by the Audit Committee.

Head of Compliance

The Board of Directors has appointed Ms. Kullakarn Cheenpun as head of compliance function. She shall be responsible for acting as a center for supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies.

7.6.2 Head of Investor Relations

The company has established a specific unit with responsible person, Mr. Pongthorn Kanchana-akaradej, Corporate Planning Manager, to communicate with investors. All Investors are able to contact for company information at 02-273-6200 ext. 4940 or at website: www.tipco.net or at e-mail address: investors@tipco.net. The Investors can access the Company's information which is available on the website. The channel is separated into section of investor specifically.

7.6.3 Auditor's Remuneration

The Audit Committee considers auditors' qualifications and performance as well as audit fees before presenting the information to the Board of Directors for consideration of appointment of the Company's auditor on an annual basis. Then, the Board of Directors shall propose the aforesaid matters to the shareholders' meeting for approval. The proposed list of auditors for consideration and appointment of the Company's auditor shall be based on the approved list of auditors of the Office of the Securities and Exchange Commission.

In 2021, the auditor's remuneration consisted of:

1. Audit fee

The Company and its subsidiaries paid a total audit fee of 4,070,000 Baht details as follows:

The Company's separate and consolidated financial statements	1,220,000 Baht.
The financial statements of the 4 subsidiaries	2,850,000 Baht.

2. Non-audit fee

Other service fees paid by the Company and its subsidiaries	25,089 Baht
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Report on Key Performance in Corporate Governance

8.1 Summary of the performance of the Board of Directors in the past year

8.1.1 Recruiting, Developing and Evaluating the Performance of the Board of Directors

Independent Director Qualifications

1. Meet required qualifications of directors.
2. Perform duties and express opinions independently using their own discretion. Uphold integrity and placing corporate benefits as priority rather than only interests of major or retail shareholders or oneself.
3. Possess qualifications as required by the Stock Exchange of Thailand and meet best practices as follows:
 - 3.1 Hold no more than 0.75% of the total shares with voting rights in the Company or its parent company, subsidiary companies, associated companies, major shareholders or persons with controlling authority. The shares held by related parties of the independent directors shall also be counted.
 - 3.2 Never be or used to be a director involved in the management, a worker, an employee, an advisor with regular salaries, or a person with controlling authority of the Company or its parent company, subsidiary companies, associated companies, subsidiary companies at similar successive levels, major shareholders or persons with controlling authority. An exception applies to the case where the person has been in absence of such nature for at least 2 years before the date of appointment as an independent director. Such prohibited characteristics exclude the case of an independent director used to be a government official or an advisor to a government agency being a major shareholder or a person with controlling authority of the Company.
 - 3.3 Have no relationships through bloods or legal registration as a father, mother, spouse, brother or sister, and a child of another director, an executive, a major shareholder, a person with controlling authority, or a person nominated to be a director, an executive or a person with a controlling authority of the Company or its subsidiaries.
 - 3.4 Never have or used to have a business relationship with the Company or its parent company, subsidiary companies, associated companies, major shareholders, or a person with controlling authority of the Company in a manner which may hinder an ability to make an independent decision. Also, hold no position of a significant shareholder or a shareholder with controlling authority of a person having a business relationship with the Company or its parent company, subsidiary companies, associated companies, major shareholders, or a person with controlling authority of the Company. An exception applies to the case where the person has been in absence of such nature for at least 2 years before the date of appointment as an independent director.

The above business relationship shall refer to a trading transaction undertaken on an arm's length basis for the purpose of doing business, renting or letting immovable properties; a transaction relating to an asset or a service; or the provision or receipt of financial assistance through borrowing or lending, guaranteeing or using assets as collateral for liabilities; or other transaction of similar nature, resulting in the Company or its counterparty having liabilities to be

paid to another party. Such transaction shall be worth of at least 3% of the net tangible assets of the Company or at least Baht 20 million, whichever is lower. Such liabilities shall be calculated using the method for calculating related-party transactions as per the Notification of the Capital Market Supervisory Board Re: Criteria for Undertaking Related-Party Transactions *mutatis mutandis*. Also, the liabilities that occurred within 1 year before the date of entering into the business relationship with the same person shall be included in the calculation.

3.5 Never be or used to be an auditor of the Company or its parent company, subsidiary companies, associated companies, major shareholders or a person with controlling authority of the Company; and hold no position of a significant shareholder, a person with controlling authority, or a partner of the audit firm being the auditor of the Company or its parent company, subsidiary companies, associated companies, major shareholders or a person with controlling authority of the Company. An exception applies to the case where the person has been in absence of such nature for at least 2 years.

3.6 Never be or used to be a provider of any professional services including legal or financial consultation services with a service income of more than Baht 2 million per annum from the Company or its parent company, subsidiary companies, associated companies, major shareholders or a person with controlling authority of the Company; and hold or have been holding no position of a significant shareholder, a person with controlling authority or a partner of that professional service provider, now or for at least 2 years before the date of appointment as an independent director.

3.7 Hold no position of a director appointed to represent a director of the Company or its major shareholders or shareholders being related parties of the major shareholders.

3.8 Have no business operations of the same nature and in significant competition with the business of the Company or its subsidiary companies; or have no position of a significant partner in a partnership; or have no position of a director involved in the management or a worker or an employee providing consultation with regular salaries or a person holding more than 1% of the total shares with voting rights in another company operating business of the same nature and in significant competition with the business of the Company or its subsidiary companies.

3.9 Have no other characteristics that lead to an inability to independently provide opinions relating to the Company's operations.

Nomination and Appointment of Directors and Top Executive

The Procedures of Consideration and Nomination

1. The Board of Directors determines qualifications of directors, independent directors, and the managing director.
2. The Nomination and Remuneration Committee screens and selects persons with qualifications as specified by the Board of Directors and propose them to the Board of Directors for consideration.
3. The Board of Directors considers and selects candidates for directors and proposes them to the shareholders' meeting for consideration and appointment.
4. The Board of Directors considers and appoints a person appropriate to be the Chief Executive Officer.

Qualifications of Directors

1. Have a clean record.
2. Have a vision and demonstrate a broad business perspective.
3. Exhibit good interpersonal skills, morals, and appropriate personalities.
4. Possess effective communications skills.
5. Demonstrate business acumen and systematic decision making.
6. Possess good knowledge and understanding of finance, commerce or industry with experience in business management.
7. Have experience as director of a company or state enterprise.
8. Not over 75 years of age

Qualifications of the Chief Executive Officer

1. Uphold integrity and have a clean record.
2. Hold no position as a major shareholder. Be a professional and modern manager.
3. Possess skills and experience in various areas, including international business.
4. Exhibit strong leadership skills with broad visions, good interpersonal skills, effective communication skills, and appropriate personalities.
5. Be able to leverage differences and capabilities of employees to achieve business goals and conform to the corporate culture.
6. Demonstrate skills in marketing, finance, and personnel management.
7. Be able to lead, supervise and manage operations of the entire organization
8. Effectively identify business opportunities and solve problems.

Criteria for Consideration and Selection of Directors

1. Candidates must meet required qualification criteria of directors.
2. The Board of Directors shall consist of experts in different fields that are beneficial to the determination of directions and controls of the Company's operations.

Procedures and Criteria for Election of Directors at Shareholders' Meetings

1. At the shareholders' meeting, the election of each director shall be voted separately.
2. To vote for each director, each shareholder shall have the number of votes equal to the number of shares held whereas one share shall have one vote.
3. The election of each director requires approval by a majority of the votes cast by the shareholders present at the meeting and entitled to vote.

Company's Articles of Association regarding the Board of Directors

16. At every annual general meeting of shareholders, one-third of the number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third shall retire from the office. Directors to retire during the first and second years following the registration of the Company shall be determined by drawing lots. In subsequent years, directors who have served in office the longest will be required to leave their post. A retiring director may be eligible for re-election.

17. Apart from vacancy upon the expiry of his/her term of office, a director shall vacate the office upon:

- (1) Death;
- (2) Resignation;
- (3) Disqualification or possession of prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535;
- (4) Removal by the resolution of the shareholders meeting as per 20; or
- (5) Removal by court order.

18. Any director desiring to resign from office shall submit a resignation letter to the Company. The resignation shall be effective from the date on which the resignation letter reaches the Company.

The director who has resigned under the first paragraph may also notify the registrar of his/her resignation.

19. In case of a vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person with suitable qualifications and having no prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535 to fill the vacancy at the next meeting of the Board of Directors, except in the case where the remaining term of office of such director is less than 2 months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces.

The resolution of the Board of Directors under the first paragraph shall be passed by votes of no less than three-fourths of the number of the remaining directors.

20. The shareholders meeting may pass a resolution to remove a particular director prior to the expiry of his/her term of office. Such resolution shall comprise no less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote, subject to the condition that the combined number of shares shall not be less than one-half of the total number of shares held by the shareholders who attend the meeting and are entitled to vote.

21. Directors may or may not be the Company's shareholders

Orientation for new directors

Tipco requires that all new directors shall attend an orientation session so as to learn about business policies, shareholding structure, capital structure, information system, and regulation and laws concerned. In addition, each new director will receive a manual for directors, other relevant information, and the latest operating results.

Development and trainings for the directors, executives, and corporate secretary

Participant	Position	Course	Date
Mr. Yongsit Rojsrikul	Chief Executive Officer	• Topic “Biotechnology Expanding business in New S-Curve”	4/10/2021
Mrs. Achara Pricha	Independent Director Member of Audit Committee Member of the Nomination and Remuneration Committee	• Topic “Preparation after the end of the Covid-19 epidemic”	20/10/2021
		• Meeting with the Audit Committee of listed companies	29/11/2021
Mr. Virat Phairatphiboon	Independent Director Chairman of the Audit Committee	• Topic “Preparation after the end of the Covid-19 epidemic”	20/10/2021
Mr. Leuchar Pisitthakarn	Chief Financial Officer	• CFO Refresher 2/2021	16-17/12/2021
Ms. Kullakarn Cheenpun	Company Secretary	• “Preparation for change for sustainability with One Report”	15/7/2021
		• Road to Certify CAC 3/2021.	21/7/2021
		• “Assessing the Quality of the Annual General Meeting of Shareholders 2021” Project	6/8/2021
		• Refreshment Training Program (RFP) 4/2021	8/12/2021

Board of Directors/Committees Evaluation

According to the good corporate governance principles for listed companies, self-assessment of boards of directors and committees shall be conducted at least once per year to highlight achievements and issues for improvement. Self-assessment shall be conducted for boards of directors and individual directors.

Self-assessment of boards of directors and individual directors:

Self-assessment forms for boards of directors have been developed and distributed by the Stock Exchange of Thailand (SET) and can be divided as follows:

1. Self-assessment form for the board of directors
2. Self-assessment form for an individual director

Self-assessment process:

1. A company’s board of directors conducts self-assessment through a form developed by the SET.
2. The corporate secretary reports self-assessment results of all directors.
3. The corporate secretary reports self-assessment results to the board of directors for enhanced operational efficiency.

The self-assessment forms for the board of directors and an individual director contain 6 topics:

1. Structure and qualifications of the board of directors and an individual director
2. Role, duties, and responsibilities of the board of directors and an individual director
3. Meetings of the board of directors and an individual director
4. Performance of duties in the capacity of the board of directors
5. Relationships with the management team
6. Self-development of the directors and executives as a team

Board of Directors Evaluation

The Board of Directors assesses its role and efficiency of duty performance by discussing and reviewing past meeting agenda items and key achievements in various aspects such as past year's operating results as compared to business plans, risk management efficiency, strategy determination, business plan approval, major investment considerations, etc. The unimplemented areas include the Chairman of the Board of Directors being an independent director; independent directors representing more than half of the Board of Directors.

The evaluation of the Chairman of the Board of Directors was conducted through the directors' discussion. The directors commended that the Chairman of the Board of Directors appropriately performed duties, created a positive meeting environment, remained impartial, and allowed all directors to freely express opinions without time limits. The directors felt that they were valued as they were able to fully perform their duties.

No significant issues for improvement were found from the evaluation of the Board of Directors.

The Board of Directors viewed that they efficiently performed duties and clearly understood their role and duties as well as Tipco's nature of business and situation. Each director devoted one's time and efforts for the success of the Board of Directors.

Self-assessment of respective committees :

Self-assessment shall be conducted for respective committees including the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee once per year. Self-assessment forms for respective committees can be divided as follows:

1. Self-assessment forms for committees
2. Self-assessment forms for individual committee members

Self-assessment process

1. The respective committee conducts self-assessment.
2. The corporate secretary reports self-assessment results of the respective committee for enhanced operational efficiency.
3. The corporate secretary reports self-assessment results of the respective committee to the board of directors.

Self-assessment forms for committees and individual committee members contain 6 topics :

1. Structure and qualifications of the respective committee
2. Role, duties, and responsibilities of the respective committee
3. Meetings of the respective committee
4. Performance of duties as a committee member
5. Relationships with the management team
6. Self-development of a committee member and a management team member

1. Audit Committee Evaluation

Based on the self-assessment of the Audit Committee, it was found that the committee performed duties as assigned and conducted meetings every quarter together with the external and internal auditors to consider whether adequate controls were in place. The Audit Committee also held special meetings with the external auditor, apart from regular meetings, and reported the results to the Board of Directors for acknowledgement and further rectification actions.

The Board of Directors viewed that the Audit Committee performed duties in a comprehensive and efficient manner and provided comments and recommendations that were beneficial to the Company's management. The Audit Committee also advised the management team to exercise caution in various matters and to revise action plans to avoid any potential damage. The Audit Committee achieved a very satisfactory performance.

2. Nomination and Remuneration Committee Evaluation

The Nomination and Remuneration Committee conducted self-assessment by considering and comparing the objectives, authority, duties and responsibilities and deemed that the Committee fully performed their duties.

The Chief Executive Officer conducted self-assessment and was assessed by the Nomination and Remuneration Committee and the Chairman of the Board of Directors. The assessment was based on consideration of corporate performance, business performance scorecard, SMART goals, target achievements, budgets, action plans, etc.

The Board of Directors deemed that the Nomination and Remuneration Committee fully performed its duties and provided useful recommendations for the Company, for example, human resources management and salary structure.

3. Chairman of the Board of Directors Evaluation

The independent directors viewed that the Chairman of the Board of Directors properly performed duties in a comprehensive and effective manner and provided opportunities for all directors to freely express their opinions through a positive environment without any interference. Thus, the directors were able to freely express opinions. They felt that they were valued because of their performance of duties as directors

Succession Plans

The Nomination and Remuneration Committee shall be responsible for providing opinions on successors of high-level executives, executives and other key positions to the Board of Directors. The succession plans for high-level executives, executives and other key positions were prepared with the list of the persons meeting the criteria for consideration. The list was regularly reviewed by the managing director. The steps of selecting successors in the organization are as follows:

1. Identify successors of key positions according to the organization chart.
2. Prepare and use the “360 Degree Feedback” tool for evaluating the competency of talents in the talent pool as a supporting means of screening.
3. Report the “360 Degree Feedback” results and develop criteria for grouping talents for employees.

8.1.2 Meeting Attendance and Remuneration of Individual Committees

Summary of Meeting Attendance of the Company's Directors

List of Directors	No. of Attended Meetings/No. of Meetings			
	Audit Committee's Meetings	Nomination and Remuneration Committee's Meetings	Board of Directors' Meetings	Shareholders' Meetings
Miss Laksana Supsakorn	4/4	2/2	7/7	1/1
Mrs. Anurat Tiamtan			7/7	1/1
Mr. Virat Phairatphiboon			7/7	1/1
Mr. Surachet Supsakorn			7/7	1/1
Mr. Kris Sertthin			7/7	1/1
Mr. Chalit Limpanavech			7/7	1/1
Mr. Sitilarb Supsakorn	4/4	2/2	7/7	1/1
Mr. Paisal Pongprayoon			7/7	1/1
Mrs. Achara Pricha			7/7	1/1
ACM. Pongsatorn Buasup			7/7	1/1
Mr. Yongsit Rojsrikul			6/6	1/1

Board of Directors' remuneration

Remuneration scheme for the Board of Directors is divided into:

- Remuneration for working by paying monthly remuneration to the Board of Directors.
- Remuneration from company's performance. If the company has positive profit, the remuneration shall be paid to the entire board of directors no more than 1 time of the total remuneration received by the Board of Directors for the whole year.

The consideration of remuneration is at the discretion of the Board of Directors. The Company does not provide any other benefits to the directors. The remuneration of the Board of Directors and committees will be proposed to the annual general meeting for approval annually.

From the Annual General Meeting for the year 2021 held on April 9, 2021, it was resolved to approve the remuneration at the same rate as the year 2020. By considering the company's performance, the Board of Directors approved the remuneration of not more than 1 time of the total annual remuneration at maximum for the committees.

Position	Compensation	Compensation for Performance	Other benefits
Chairman of the Board	50,000 Baht/month	600,000 Baht/month	-
Director	40,000 Baht/month	480,000 Baht/month	-
Chairman of the Audit Committee	70,000 Baht 4 times a year	-	-
Audit Committee	50,000 Baht 4 times a year	-	-
Chairman of the Nomination and Remuneration Committee	60,000 Baht/year	-	-
Nomination and Remuneration Committee	40,000 Baht/year	-	-

Each director does not receive any remuneration from the subsidiary. In 2021, the Company pays the Board of Directors' remuneration as follows:

Monetary compensation (per year)

Monetary compensation consists of meeting allowance which is paid according to the number of meetings attended as follows:

List of Directors	Position	Director's Remuneration (Baht)			
		Board of Directors	Audit Committee	Nomination and Remuneration	Total
Miss Laksana Supsakorn	- Chairman of the Board	600,000			600,000
ACM. Pongsatorn Buasup	- Vice Chairman - Independent Director	480,000			480,000
Mrs. Anurat Tiamtan	- Director	480,000			480,000
Mr. Sitilarb Supsakorn	- Director	480,000			480,000
Mr. Kris Serththin	- Director	480,000			480,000
Mr. Surachet Supsakorn	- Director - Member of Nomination and Remuneration Committee	480,000		40,000	520,000
Mr. Virat Phairatphiboon	- Independent Director - Chairman of the Audit Committee	480,000	280,000		760,000
Mr. Chalit Limpanavech	- Independent Director	480,000			480,000
Mr. Paisal Pongprayoon	- Independent Director - Chairman of the Nomination and Remuneration Committee - Audit Committee	480,000	200,000	60,000	740,000
Mrs. Achara Pricha	- Independent Director - Member of the Nomination and Remuneration Committee - Member of Audit Committee	480,000	200,000	40,000	720,000
Mr. Yongsit Rojsrikul	Chief Executive Officer	464,000			464,000

Other Compensation

- None -

8.1.3 Supervision of Subsidiary and Associated Companies

Supervision of operations of the Company and its subsidiaries is based on the same written operating guidelines of the Tipco Foods Group. Management of business operations of the subsidiary and associated companies is as follows:

1. The Board of Directors considers and appoints the Company's representatives to be directors of the subsidiary and associated companies according to investment proportions.
2. The subsidiary companies shall report, on a quarterly basis, the operating results and internal controls to the Audit Committee for further submission to the Board of Directors.
3. Activities shall be jointly held by the subsidiary and associated companies to ensure that they are aware of aligned action plans.
4. The budgets for the entire Tipco Foods Group shall be combined before submission to the Board of Directors for consideration.
5. Related party transactions must be proposed to the Board of Directors on a quarterly basis through the consideration of the Audit Committee.
6. Job transfers or promotions within the Tipco Foods Group are allowed whereas the work duration shall be counted on a continuous basis.

8.1.4 Monitoring to ensure compliance with corporate governance policies and practices

As the company attaches great importance to good corporate governance, the relevant policies and guidelines have been set in the Company's corporate governance policy and business ethics to promote real practice as well as to build confidence in all groups of stakeholders. In the previous year, the Company has fully implemented the guidelines for each issue and followed up to ensure compliance with good corporate governance as follows:

1. Communication

All executives and employees were provided training about the manual on good corporate governance and business ethics in a concrete manner. The purpose is to ensure the importance of good governance, responsibility, and compliance with the Company's code of conduct. In order to continually create a good corporate governance culture in the Company, a questionnaire on "Conflicts of Interest or conflicts of interest." is sent to all employees and require their answers.

2. Prevention of Conflicts of Interest

To prevent any potential conflicts of interest, the Company's employees are required to sign the agreement regarding actions leading to conflicts of interest. The agreement specifies disciplinary procedures and punishments, including employment termination in the event of an intentional violation or breach of the agreement. Also, to prevent any misuse of internal information for personal gains, the Company's directors and executives are required to disclose their shareholding in the Company at every quarterly Board of Directors' meeting and report any changes in their shareholding to the Secretary to the Board of Directors upon learning of such changes.

Related party transactions, according to the criteria of the Stock Exchange of Thailand, must be reviewed by the Audit Committee before submission to the Board of Directors for approval. Directors having conflicts of interest shall abstain from voting. A related party transaction of high value must be approved by the shareholders' meeting and posted in a newspaper. The value of a related party transaction shall be marked to market and compared with the market prices determined by at least another 3 companies.

The Company stipulated a policy regarding the reporting of beneficial interests of the Company's directors and executives. The policy requires that the directors and executives report the beneficial interests of themselves and related persons within the specified time frame. The corporate secretary shall sign and submit the reports to the Chairman of the Board of Directors and the Audit Committee within 7 days from the date of receiving such reports. This is in accordance with the Company's Notification Re: Criteria for the reporting of beneficial interests of directors and executives No. 001/2552 dated 29 June 2009.

3. Use of inside information for profit

The Company developed the policy on prevention against internal information use as part of its Code of Conduct as per Item 3.1 Management's Treatment of Shareholders. According to the policy, the management and employees are not allowed to use internal information for personal gain or for trading of securities. Emails about to raise policy awareness have been sent to employees, executives, and directors on a quarterly basis, especially during the one-month period prior to the disclosure of the financial statements to the general public. Details of the said policy are as follows:

3.1.8 It is prohibited to seek benefit for oneself or related persons by directly or indirectly using non-public information of the organization.

3.1.9 It is prohibited to use financial information of the Company for person gains during the one-period before the disclosure thereof to the public.

3.1.10 Purchases or sales of the Company's securities during the one-month period before the disclosure of the financial statements to the public shall be avoided.

3.1.11 It is required to report any shareholding in the Company as well as any changes thereto to the Company's Secretary according to Section 59 and punishment clauses according to Section 275 of the Securities and Exchange Act B.E. 2535.

- It is prohibited to disclose confidential information to external parties, especially competitors.
- It is prohibited to take any actions in a manner which may cause conflicts of interest with the Company.

It is required that the first top 4 executives, the Board of Directors, and the Executive Committee report their trading of the Company's securities to the SEC Office in strict compliance with the specified regulations. Also, the Board of Directors is asked to refrain from trading securities after the end of each Board of Directors' meeting and prior to the submission of information to the SET or the SEC Office. Nonetheless, from 2004 onwards, it is required that all purchases and sales of the Company's securities be reported through the Company's Secretary, not through individuals' own reports. Moreover, directors and high-level executives are required to report their shareholding in the Company on a quarterly basis to reflect the shareholding movements.

Punishment Disciplinary: warnings or punishments shall be as per the human resources management guidelines of the Company and its subsidiaries.

4. Anti-Corruption

The Company has established policies, procedures, and actions to prevent involvement in corruption as follows:

Anti-Corruption Policy

Directors, executives, and employees at all levels of the Tipco Foods Group and its related parties shall strictly refrain from committing all forms of corruption in all cases either directly or indirectly. The Tipco Foods Group shall have in place measures to audit and review the compliance with the anti-corruption policy on a regular basis to keep up with changing business environments, regulations, rules, and laws. Any violations or actions to support corruption shall be subject to disciplinary actions according to the Company's regulations

Furthermore, the Company took the following actions to prevent any involvement in fraud and corruption:

1. The Company communicated to the directors, executives and employees that all work processes must be conducted strictly within the scope of laws. Any mistakes in the work processes due to negligence or complacency shall be subject to punishment by authorities without any exception.

2. The Company put in place a channel for people to file leads or tips in the event of witnessing any violation or fraud or corruption. The Company also had protection measures for those who reported the incidents. Details of the policies and actions relating to the prevention against any involvement in the corruption were disclosed in the Company's website under the section of Corporate Governance.

3. The Company established the anti-corruption working group responsible for stipulating anti-corruption policies and measures to ensure alignment and compliance with the requirements of anti-corruption measures of the CAC; preparing guidelines and action plans to promote collaboration in preventing and combating internal corruption; reviewing anti-corruption policies and measures; monitoring and evaluating the performance as compared to the policies; and independently performing audits as per the anti-corruption measures on a consistent basis as well as in the cases of complaints regarding any inconsistencies with the anti-corruption policies and measures.

4. The Company shall not allow its management team and employees at all levels to commit any form of corruption or bribery. Also, it is prohibited to further assign others to give or receive money or other incentives on one's behalf in order to exchange for business advantages, privileges or other kinds of monetary benefits. It is prohibited to give bribes either directly or indirectly to government officials or politicians in order to persuade such persons to make decisions that benefit the Company or are considered a violation of ethics and laws.

5. The Company shall not allow its management team and employees at all levels to receive any money, objects, entertainment or other benefits from the customers, sellers of products or services, or contractors; or to receive any gifts on festive occasions with the values exceeding customary limits of the Company's stakeholders such as sellers of products and services and customers; if such receiving may cause others to understand that the receiver favors or has a special business relationship with the giver and this could lead to unfair treatment towards other sellers of products or services or customers. However, such receiving or giving may be allowed if the receiving or giving is conducted in a transparent manner or in a public place or can be disclosed. In this case, such transaction shall be reported to the relevant supervisor. In the case of receiving any gift or award with the excessive value, it shall be submitted to the Human Resource Department to be included as part of a central pool of assets.

6. The Company facilitated trainings to raise awareness among its executives, employees and representatives about corruption and combating corruption while educating them about social responsibility.

7. The Company provided channels for submitting complaints, leads, reports of violations or breaches of the Company's anti-corruption policy through the website: www.tipco.net ("Filing of Anti-Corruption Leads"); an email: anti-corruption@tipco.net; a mail to: Managing Director or Corporate Secretary or Supervisor; or an opinion box directly to the Managing Director, for further fact checks with disclosure or non-disclosure of the filing person.

8. The management team and employees at all levels including other stakeholders must strictly comply with the Company's anti-corruption policy. An emphasis shall be placed on the respect for property rights and the promotion of relevant parties' respect for properties and local wisdom and non-purchases of products or services from or non-partnership with organizations that violate human rights

Disclosure of the Anti-Corruption Policy

To ensure that all people within the organization are aware of the anti-corruption policy, the Company has taken the following actions:

1. Posting the anti-corruption policy at the public relations boards at the premises of all companies in the Tipco Foods Group
2. Disseminating the anti-corruption policy via the Company's communication channels, including its emails, website, annual registration statement(Form 56-1 One report), and leaflets
3. Facilitating trainings in its anti-corruption policy to new employees and incorporating the matter in the employees' manual
4. Reviewing the anti-corruption policy on an annual basis

5. Whistleblowing

Persons who witnessed any fraudulent or corrupt practices or who were affected by their refusal to conduct corrupt practices may report leads or file complaints with or without their names disclosed. In this regard, they shall identify facts or evidences which clearly indicate that there is a reasonable ground to believe that corrupt practices were conducted or they were affected by their refusal to conduct corrupt practices. Reporting leads or filing complaints shall be made via one of the following channels:

1. E-mail: anti-corruption@tipco.net
2. Website: www.tipco.net (Topic: Reporting fraudulent or corrupt practices)
3. Telephone numbers: Chief Executive Officer 02-273-6888, Chairman of the Board of Directors 02-273-6400, or Call Center 095-205-1864
4. Mailing to: Chairman of the Board of Directors/Chief Executive Offer, Mailin Address: Tipco Foods Public Company Limited 118/1 Rama 6 Road, Phayathai Subdistrict, Phayathai District, Bangkok 10400

1. For important or emergency cases that may affect corporate image or are related to high-level executives or directors; reports shall be directly submitted to the Chairman of the Audit Committee at E-mail: viratpt@hotmail.com.
2. The Company shall examine the complaints based on reliable facts. However, the whistleblowers or complainants shall be aware that the complaints without their names disclosed could affect the efficiency of Company's fact-finding operations.

Protection of Whistleblowers and Those Refusing to Conduct Corrupt Practices

The Company set a mechanism to provide protection for persons who cooperate with the Company in fighting against corruption, including whistleblowers, those providing information, and those refusing to conduct corrupt practices. This is to ensure that such persons will not face any trouble or suffer any damage from such actions.

1. The unit receiving the complaint shall consider preliminary information or find supporting information. If it is deemed appropriate to conduct a fact-finding, the top executive of the unit receiving the case shall grant endorsement before submitting the case to the relevant unit for further actions according to the procedures.
2. The Company shall provide protection for those cooperating with the Company in providing leads or refusing to conduct corrupt practices so that they are free from trouble, threats, or unfair practices as a result of such cooperation.
3. The Company shall not demote, punish or incur a negative impact on the employees or executives who refused to conduct corrupt practices although such action might cause losses of business opportunities to the Company.
4. In the case where the whistleblowers/complainants find that they may not be safe or may suffer from any damage, they can request the Company's protection as appropriate.
5. To protect the rights of the persons filing complaints or giving information in good faith, the Company shall keep information of such persons as confidential. Only those responsible for conducting a fact-finding are allowed to access such information. The disclosure of such information to irrelevant persons shall be considered as a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.
6. If it is found that an employee or executive unfairly treats or causes damage to another person because such person provides leads/files a complaint or refuses to conduct a corrupt practice; that employee or executive shall be regarded as committing a disciplinary offence.
7. All cases found in 6. shall be subject to disciplinary actions according to the Company's procedures.

Punishment

Any person intentionally or negligently violating this regulation or exhibiting a misconduct through any form of persecution, threatening, disciplinary action, or discrimination against those providing leads/filing complaints or those involved in the implementation of this regulation shall be deemed as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures. Such person shall also be liable for any damage incurred to the Company and those affected by said action.

Details of the anti-corruption policy and relevant activities are disclosed in the Company's website under the topic of "Good Corporate Governance"

8.2 Report of the Audit Committee and other Committees

Audit Committee Report

The Audit Committee of Tipco Foods Public Company Limited consists of 3 independent directors, with Mr. Virat Phairatphiboon as the Chairman of the Audit Committee, Mr. Paisal Pongprayoon and Mrs. Achara Pricha as the Audit Committee members.

In 2021, there was official meetings between Audit Committee, external auditors, and internal auditors 4 times. In order to ensure consistency of total performance of the Audit Committee, there was also a discussion between the committees and internal auditors, external auditors, and management team as detailed in Attachment 6.

Report of the Corporate Governance Committee

The Board of Directors, in its capacity as the Corporate Governance Committee, is committed to ensuring that the Company's operations comply with the good corporate governance guidelines stipulated by the Stock Exchange of Thailand as well as the international standards and the Securities and Exchange Commission's 2017 Corporate Governance Code for Listed Companies.

The Company encourages its employees at all levels to perform duties according to the good corporate governance principles with the aim of assuring its shareholders, investors, customers, and other stakeholders that it has adopted the efficient, transparent, auditable and fair management mechanism for increased value and corporate sustainable growth. This is in accordance with its vision towards continuous growth, competitiveness, and trust from the customers in both the domestic and global markets.

With its strong commitment to complying with the principles of good corporate governance, the Company won the Top Corporate Governance Report Award from the Stock Exchange of Thailand for five years (2003-2006 and 2010). In 2019, the Company was officially certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and the National Corporate Governance Committee assigned the Company the good corporate governance score of 92%, or a "Excellent" rating, which was above the average score of 84% assigned to its peer SET-listed companies. In addition, the Company's 2021 shareholders' meeting received the score of 100 points, or an "Excellent" rating, by the Thai Investors Association.

From 2010-2015, the Company won the CSR-DIW Continuous Award from the Department of Industrial Works, Ministry of Industry, for sixth consecutive years, as an entrepreneur who implemented corporate social responsibility activities in a continuous and sustainable manner and was ready for the adoption of the ISO 26000 international standard towards sustainable development. The Company also prepared the corporate social responsibility report according to the standards of the Management System Certification Institute (Thailand). This reflects the Company's continuous commitment to implementing its corporate social responsibility initiatives. As for human resources management, the Company focused on developing its employees' capabilities as well as creating and promoting a positive work environment.

Thanks to its ongoing systematic human resources development efforts, Tipco Foods Public Company Limited (the Company) has been granted the Outstanding Enterprise Award for Labor Relations and Welfare by the Department of Labor Protection and Welfare for 11 consecutive years. Also, the Company won the National Outstanding Enterprise Award for Workplace Safety, Health, and Environment from the Department of Labor Protection and Welfare. The aim of the abovementioned activities is for the Company to achieve sustainable growth and to live happily in society and environment in accordance with our ultimate goal of upholding the good corporate governance philosophy in our operations.



Miss Laksana Supsakorn

Chairman of the Corporate Governance Committee

8.3 Report on Shareholding of the Board of Directors and Executives

Report on the Shareholding of Directors

No.	Name	Position	As of Dec 31, 2020		As of Dec 31, 2021	
			% of Shareholding	% of indirect Shareholding	% of Shareholding	% of indirect Shareholding
1	Miss Laksana Supsakorn	Chairman of the Board	8.59	8.59	8.59	8.59
2	Mrs. Anurat Tiamtan	Director	7.16	7.16	7.16	7.16
3	Mr. Sitilarb Supsakorn	Director	11.40	11.40	11.40	11.40
4	Mr. Kris Serththin	Director	0.41	0.41	0.41	0.41
5	Mr. Surachet Supsakorn	Director	-	-	-	-
6	Mr. Virat Phairatphiboon	Independent Director	-	-	-	-
7	Mr. Chalit Limpanavech	Independent Director	-	-	-	-
8	Mr. Paisal Pongprayoon	Independent Director	-	-	-	-
9	Mrs. Achara Pricha	Independent Director	-	-	-	-
10	ACM. Pongsatorn Buasup	Independent Director	-	-	-	-
11	Mr. Yongsit Rojsrikul	Chief Executive Officer	-	-	-	-

Report on the Shareholding of Executives

No.	Name	Position	As of Dec 31, 2020		As of Dec 31, 2021	
			% of Shareholding	% of indirect Shareholding	% of Shareholding	% of indirect Shareholding
1	Mr. Leuchar Pisitthakarn	Chief Financial Officer	-	-	-	-
2	Mrs. Pornanong Yoocha	Director - Corporate Accounting & Internal Control	-	-	-	-
3	Mrs. Saranya Borisuitsawat	Director - Financial Management	-	-	-	-
4	Mr. Pongtorn Kanchanaakradet	Department Manager - Corporate Planning	-	-	-	-

Internal Control and Related Party Transaction

9.1 Internal control

9.1.1 The sufficiency and suitability of the internal control system

The Board of Directors established internal control system to cover all aspects including financial management, operations, compliance with relevant laws, rules and regulations, and risk management. In addition, proper checks and balances system and an effective internal audit system were adopted in order to enhance the efficiency of administration and asset management as well as to ensure fair compensation and returns for all stakeholders. The Company defined the scope of authority and responsibilities of executives and employees according to the hierarchical order, established written operating procedures, developed employees at managerial level and talents through the Internal Quality Audit ISO 9001: 2000 program in support of cross-functional audit, and established an independent internal audit function. From 2004 onwards, the Company has engaged an external firm to conduct internal audits for the Company. The internal auditor jointly considered internal audit plans with the Audit Committee and directly reports to the Audit Committee.

The Board of Directors delegated authority, duties and independence to the Nomination and Remuneration committee so as to promote fairness of the selection of competent and qualified candidates for the position of director and managing director as well as to ensure that the remuneration for directors and employees is fair and based on performance. In addition, the Corporate Governance committee has been established to be responsible for the formulation of the corporate governance policy and code of business ethics. The policy and the result of its implementation have been periodically reviewed. The Company has fostered the culture of good corporate governance as it strongly believes that management with quality, integrity, transparency and fairness to all parties will lead to the achievement of sustainable business growth.

At the Board of Directors Meeting No. 1/2021 held on 15 February 2021 where 3 independent directors were also present, the Board of Directors evaluated the Company's internal control system and approved the evaluation form prepared by the management as well as the Audit Committee's report. Details can be summarized as follows:

9.1.1 A) Operational control

The Company has clearly defined the authority and operating procedures applicable to operating officers and executives in writing to facilitate audits. Utilization of the Company's resources and assets was controlled and monitored to ensure benefits. Also, the budget management system is implemented and feasibility study is conducted for investment projects before asset investments are made. To ensure effectiveness, the Company adopts the monitoring and tracking system to analyze gaps between the planned budget and the actual results. Furthermore, there is a clear segregation of duties between operating officers, controllers and assessors to promote proper checks and balances. Internal controls are enforced for financial management and financial reports are presented to division heads concerned.

9.1.1 B) Internal audit

The Company has contracted an external firm to conduct internal audits for the Company with the aim of ensuring that its key operations and financial activities are undertaken in accordance with predetermined guidelines. Compliance with the laws and relevant requirements has been audited. To promote the internal auditor's independence and abilities to conduct audit activities in accordance with the checks and balances principle, the Board of Directors instructed the internal auditor to report directly to the Audit Committee and to determine the scope of audit in collaboration with the Audit Committee.

9.1.1 C) Risk management

The Board of Directors established the Business Risk Assessment committee which is responsible for determining the risk management scope and policy. The committee holds a meeting with managers of relevant departments to identify and assess business risks every three months. Also, team meetings are held daily while department meetings, management meetings and senior executive meetings are held monthly. Compliance with the laws and relevant requirements has been audited. To promote the internal auditor's independence and abilities to conduct audit activities in accordance with the checks and balances principle, the Board of Directors instructed the internal auditor to report directly to the Audit Committee and to determine the scope of audit in collaboration with the Audit Committee. Compliance with relevant laws and requirements has been monitored. Compliance with relevant laws and requirements has been monitored. From 2004 onwards, the Audit Committee has required the internal auditor to monitor risk management and to identify if the management has adopted approaches as planned and if such approaches effectively contribute to risk mitigation. The results shall be presented to the Audit Committee on a quarterly basis.

9.1.2 The opinion of the Board of Directors regarding adequacy of internal control system

The Board of Directors opined that the internal control system, business risk management and corporate governance of the Company were at the satisfactory level and could provide reasonable assurance with regard to transparency. The financial statements of the Company and its subsidiaries for the year 2021 which were jointly reviewed by the Audit Committee, the management team and the auditor of the Company presented the financial position and the operating results correctly, completely, reasonably, fairly and in accordance with the generally accepted accounting principles. The Company adopted appropriate accounting policies and consistently applied such policies. The disclosure of information was adequate according to the auditor's opinion on the Company's financial statements specified in the auditor's report.

9.1.3 Internal Audit

The Audit Committee at its Meeting No. 3/2004 held on 9 August 2004 appointed Audit and Management Consultant Co., Ltd. to perform duties as the internal auditor of the Company from 9 August 2004 onwards. Audit and Management Consultant Co., Ltd. has appointed Mrs. Pilai Piampongsarn as internal auditor mainly responsible for internal audit works for the Company. After due consideration of qualifications of Audit and Management Consultant Co., Ltd. and Mrs. Pilai Piampongsarn, the Audit Committee deemed that they possess appropriate qualifications to perform such duties as they have

independence and received trainings and licenses relevant to internal audit operations such as Certified Public Accountant (Thailand) - (CPA No.2336) and Honorary Certified Internal Auditor, Institute of Internal Auditors - (CIA No.30861). Also, Ms. Tanyaporn Vanichkitpaisan has been assigned to coordinate with the said outsource internal auditor. และ Honorary Certified Internal Auditor, Institute of Internal Auditors.

Consideration and approval, appointment, removal or transfer of the head of the internal audit function of the Company must be subject to approval or endorsement from the Audit Committee.

9.1.3 A) Details regarding head of compliance function

The Board of Directors has appointed Ms. Kullakarn Cheenpun as head of compliance function. She shall be responsible for acting as a center for supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies such as the Bank of Thailand (BOT), the Office of the Securities and Exchange Commission (SEC), the Office of Insurance Commission, the Office of Energy Regulatory Commission (OERC) or other relevant agencies governing the Company's business operations, and for reporting the results to the Audit Committee and the Board of Directors on a quarterly basis. The Board of Directors approved the compliance policy, requiring that the Board of Directors, the Audit Committee, high-level executives, departments or functional units and employees comply with laws. Communication to employees has been made so that they are aware that they have the duty and responsibility to study and understand laws, rules and regulations applicable to their work and to comply with the said rules and regulations strictly, correctly and completely. (The profile of the executive is as per Attachment 1)

9.1.3 B) Details regarding head of internal audit function

The Audit Committee appointed Audit and Management Consultant Co., Ltd. as the Company's internal auditor. Audit and Management Consultant Co., Ltd. has assigned Mrs. Pilai Piampongsarn to be the internal auditor who shall be mainly responsible for internal audit works for the Company. (The profile is as per Attachment 3)

9.2 Connected Transactions

Details of related transactions between Tipco Foods Public Company Limited and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Acquiring services and others	Tipco Tower Co., Ltd.	8.40	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.01	
	Ruamsapsin Co., Ltd.	1.71	
	Thanomwongse Service Co., Ltd.	0.05	
	Marketing Consultants Co., Ltd.	0.08	
	Total	10.25	

Details of related transactions between Tipco F&B Co., Ltd. and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Selling products	Tipco Asphalt PCL.	2.67	Market prices, equivalent to that quoted for outsiders
	Tipco Tower Co., Ltd.	0.20	
	Raycol Asphalt Co., Ltd.	0.13	
	Thai Bitumen Co., Ltd.	0.16	
	Ruamsapsin Co., Ltd.	0.23	
	Rattanajit Co., Ltd.	0.50	
	Thanomwongse Service Co., Ltd.	0.12	
	Thai Slurry Seal Co., Ltd.	0.11	
	Boondee Co., Ltd.	0.04	
	Vital well Co., Ltd.	0.01	
	Siamcontainer Terminal Co., Ltd.	0.02	
	Leerada Co., Ltd.	0.17	
	Joint Venture - TN	0.04	
	total	4.40	
2. Acquiring services and others	Tipco Tower Co., Ltd.	6.90	Market prices, equivalent to that quoted for outsiders
	Marketing Consultants Co., Ltd.	0.04	
	Ruamsapsin Co., Ltd.	11.38	
	Siamcontainer Terminal Co., Ltd.	0.27	
	Thanomwongse Service Co., Ltd.	0.05	
	total	18.64	

Details of related transactions between Tipco Retail Co., Ltd. and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Acquiring services and others	Tipco Tower Co., Ltd.	0.22	Market prices, equivalent to that quoted for outsiders
	Ruamsapsin Co., Ltd.	4.18	
	Tipco Asphalt PCL.	0.02	
	Thanomwongse Service Co., Ltd.	0.01	
	Marketing Consultants Co., Ltd.	0.03	
	total	4.46	

Details of related transactions between Tipco Pineapple Co., Ltd. and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Others incomes	Raycol Asphalt Co., Ltd.	0.01	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.21	
	Thai Bitumen Co., Ltd.	0.02	
	total	0.24	
2. Acquiring services and others	Tipco Tower Co., Ltd.	0.37	Market prices, equivalent to that quoted for outsiders
	Thanomwongse Service Co., Ltd.	0.04	
	Siamcontainer Terminal Co., Ltd.	0.22	
	Ruamsapsin Co., Ltd.	2.02	
	total	2.65	

Details of related transactions between Tipco Biotech Co., Ltd. and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Acquiring services and others	Tipco Tower Co., Ltd.	0.08	Market prices, equivalent to that quoted for outsiders
	Ruamsapsin Co., Ltd.	0.45	
	Thanomwongse Service Co., Ltd.	0.01	
	Total	0.54	

Shareholders and / investors can catch up on the related transactions for the past 3 years comparison from the previous year annual report on the company's website www.tipco.net

The Necessity and Rationality of the Transactions

The related transactions between the Company, subsidiaries and related persons who might conflict of interest are treated as normal business activities and needed to be approved by Audit Committee first and then the Board of Directors. This is in line with all endorsement procedures of the Company involving in price comparison and market price quotation policy.

The Measure and Process of Related Party Transactions

The related party transactions at the present continuing to the future, must be approved by both the Audit Committee and the Board of Directors. This is in line with all endorsement procedures of the Company involving in price comparison and supplier selection process, in which the Directors who have the conflict of interests must obtain from voting.

Policies and Tendencies of Related Party Transactions in the Future

The related party transactions, which occur at present and may continue to the future, are treated as normal business activities. There will be neither unusual transactions nor the transfers of interest between the Company, subsidiaries and related persons with possible conflicts of interest. The Company will have the Audit Committee or the Company's auditor or independent expert to examine the suitability of prices and rationality of transactions and to make relevant remarks. Details, values and reasons on these transactions are required to publicly disclose and report to Shareholders' Meeting and in the annual report. The Board of Directors has to comply with securities and exchange laws and regulations, announcement of the Stock Exchange of Thailand. Moreover, the Company has to strict with the disclosure of relevant transactions and acquisitions or sales of significant assets of the Company or subsidiaries in accordance with the accounting standard of the Institute of Certified Accounts and Auditors of Thailand. In case of any related party transactions between the Company, subsidiaries and related persons with possible conflict of interests, the Company must have the Audit Committee to examine the justification of these transactions. In case of any transactions that may be beyond the Audit Committee's capability, the Company will establish independent expert or auditor team to do that before having any conclusions to propose to the Company's Board of Directors or shareholders.

Part 3

Financial Statements





Report of the Board of Directors Responsibility to Financial Reporting

The Board of Directors of the Company is responsible for the consolidated and separate financial statements of the Tipco foods public company limited, including the financial information presented in the Annual Report. The financial statements are prepared in accordance with the generally accepted accounting principles, while the suitable and consistent accounting policies are duly adopted. Cautious judgment and the best possible estimates are exercised in the preparation of the Statements. In addition, significant information is sufficiently shown in the Notes to the Financial Statements. The Statements have been conducted by independent professional auditors in accordance with Thai standard on auditing, issued unqualified opinion. The Statements therefore accurately and reasonably reflect the financial position and operating performance results of the business, for the benefit of shareholders, general investors and parties with interests in the Company, in a transparent manner.

The Board of Directors has initiated, and continues to maintain, a system of risk management, as well as suitable and efficient internal controls, in order to reasonably ensure that the recording of accounting data is conducted accurately, comprehensively and adequately. This is with the aim of protecting the assets of the business, and to identify weaknesses, to prevent risk from acts and corruption or transactions of a significantly abnormal nature.

The Board of Directors has appointed the Audit Committee, comprising of 3 Independent Directors, to oversee and be responsible for ensuring the quality of financial reporting, as well as internal controls. The Audit Committee's opinions on this matter are shown in the Audit Committee's Report as appearing in the Annual Report.

The Board of Directors of the Company is of the opinion that the business' internal control systems are of a satisfactory level to engender a reasonable degree of confidence in the consolidated and separate financial statements of 31 December 2021.



(Ms. Laksana Supsakorn)
Chairman of the Board



(Mr. Yongsit Rojsrikul)
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Tipco Foods Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Tipco Foods Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tipco Foods Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Foods Public Company Limited and its subsidiaries and of Tipco Foods Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Investment in associate

The Company has investment in an associate based on the equity method and has share of profit from investment in associate presented in the consolidated financial statements (based on the cost method and has dividend income from associate presented in the separate financial statements). These amounts are significant to the financial statements and have direct effect on profit or loss.

I have inquired the management relating to significant influence on the associate to determine the appropriateness

of recording transactions for investment in the associate. I have evaluated the accounting policy and related transactions of such associate. I have also checked the existence of the investment to the share certificates and supporting documents received from the securities company, tested the calculation of fair value of the investment, including its impairment as at the period-end date, and examined the supporting documents for dividend receipts. Furthermore, I obtained the financial statements which have been audited by the Certified Public Accountant of such associate to test the calculation of share of profit from investment in the associate and tested proportionate interest in value of investment in the associated company. In addition, I determined whether there was adequate disclosure of information of such investment in the associate in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 18 February 2022

Statements of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents		78,108,567	55,544,446	20,293,531	15,137,447
Trade and other receivables	6, 7	353,251,481	368,818,881	22,780,428	16,484,143
Short-term loans to related parties	6	-	-	419,800,000	412,900,000
Inventories	8	652,076,499	500,542,233	55,758,753	46,137,515
Biological assets		677,000	480,000	-	-
Derivative assets	28.1	45,479	1,649,450	-	-
Other current assets	6	35,441,058	53,475,177	5,642,755	8,112,244
Total current assets		1,119,600,084	980,510,187	524,275,467	498,771,349
Non-current assets					
Investments in subsidiaries	9	-	-	1,533,836,957	1,478,836,957
Investment in associate	10	3,601,402,946	3,477,058,427	644,929,739	644,929,739
Investment property - Land awaiting sale		7,269,561	7,269,561	7,269,561	7,269,561
Property, plant and equipment	11	1,583,253,690	1,910,737,529	583,449,794	652,765,760
Intangible assets	12	28,239,972	30,389,476	26,814,833	27,037,043
Deferred tax assets	21	86,699,492	69,420,294	6,405,097	6,194,930
Other non-current assets	6	11,638,975	11,873,551	2,092,101	2,092,101
Total non-current assets		5,318,504,636	5,506,748,838	2,804,798,082	2,819,126,091
Total assets		6,438,104,720	6,487,259,025	3,329,073,549	3,317,897,440

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

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	13 6, 14	618,780,547 482,366,345	814,378,606 429,728,365	368,000,000 46,501,990	500,000,000 22,176,050
Trade and other payables					
Current portion of long-term loans from financial institutions	15	336,880,000	266,880,000	260,000,000	190,000,000
Current portion of lease liabilities	6, 16	22,456,288	27,586,779	5,129,081	7,942,589
Income tax payable		1,457,851	-	-	-
Derivative liabilities	28.1	834,825	163,355	-	-
Other current liabilities		65,541,447	62,662,903	2,939,244	3,777,052
Total current liabilities		1,528,317,303	1,601,400,008	682,570,315	723,895,691
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	15	385,683,150	532,563,150	295,000,000	365,000,000
Lease liabilities - net of current portion	6, 16	9,852,737	27,439,376	3,839,570	11,239,662
Provision for dismantling cost		1,030,480	1,200,480	-	-
Provision for long-term employee benefits	17	112,326,394	105,155,533	31,750,503	30,109,508
Total non-current liabilities		508,892,761	666,358,539	330,590,073	406,349,170
Total liabilities		2,037,210,064	2,267,758,547	1,013,160,388	1,130,244,861

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

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
500,000,000 ordinary shares of Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid					
482,579,640 ordinary shares of Baht 1 each		482,579,640	482,579,640	482,579,640	482,579,640
Non-controlling interests of subsidiary acquired by the Company at price higher than book value		(80,767,243)	(80,767,243)	-	-
Non-controlling interest in subsidiary of the associated company acquired at price lower than book value		1,494,466	1,494,466	-	-
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate		(135,832,635)	(135,832,635)	-	-
Capital reserve for share-based payment transactions of the associate		40,952,590	40,952,590	-	-
Retained earnings					
Appropriated - statutory reserve	18	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		4,143,556,533	4,147,407,501	1,783,333,521	1,655,072,939
Other components of shareholders' equity		(101,088,695)	(286,333,841)	-	-
Total shareholders' equity		4,400,894,656	4,219,500,478	2,315,913,161	2,187,652,579
Total liabilities and shareholders' equity		6,438,104,720	6,487,259,025	3,329,073,549	3,317,897,440

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

Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Sales		2,427,550,913	2,500,123,559	295,836,756	255,066,768
Dividend income from subsidiary	9	-	-	-	38,999,997
Dividend income from associate	10	-	-	573,316,573	517,834,324
Other income	19	96,427,071	75,687,763	45,718,479	46,800,794
Total revenues		2,523,977,984	2,575,811,322	914,871,808	858,701,883
Expenses					
Cost of sales		1,835,088,518	2,064,387,522	184,860,232	173,652,933
Selling and distribution expenses		332,440,076	311,001,624	72,975	-
Administrative expenses		408,699,925	477,038,964	163,413,595	179,440,341
Impairment loss on investments in subsidiaries	9	-	-	(55,000,000)	163,649,950
Impairment loss on loans to subsidiary	6	-	-	54,700,000	-
Loss on exchange		16,035,352	24,191,743	-	171,489
Total expenses		2,592,263,871	2,876,619,853	348,046,802	516,914,713
Operating profit (loss)		(68,285,887)	(300,808,531)	566,825,006	341,787,170
Share of profit from investment in associate	10	520,178,467	836,967,622	-	-
Finance income		15,295	52,264	12,271,836	9,451,564
Finance cost		(38,703,506)	(50,962,001)	(26,381,695)	(32,107,939)
Profit before income tax expenses		413,204,369	485,249,354	552,715,147	319,130,795
Income tax benefit (expenses)	21	15,397,866	(3,436,893)	210,167	(1,581,444)
Profit for the year		428,602,235	481,812,461	552,925,314	317,549,351

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

Statements of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Share of other comprehensive income from investment in associate - net of income tax	10	184,880,476	13,516,943	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial loss - net of income tax	17	-	(13,686,046)	-	(4,082,852)
Share of other comprehensive income from investment in associate - net of income tax	10	(7,423,801)	-	-	-
Other comprehensive income for the year		177,456,675	(169,103)	-	(4,082,852)
Total comprehensive income for the year		606,058,910	481,643,358	552,925,314	313,466,499
Profit attributable to:					
Equity holders of the Company		428,602,235	481,812,461	552,925,314	317,549,351
Total comprehensive income attributable to:					
Equity holders of the Company		606,058,910	481,643,358	552,925,314	313,466,499
Earnings per share	22				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.89	1.00	1.15	0.66

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

Statements of changes in shareholders' equity

For the year ended 31 December 2021

	Issued and paid-up share capital	Non-controlling interests of subsidiary acquired by the Company at price higher than book value	Non-controlling interest in subsidiary of the associated company acquired at price lower than book value	Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	
Balance as at 1 January 2020	482,579,640	(80,767,243)	1,494,466	(135,832,635)	
Profit for the year	-	-	-	-	
Other comprehensive income for the year	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	
Share-based payment transactions of the associate	-	-	-	-	
Dividend paid (Note 24)	-	-	-	-	
Balance as at 31 December 2020	482,579,640	(80,767,243)	1,494,466	(135,832,635)	
Balance as at 1 January 2021	482,579,640	(80,767,243)	1,494,466	(135,832,635)	
Profit for the year	-	-	-	-	
Other comprehensive income for the year	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	
Dividend paid (Note 24)	-	-	-	-	
Transfer to retained earnings of the associate	-	-	-	-	
Balance as at 31 December 2021	482,579,640	(80,767,243)	1,494,466	(135,832,635)	

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

(Unit: Baht)

Consolidated financial statements						
	Capital reserve for share-based payment transactions of the associate	Retained earnings		Other component of shareholders' equity		
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Total other components of shareholders' equity	Total shareholders' equity
				Share of other comprehensive income from associate		
	40,994,182	50,000,000	3,848,177,059	(299,850,784)	(299,850,784)	3,906,794,685
	-	-	481,812,461	-	-	481,812,461
	-	-	(13,686,046)	13,516,943	13,516,943	(169,103)
	-	-	468,126,415	13,516,943	13,516,943	481,643,358
	(41,592)	-	-	-	-	(41,592)
	-	-	(168,895,973)	-	-	(168,895,973)
	40,952,590	50,000,000	4,147,407,501	(286,333,841)	(286,333,841)	4,219,500,478
	40,952,590	50,000,000	4,147,407,501	(286,333,841)	(286,333,841)	4,219,500,478
	-	-	428,602,235	-	-	428,602,235
	-	-	(7,423,801)	184,880,476	184,880,476	177,456,675
	-	-	421,178,434	184,880,476	184,880,476	606,058,910
	-	-	(424,664,732)	-	-	(424,664,732)
	-	-	(364,670)	364,670	364,670	-
	40,952,590	50,000,000	4,143,556,533	(101,088,695)	(101,088,695)	4,400,894,656

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements			
	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	482,579,640	50,000,000	1,510,502,413	2,043,082,053
Profit for the year	-	-	317,549,351	317,549,351
Other comprehensive income for the year	-	-	(4,082,852)	(4,082,852)
Total comprehensive income for the year	-	-	313,466,499	313,466,499
Dividend paid (Note 24)	-	-	(168,895,973)	(168,895,973)
Balance as at 31 December 2020	482,579,640	50,000,000	1,655,072,939	2,187,652,579
Balance as at 1 January 2021	482,579,640	50,000,000	1,655,072,939	2,187,652,579
Profit for the year	-	-	552,925,314	552,925,314
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	552,925,314	552,925,314
Dividend paid (Note 24)	-	-	(424,664,732)	(424,664,732)
Balance as at 31 December 2021	482,579,640	50,000,000	1,783,333,521	2,315,913,161

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

Cash flow statements

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax	413,204,369	485,249,354	552,715,147	319,130,795
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	398,273,687	381,670,305	67,373,088	71,589,965
Allowance for expected credit losses (reversal)	(249,417)	4,880,868	-	-
Reduction of cost of inventories to net realisable value (reversal)	(33,745,662)	(16,692,377)	(500,813)	1,189,877
Loss from inventory destruction	21,443,917	9,933,203	-	-
Impairment loss on investments in subsidiaries (reversal)	-	-	(55,000,000)	163,649,950
Impairment loss on loans to subsidiary	-	-	54,700,000	-
(Gain) loss on changes in fair value of biological assets	(197,000)	2,320,000	-	-
Unrealised (gain) loss on exchange	1,447,322	(1,346,876)	3,962	19,691
(Gain) loss on changes in fair value of derivatives	789,346	(1,486,094)	-	-
(Gain) loss on sales and write-off of property, plant and equipment	3,554,198	2,853,375	(281,877)	(730,932)
Loss on sales and write-off of intangible assets	-	1,149,670	-	-
Increase (decrease) in provision for dismantling cost	(170,000)	130,000	-	-
Provision for long-term employee benefits	13,259,821	15,453,022	5,117,628	6,060,618
Share of profit from investment in associate	(520,178,467)	(836,967,622)	-	-
Dividend income from subsidiary	-	-	-	(38,999,997)
Dividend income from associate	-	-	(573,316,573)	(517,834,324)
Finance income	(15,295)	(52,264)	(12,271,836)	(9,451,564)
Finance cost	38,703,506	50,962,001	26,381,695	32,107,939
Profit from operating activities before changes in operating assets and liabilities	336,120,325	98,056,565	64,920,421	26,732,018
(Increase) decrease in operating assets				
Trade and other receivables	16,956,588	97,091,250	(6,296,284)	8,464,922
Inventories	(139,232,521)	185,682,189	(9,120,425)	3,591,051
Other current assets	16,254,450	4,356,214	(975,004)	60,139
Other non-current assets	234,577	3,301,916	-	1,447,870
Increase (decrease) in operating liabilities				
Trade and other payables	46,017,179	(161,971,632)	23,571,128	(21,366,058)
Other current liabilities	2,731,479	2,770,493	(837,806)	148,324
Cash paid for long-term employee benefits	(6,088,959)	(55,463,866)	(3,476,633)	(14,082,588)

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

Cash flow statements (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities	272,993,118	173,823,129	67,785,397	4,995,678
Cash paid for interest expenses	(38,104,214)	(49,962,796)	(25,956,294)	(31,260,189)
Cash paid for corporate income tax	(11,478,909)	(7,167,575)	(1,386,185)	(1,092,534)
Cash received from refund of corporate income tax	12,040,094	4,220,807	4,375,226	4,220,807
Net cash flows from (used in) operating activities	235,450,089	120,913,565	44,818,144	(23,136,238)
Cash flows from investing activities				
Decrease in fixed deposit with maturity over 3 months	-	4,995,108	-	-
Increase in short-term loans to related parties	-	-	(61,600,000)	(143,900,000)
Cash received from sales of property, plant and equipment	433,930	924,554	285,650	730,935
Cash paid for acquisition of property, plant and equipment	(63,118,204)	(91,425,809)	(1,327,328)	(2,650,206)
Cash paid for acquisition of intangible assets	(259,500)	(3,255,916)	-	(542,094)
Dividend received from subsidiary	-	-	-	38,999,997
Dividend received from associate	573,316,573	517,834,324	573,316,573	517,834,324
Interest received	15,295	52,264	12,271,836	9,451,564
Net cash flows from investing activities	510,388,094	429,124,525	522,946,731	419,924,520
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(195,598,059)	52,904,745	(132,000,000)	9,681,563
Cash paid for lease liabilities	(26,131,271)	(24,831,914)	(5,944,059)	(6,318,811)
Cash receipts from long-term loans from financial institutions	200,000,000	18,663,150	200,000,000	-
Repayment of long-term loans from financial institutions	(276,880,000)	(413,670,000)	(200,000,000)	(231,245,000)
Dividend paid	(424,664,732)	(168,895,973)	(424,664,732)	(168,895,973)
Net cash flows used in financing activities	(723,274,062)	(535,829,992)	(562,608,791)	(396,778,221)
Net increase in cash and cash equivalents	22,564,121	14,208,098	5,156,084	10,061
Cash and cash equivalents at beginning of year	55,544,446	41,336,348	15,137,447	15,127,386
Cash and cash equivalents at end of year	78,108,567	55,544,446	20,293,531	15,137,447
Supplemental cash flows information				
Non-cash transactions:				
Acquisition of equipment for which cash has not been paid	6,354,960	518,619	856,518	75,620
Increase in right-of-use assets due to entering into lease agreements	7,889,735	11,371,315	205,768	809,752

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

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 General information of the Company

Tipco Foods Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholders of the Company is Supsakorn family. The Company is principally engaged in the manufacture and distribution of mineral water. The registered office of the Company is at 118/1 Rama 6 Road, Phayathai Sub district, Phayathai District, Bangkok.

1.2 Coronavirus disease 2019 pandemic

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and its subsidiaries (“the Group”). The details of subsidiary companies are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			<u>2021</u> (Million Baht)	<u>2020</u> (Million Baht)	<u>2021</u> (Percent)	<u>2020</u> (Percent)
Tipco F&B Company Limited (“TFB”)	Producing and distribution of ready-to-drink beverage product	Thailand	600.00	600.00	100.00	100.00
Tipco Retail Company Limited (87.75% owned by the Company and 12.25% owned by TFB)	Retail business	Thailand	200.00	200.00	100.00	100.00
Tipco Biotech Company Limited	Manufacturing of herbal extraction substance and agriculture business	Thailand	36.80	36.80	100.00	100.00
Tipco Pineapple Company Limited	Manufacturing and distribution of canned fruit and fruit juice	Thailand	700.00	700.00	100.00	100.00
TFB Distribution Company Limited* (100% owned by TFB)	Dormant	Thailand	0.25	0.25	100.00	100.00

*Dissolved and in process of liquidation

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the current year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

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

Finance cost

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Agriculture

The biological asset of a subsidiary is unharvested pineapple fruit and agricultural produce is harvested pineapple fruit which were measured at their fair value less costs to sell and fair value less costs to sell at the point of harvest, respectively.

The fair value of pineapple fruit is determined reference to fair value less estimated point-of-harvest costs. Gains or losses on changes in fair value of biological asset and agricultural produce are recognised in profit or loss.

4.5 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

4.6 Investment property - Land awaiting sale

Investment property - Land awaiting sale are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property are stated at cost less allowance for loss on impairment (if any).

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment and the pineapple plants, which are bearer plants, are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment, and bearer plant are calculated by reference to their costs, on the straight-line basis over the following estimated useful lives and accordance with the estimated harvest capacity as follows:

Land development	10 years
Buildings and complement	10 to 25 years
Machinery and equipment	10 to 20 years
Tools and equipment	5 to 20 years
Furniture and office equipment	3 to 10 years
Motor vehicles	5 to 10 years
Bearer plant	Estimated harvest capacity

An initial estimate of the costs of dismantling and removing of the item and restoring the site, when the Group has obligation to do, have been included in cost of property, plant and equipment.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.8 Borrowing costs

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

4.9 Intangible assets

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

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

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

	<u>Useful lives</u>
Computer software	3 to 10 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

Land	3	years
Building spaces	3 to 5	years
Tools and equipment	3	years
Motor vehicles	3 to 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.11 Related party transactions

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

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

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.15 Provisions

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

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

4.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.18 Derivatives

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting for cash flow hedges of the associate

The effective portion of the gain or loss on the hedging instrument (commodity forward contracts) is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The associate prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the associate assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The associate considers hedging effective when all of the following requirements are met.

- There is an economic relationship between hedged items and hedging instruments.
- Counterparty credit risk is not a significant factor in the change in the fair value of hedging instruments and hedged items.
- The ratio of the quantity of hedging instruments to the quantity of hedged items is equal to the hedge ratio.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance of diminution in value of inventory

In determining allowance for diminution in the value of inventory, the management exercises judgement in estimating the net realisable value of inventory based on the amount the inventories are expected to realise. These estimates are based on estimates of selling prices, which take into account events occurring after the end of the period and estimates of related costs and expenses.

Allowance for impairment loss on investments in subsidiaries

The Company treats investments in subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2021	2020	2021	2020	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	-	-	294	254	Cost plus certain margin
Management income	-	-	42	40	As agreed
Interest income	-	-	12	9	2.65 percent per annum
Dividend income	-	-	-	39	Announced rate
Transactions with associate					
Sales of goods	4	3	-	-	Market price
Dividend income	-	-	573	518	Announced rate
Transactions with related companies					
Sales of goods	1	2	-	-	Market price
Rental and service expenses	36	37	10	12	As agreed

As at 31 December 2021 and 2020, the balances of the accounts between the Company, subsidiaries and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade and other receivables - related parties (Note 7)				
Subsidiaries	-	-	22,611	16,263
Associate	1,879	1,104	47	86
Related companies (common shareholders and directors)	376	701	-	-
Total trade and other receivables - related parties	<u>2,255</u>	<u>1,805</u>	<u>22,658</u>	<u>16,349</u>
Prepaid expenses - related parties				
Related companies (common shareholders and directors)	16	312	8	130
Total prepaid expenses - related parties	<u>16</u>	<u>312</u>	<u>8</u>	<u>130</u>
Retentions - related parties				
Related companies (common shareholders and directors)	7,166	7,166	1,961	1,961
Total retentions - related parties	<u>7,166</u>	<u>7,166</u>	<u>1,961</u>	<u>1,961</u>
Trade and other payables - related parties (Note 14)				
Subsidiaries	-	-	41	35
Associate	87	503	23	420
Related companies (common shareholders and directors)	1,058	1,190	141	286
Total trade and other payables - related parties	<u>1,145</u>	<u>1,693</u>	<u>205</u>	<u>741</u>
Lease liabilities - related parties				
Related companies (common shareholders and directors)	13,166	28,055	3,163	10,774
Total lease liabilities - related parties	<u>13,166</u>	<u>28,055</u>	<u>3,163</u>	<u>10,774</u>

Short-term loans to related parties

As at 31 December 2021 and 2020, the balances of short-term loans to related parties and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans	Related by	Separate financial statements			
		Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Tipco Pineapple Co., Ltd.	Subsidiary	305,000	247,000	(160,000)	392,000
Tipco Biotech Co., Ltd.	Subsidiary	72,900	16,000	(70,400)	18,500
Tipco Retail Co., Ltd.	Subsidiary	35,000	29,000	-	64,000
Total		412,900	292,000	(230,400)	474,500
Less: Allowance for impairment loss		-			(54,700)
Short-term loans to related parties - net		412,900			419,800

During the current year, the Company recorded the allowance for impairment loss on loans to Tipco Retail Co., Ltd. of Baht 54.7 million.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	28	29	28	29
Post-employment benefits	2	2	2	2
Total	30	31	30	31

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 13 and 15 to the financial statements.

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables - related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	2,117	1,238	18,823	12,456
Past due				
Up to 3 months	91	33	-	-
Total trade receivables - related parties	2,208	1,271	18,823	12,456
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	246,922	272,778	-	-
Past due				
Up to 3 months	46,859	27,331	-	-
3 - 6 months	1,320	1,052	-	-
6 - 12 months	46	2	-	-
Over 12 months	2,386	2,579	-	-
Total	297,533	303,742	-	-
Less: Allowance for expected credit losses	(4,931)	(5,180)	-	-
Total trade receivables - unrelated parties, net	292,602	298,562	-	-
Total trade receivables - net	294,810	299,833	18,823	12,456
Other receivables				
Amounts due from related parties (Note 6)	47	534	3,835	3,893
Amounts due from unrelated parties	58,069	67,733	113	51
Advance to employees	157	564	9	84
Accrued income	168	155	-	-
Total other receivables	58,441	68,986	3,957	4,028
Total trade and other receivables - net	353,251	368,819	22,780	16,484

The normal credit term is 7 days to 76 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	5,180	299	-	-
Additions during the year	-	4,881	-	-
Reversals during the year	(249)	-	-	-
Balance at end of year	4,931	5,180	-	-

8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	382,763	259,644	(857)	(34,210)	381,906	225,434
Work in process	12,549	9,168	(67)	(79)	12,482	9,089
Raw materials	183,538	201,387	(7,506)	(7,976)	176,032	193,411
Spare parts and factory supplies	62,203	56,266	(687)	(598)	61,516	55,668
Goods in transit	20,140	16,940	-	-	20,140	16,940
Total	661,193	543,405	(9,117)	(42,863)	652,076	500,542

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	7,405	2,740	-	-	7,405	2,740
Work in process	5,033	4,529	-	-	5,033	4,529
Raw materials	10,278	7,254	(1,297)	(1,798)	8,981	5,456
Spare parts and factory supplies	34,378	31,937	(38)	(37)	34,340	31,900
Goods in transit	-	1,513	-	-	-	1,513
Total	57,094	47,973	(1,335)	(1,835)	55,759	46,138

Movements in the reduction of cost to net realisable value of inventories account during the years ended 31 December 2021 and 2020 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	42,863	59,555	1,835	646
Add: Additions during the year	5,779	125,854	62	2,703
Less: Reversals during the year	(39,525)	(142,546)	(562)	(1,514)
Balance at end of year	9,117	42,863	1,335	1,835

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Cost	
	2021	2020
Tipco F&B Company Limited	729,050	729,050
Tipco Retail Company Limited	175,500	175,500
Tipco Biotech Company Limited	160,787	160,787
Tipco Pineapple Company Limited	700,000	700,000
Total	1,765,337	1,765,337
Less: Allowance for impairment loss on investments in subsidiaries	(231,500)	(286,500)
Investments in subsidiaries - net	1,533,837	1,478,837

The paid-up capital and percentage of shareholding were presented in Note 2.2 to the financial statements.

During the years, the Company received dividends from the following subsidiary:

(Unit: Thousand Baht)

Company's name	For the year ended 31 December	
	2021	2020
Tipco F&B Company Limited	-	39,000

On 17 July 2020, TFB Distribution Co., Ltd., the subsidiary company of Tipco F&B Co., Ltd., registered its dissolution with the Ministry of Commerce and is in the process of liquidation.

In 2020, the Company recorded allowance for impairment loss on investments in Tipco Retail Co., Ltd. and Tipco Pineapple Co., Ltd. of Baht 53 million and Baht 111 million, respectively.

During the current year, the Company reversed the allowance for impairment loss on investment in Tipco Pineapple Co., Ltd. of Baht 55 million.

10. Investment in associate

The Company has investment in an associate, Tipco Asphalt Public Company Limited, which incorporate in Thailand and engaged in the manufacture and distribution of asphalt and petroleum products. The shareholding percentage of the Company as at 31 December 2021 and 2020 is 23.4345.

10.1 Details of associate:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,601,403	3,477,058	-	-

10.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Share of profit from investment in associate during the year	520,178	836,968	-	-
Share of other comprehensive income from investment in associate during the year	177,457	13,517	-	-
Dividend received during the year	-	-	573,317	517,834

10.3 Fair value of investment in listed associate

The fair value of investment in Tipco Asphalt Public Company Limited which is a listed company on the Stock Exchange of Thailand as at 31 December 2021 and 2020 are Baht 6,695 million and Baht 6,473 million, respectively.

10.4 Summarised financial information about associate

Summarised information about financial position as at 31 December 2021 and 2020:

(Unit: Million Baht)

	2021	2020
Current assets	14,330	11,114
Non-current assets	10,471	10,220
Current liabilities	7,900	5,918
Non-current liabilities	964	395

Summarised information about comprehensive income for the years ended 31 December 2021 and 2020:

(Unit: Million Baht)

	2021	2020
Revenue	27,277	26,355
Profit for the year	2,252	3,597
Other comprehensive income	771	62
Total comprehensive income	3,023	3,659

(Unit: Thousand Baht)

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(Unit: Thousand Baht)

	Consolidated financial statements (continued)									
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets				Others	Assets under installation
					Land	Building spaces	Tools and equipment	Others		
Allowance for impairment loss										
1 January 2020	-	-	194,500	-	-	-	-	-	-	194,500
31 December 2020	-	-	194,500	-	-	-	-	-	-	194,500
Decrease from disposals	-	-	(57)	-	-	-	-	-	-	(57)
31 December 2021	-	-	194,443	-	-	-	-	-	-	194,443
Net book value										
31 December 2020	292,449	669,256	722,312	70,589	1,598	35,016	7,468	9,408	95,832	1,910,738
31 December 2021	292,176	603,777	539,955	54,112	1,065	16,739	4,293	8,655	36,481	1,583,254
Depreciation for the year										
2020 (Baht 227 million included in manufacturing cost, and the balance in selling and administrative expenses)										375,493
2021 (Baht 251 million included in manufacturing cost, and the balance in selling and administrative expenses)										395,864

(Unit: Thousand Baht)

	Separate financial statements									
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets			Others	Assets under installation	Total
					Building spaces	Tools and equipment	Others			
Cost										
1 January 2020	123,627	390,837	372,686	47,352	15,119	2,745	7,934	31,738	663	992,701
Additions	-	-	-	334	-	-	810	25	2,354	3,523
Disposals	-	-	-	-	-	-	-	(5,235)	-	(5,235)
Transfer in (transfer out)	-	636	683	552	-	-	-	123	(1,994)	-
31 December 2020	123,627	391,473	373,369	48,238	15,119	2,745	8,744	26,651	1,023	990,989
Additions	-	-	-	178	-	206	-	85	1,845	2,314
Disposals	-	-	(305)	(1,209)	-	(1,147)	-	(2,306)	-	(4,967)
Transfer in (transfer out)	-	520	-	1,567	-	-	-	-	(2,087)	-
Effect of the lease modification	-	-	-	-	(4,475)	-	-	-	-	(4,475)
31 December 2021	123,627	391,993	373,064	48,774	10,644	1,804	8,744	24,430	781	983,861
Accumulated depreciation										
1 January 2020	9	74,095	139,636	28,899	-	-	585	29,268	-	272,492
Depreciation for the year	6	20,033	35,990	5,967	5,045	1,349	1,658	861	-	70,909
Depreciation on disposals	-	-	-	-	-	-	-	(5,235)	-	(5,235)
31 December 2020	15	94,128	175,626	34,866	5,045	1,349	2,243	24,894	-	338,166
Depreciation for the year	6	19,912	35,886	4,695	2,808	1,241	1,901	702	-	67,151
Depreciation on disposals	-	-	(247)	(1,206)	-	(1,147)	-	(2,306)	-	(4,906)
31 December 2021	21	114,040	211,265	38,355	7,853	1,443	4,144	23,290	-	400,411

(Unit: Thousand Baht)

	Separate financial statements								
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets			Assets under installation	Total
					Building spaces	Tools and equipment	Others		
Allowance for impairment loss									
1 January 2020	-	-	57	-	-	-	-	-	57
31 December 2020	-	-	57	-	-	-	-	-	57
Decrease from disposals	-	-	(57)	-	-	-	-	-	(57)
31 December 2021	-	-	-	-	-	-	-	-	-
Net book value									
31 December 2020	123,612	297,345	197,686	13,372	10,074	1,396	6,501	1,757	652,766
31 December 2021	123,606	277,953	161,799	10,419	2,791	361	4,600	1,140	583,450
Depreciation for the year									
2020 (Baht 34 million included in manufacturing cost, and the balance in selling and administrative expenses)									70,909
2021 (Baht 32 million included in manufacturing cost, and the balance in selling and administrative expenses)									67,151

As at 31 December 2021, certain items of plant, machinery and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,044 million (2020: Baht 1,868 million) (The Company only: Baht 92 million, 2020: Baht 89 million).

The Group has mortgaged their property, plant and equipment as collateral against credit facilities received from financial institutions. The net book value of these assets as at 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Land	58	104	17	17
Buildings and complement	463	580	245	260
Machinery and equipment	-	53	-	-

12. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Trade mark	Computer software	Computer software in progress	Total
Cost				
1 January 2020	26,051	89,606	3,317	118,974
Additions	-	2,141	-	2,141
Disposals/write-off	-	(1,490)	(1,151)	(2,641)
31 December 2020	26,051	90,257	2,166	118,474
Additions	-	-	260	260
Transfer in (transfer out)	-	2,376	(2,376)	-
31 December 2021	26,051	92,633	50	118,734
Accumulated amortisation				
1 January 2020	-	83,398	-	83,398
Amortisation for the year	-	6,177	-	6,177
Amortisation on disposals/write-off	-	(1,490)	-	(1,490)
31 December 2020	-	88,085	-	88,085
Amortisation for the year	-	2,409	-	2,409
31 December 2021	-	90,494	-	90,494
Net book value				
31 December 2020	26,051	2,172	2,166	30,389
31 December 2021	26,051	2,139	50	28,240

(Unit: Thousand Baht)

	Separate financial statements			
	Trade mark	Computer software	Computer software in progress	Total
Cost				
1 January 2020	26,463	24,724	-	51,187
Transfer in (transfer out)	-	542	-	542
31 December 2020	26,463	25,266	-	51,729
31 December 2021	26,463	25,266	-	51,729
Accumulated amortisation				
1 January 2020	-	24,011	-	24,011
Amortisation for the year	-	681	-	681
31 December 2020	-	24,692	-	24,692
Amortisation for the year	-	222	-	222
31 December 2021	-	24,914	-	24,914
Net book value				
31 December 2020	26,463	574	-	27,037
31 December 2021	26,463	352	-	26,815

13. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate	Consolidated financial statements		Separate financial statements	
	(Percent per annum)	2021	2020	2021	2020
Bank overdrafts	MOR - MOR+0.5	781	4,379	-	-
Short-term loans from financial institutions	1.89 - 2.90	618,000	810,000	368,000	500,000
Total		618,781	814,379	368,000	500,000

The subsidiaries' bank overdrafts and short-term loans from financial institutions are secured by the Company.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables - related parties (Note 6)	-	-	35	30
Trade payables - unrelated parties	199,046	148,534	26,945	6,869
Other payables - related parties (Note 6)	1,145	1,693	170	711
Other payables - unrelated parties	57,671	43,308	5,580	5,969
Accounts payable from sale promotions	139,838	180,546	-	-
Accrued expenses	84,666	55,647	13,772	8,597
Total trade and other payables	482,366	429,728	46,502	22,176

15. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2021	2020	2021	2020
1	THBFIX + 1.95	Quarterly installments as stipulated in the agreement, and the final installment is due in November 2023	200,000	300,000	200,000	300,000
2	Average MLR - 2.513 (2020: THBFIX + 2.50)	Quarterly installments as stipulated in the agreement, and the final installment is due in November 2023	165,000	255,000	165,000	255,000
3	THBFIX + 2.35	Quarterly installments as stipulated in the agreement, and the final installment is due in February 2024	157,500	227,500	-	-
4	MLR - 2.20	Quarterly installments as stipulated in the agreement, and the final installment is due in June 2025	10,063	16,943	-	-
5	Average MLR - 2.055	Quarterly installments as stipulated in the agreement, and the final installment is due in September 2026	190,000	-	190,000	-
Total			722,563	799,443	555,000	555,000
Less: Current portion			(336,880)	(266,880)	(260,000)	(190,000)
Long-term loans from financial institutions - net of current portion			385,683	532,563	295,000	365,000

In October 2021, the Company entered into a loan agreement with a local bank for credit facility of Baht 200 million, with a term of 5 years. As at 31 December 2021, the Company has fully drawn down the loan.

Movements in the long-term loans account during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	799,443	1,194,450	555,000	786,245
Add: Additional borrowings during the year	200,000	18,663	200,000	-
Less: Repayment during the year	(276,880)	(413,670)	(200,000)	(231,245)
Balance at end of year	<u>722,563</u>	<u>799,443</u>	<u>555,000</u>	<u>555,000</u>

As at 31 December 2021, the long-term credit facilities of a subsidiary which has not yet been drawn down amounted to Baht 12 million (2020: Baht 12 million).

Loan covenants

The loans are secured by the mortgage of certain land, buildings machinery and equipment of the Group.

The loan agreements of the Group contain certain restrictive covenants pertaining to, among others things, the maintenance of debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements and the prohibition from creating lien over related assets.

16. Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	33,380	56,975	9,655	20,450
Less: Deferred interest expenses	(1,071)	(1,949)	(686)	(1,267)
Total lease liabilities	32,309	55,026	8,969	19,183
Less: Portion due within one year	(22,456)	(27,587)	(5,129)	(7,943)
Lease liabilities - net of current portion	<u>9,853</u>	<u>27,439</u>	<u>3,840</u>	<u>11,240</u>

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 5 years.

A maturity analysis of lease payments is disclosed in Note 28.2 to the financial statements under the liquidity risk.

Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation of right-of-use assets	25,551	26,890	5,950	8,052
Interest expense on lease liabilities	1,003	1,516	445	693
Expense relating to short-term leases	848	2,230	95	240
Expense relating to leases of low-value assets	7,781	14,037	3,823	8,662
Expense relating to variable lease payments that do not depend on an index or a rate	235	203	-	-

The Group has lease contracts for building spaces that contains variable payments based on sales. The lease term is 1 - 3 years.

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 35 million (2020: Baht 41 million) (The Company only: Baht 10 million, 2020: Baht 15 million), including the cash outflow related to short-term leases and leases of low-value assets.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	105,156	129,244	30,110	33,028
Included in profit or loss:				
Current service cost	11,262	13,455	4,548	5,491
Interest cost	1,998	1,998	570	570
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	-	10,282	-	3,329
Experience adjustments	-	5,641	-	1,775
Benefits paid during the year	(6,090)	(55,464)	(3,477)	(14,083)
Provision for long-term employee benefits at end of year	112,326	105,156	31,751	30,110

The Group expects to pay Baht 5 million of long-term employee benefits during the next year (The Company only: Baht 1 million) (2020: Baht 6 million, The Company only: Baht 4 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 9 years (The Company only: 9 years) (2020: 9 years, The Company only: 9 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated/Separate financial statements	
	2021	2020
Discount rate	1.5	1.5
Salary increase rate	1.5 - 5.0	1.5 - 5.0
Turnover rate	0.0 - 50.0	0.0 - 50.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(6)	7	(2)	2
Salary increase rate	8	(8)	2	(2)

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(6)	7	(2)	2
Salary increase rate	7	(7)	2	(2)

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

19. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Reversal of provision for sale promotions	46,780	25,387	-	-
Management income	-	-	41,979	40,472
Others	49,647	50,301	3,739	6,329
Total	96,427	75,688	45,718	46,801

20. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Salaries, wages and other employee benefits	485,424	532,365	124,061	136,490
Depreciation	395,864	375,493	67,151	70,909
Amortisation expenses	2,409	6,177	222	681
Loss on exchange	16,035	24,192	-	171
Impairment loss on investments in subsidiaries (reversal)	-	-	(55,000)	163,650
Impairment loss on loans to subsidiary	-	-	54,700	-
Finance cost	38,704	50,962	26,382	32,108
Costs related to production of goods and services (excluding of staff cost and depreciation)	1,212,266	1,147,918	134,074	110,141

21. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	1,881	-	-	-
Adjustment in respect of income tax of previous year	-	(2,281)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(17,279)	5,718	(210)	1,581
Income tax expenses (benefit) reported in profit or loss	(15,398)	3,437	(210)	1,581

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax relating to actuarial loss	--	(2,236)	--	(1,021)

The reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit before tax	413,204	485,249	552,715	319,131
Income tax at Thai corporate income tax rate of 20%	82,641	97,050	110,543	63,826
Adjustment in respect of income tax of previous year	-	(2,281)	-	-
Effects of:				
Non-deductible expenses	4,520	6,431	31	32,923
Additional expenses deductions allowed	(7,454)	(13,954)	(30)	(133)
Exemption of income	(101)	-	(114,663)	(111,367)
Share of profit from investment in associate	(104,036)	(167,262)	-	-
Unused tax loss	8,756	51,913	3,942	15,616
Effect of the change in depreciation method for tax purpose	-	30,747	-	-
Others	276	793	(33)	716
Total	(98,039)	(91,332)	(110,753)	(62,245)
Income tax expenses (benefit) reported in profit or loss	(15,398)	3,437	(210)	1,581

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	715	715	-	-
Allowance for diminution in value of inventories	632	2,761	267	367
Values of property, plant and equipment	60,436	47,634	-	-
Provision for long-term employee benefits	12,182	11,506	6,350	6,022
Unused tax loss	18,865	13,188	-	-
Others	4,478	4,227	-	-
Total	97,308	80,031	6,617	6,389
Deferred tax liabilities				
Values of property, plant and equipment	(10,349)	(10,349)	-	-
Others	(260)	(262)	(212)	(194)
Total	(10,609)	(10,611)	(212)	(194)
Deferred tax assets - net	86,699	69,420	6,405	6,195

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 944 million (2020: Baht 995 million) (The Company only: Baht 155 million, 2020: Baht 136 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses will expire by 2026.

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors of the Group.

The following tables present revenue and profit information regarding operating segments of the Group for the years ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

	Products of vegetable & fruit		Beverage		Others		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from sales of goods	860	834	1,547	1,648	21	18	2,428	2,500
Gross profit (loss)	155	79	433	361	4	(5)	592	435
Other income							97	76
Selling and distribution expenses							(332)	(311)
Administrative expenses							(409)	(477)
Loss on exchange							(16)	(24)
Operating loss							(68)	(301)
Share of profit from investment in associate							520	837
Finance cost							(39)	(51)
Profit before income tax expenses							413	485
Income tax benefit (expenses)							15	(3)
Profit for the year							428	482

Geographic segment information for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Domestic sales		Export sales		Consolidation	
	2021	2020	2021	2020	2021	2020
Revenues from the sales of goods	1,294	1,381	1,134	1,119	2,428	2,500
Gross profit	363	268	229	167	592	435

Major customers

For the year 2021, the Group has revenues from one major customer in amount of Baht 1,473 million, arising from sales by the beverage segment (2020: Baht 1,588 million derived from one major customers, arising from the same segment).

24. Dividends

(Unit: Million Baht)

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2019	Annual General Meeting of the shareholders on 3 April 2020	48.3	0.10
Interim dividends for 2020	Board of Directors' meeting on 18 August 2020	120.6	0.25
Total dividends for the year 2020		<u>168.9</u>	<u>0.35</u>
Interim dividends for 2021	Board of Directors' meeting on 18 February 2021	91.7	0.19
Final dividends for 2020	Annual General Meeting of the shareholders on 9 April 2021	241.3	0.50
Interim dividends for 2021	Board of Directors' meeting on 13 August 2021	91.7	0.19
Total dividends for the year 2021		<u>424.7</u>	<u>0.88</u>

25. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 5 percent of basic salary and its employees contribute to the fund monthly at the rates of 5 - 15 percent of basic salary. The fund, which is managed by K-Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The Group's contributions for the year 2021 amounting to approximately Baht 12 million (2020: Baht 15 million) were recognised as expenses (The Company only: Baht 3 million, 2020: Baht 4 million).

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2021 and 2020, the Group had outstanding capital commitments relating to the purchases of machinery and equipment and computer software as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Baht	11	10	-	1

26.2 Lease and service commitments

The Group has entered into several agreements in respect of the lease of office equipment, which are short-term leases or leases of low-value assets, and other service agreements.

As at 31 December 2021 and 2020, future minimum rental and service fees payable under these agreements are as follows:

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Payable within:				
1 year	24	28	3	11
2 to 5 years	2	7	1	1

26.3 Guarantees

As at 31 December 2021 and 2020, the outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business are summarised below.

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Bank guarantees	14	15	7	7

27. Fair value of financial instruments

As at 31 December 2021 and 2020, the assets and liabilities of the Group that were measured at fair value are derivatives and assets for which fair value are disclosed is investment property. The level in determining the fair value of such assets and liabilities is level 2. The fair value of such assets and liabilities are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Financial assets measured at fair value				
Forward exchange contracts	45	1,649	-	-
Financial liabilities measured at fair value				
Forward exchange contracts	835	163	-	-
Assets for which fair value are disclosed				
Investment property	7,500	7,500	7,500	7,500

28. Financial instruments

28.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	45	1,649	-	-
Total derivative assets	<u>45</u>	<u>1,649</u>	<u>-</u>	<u>-</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	835	163	-	-
Total derivative liabilities	<u>835</u>	<u>163</u>	<u>-</u>	<u>-</u>

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

28.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans to related parties, investments and short-term and long-term loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans and cash at banks. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and loans

The Group manages the risk by adopting appropriate credit control policies and procedures, and outstanding trade receivables and loans are regularly monitored. The Group therefore does not expect to incur material financial losses. In addition, the Group does not have concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Cash at banks

The Group manages the credit risk from balances with banks by making investments only with approved counterparties. The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into derivative financial instruments to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods;
- interest rate swaps to mitigate the risk of rising interest rates.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	2.1	2.9	0.7	0.8	33.42	30.04
Euro	1.4	1.0	0.2	0.2	37.89	36.88
Australian Dollar	-	-	0.1	-	24.26	-

The Group had outstanding forward exchange contracts which maturity date within one year were summarised below.

Foreign currency	As at 31 December 2021					
	Consolidated financial statements		Separate financial statements		Average exchange rate	
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1.4	0.1	-	-	32.85 - 33.63	33.13 - 33.29
Euro	0.3	-	-	-	37.15	-

Foreign currency	As at 31 December 2020					
	Consolidated financial statements		Separate financial statements		Average exchange rate	
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3.8	-	-	-	29.88 - 31.43	-
Euro	0.4	-	-	-	36.96 - 37.09	-

Foreign currency sensitivity analysis

The Group expects that there is no effect to be significantly impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term and long-term loans from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2021					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	2	76	78	0.01 - 0.65
Trade and other receivables	-	-	-	353	353	-
	-	-	2	429	431	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	619	-	-	-	619	1.89 - 5.84
Trade and other payables	-	-	-	482	482	-
Long-term loans from financial institutions	-	-	723	-	723	Note 15
Lease liabilities	22	10	-	-	32	0.71 - 8.76
	641	10	723	482	1,856	

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2020					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	2	54	56	0.10 - 1.00
Trade and other receivables	-	-	-	369	369	-
	-	-	2	423	425	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	814	-	-	-	814	1.89 - 6.95
Trade and other payables	-	-	-	430	430	-
Long-term loans from financial institutions	-	-	799	-	799	Note 15
Lease liabilities	28	27	-	-	55	0.71 - 8.76
	842	27	799	430	2,098	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2021					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	1	19	20	0.01 - 0.25
Trade and other receivables	-	-	-	23	23	-
Short term loan to related parties	420	-	-	-	420	2.65
	<u>420</u>	<u>-</u>	<u>1</u>	<u>42</u>	<u>463</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	368	-	-	-	368	2.32 - 2.90
Trade and other payables	-	-	-	47	47	-
Long-term loans from financial institutions	-	-	555	-	555	Note 15
Lease liabilities	5	4	-	-	9	0.71 - 8.76
	<u>373</u>	<u>4</u>	<u>555</u>	<u>47</u>	<u>979</u>	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2020					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	1	14	15	0.01 - 1.00
Trade and other receivables	-	-	-	16	16	-
Short term loan to related parties	413	-	-	-	413	2.65
	<u>413</u>	<u>-</u>	<u>1</u>	<u>30</u>	<u>444</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	500	-	-	-	500	2.10 - 6.95
Trade and other payables	-	-	-	22	22	-
Long-term loans from financial institutions	-	-	555	-	555	Note 15
Lease liabilities	8	11	-	-	19	0.71 - 8.76
	<u>508</u>	<u>11</u>	<u>555</u>	<u>22</u>	<u>1,096</u>	

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate long-term loans from financial institutions affected as at 31 December 2021 and 2020.

Currency	2021		2020	
	Increase/ decrease	Effect on profit before tax	Increase/ decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1	(7,226)	+1	(7,994)
	-1	7,226	-1	7,994

The above analysis has been prepared assuming that the amounts of the floating rate long-term loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these long-term loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group controls the risk of a shortage of liquidity through the management of sufficient cash and cash equivalents, to reduce the effect of fluctuation of cash flows. In addition, the Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and bank loans. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows.

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 year	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	293.0	326.3	-	-	619.3
Trade and other payables	-	482.4	-	-	482.4
Long-term loans from financial institutions	-	352.5	397.4	-	749.9
Lease liabilities	-	23.1	10.3	-	33.4
Total non-derivatives	<u>293.0</u>	<u>1,184.3</u>	<u>407.7</u>	<u>-</u>	<u>1,885.0</u>
Derivatives					
Derivative liabilities: net settled	-	0.8	-	-	0.8
Total derivatives	<u>-</u>	<u>0.8</u>	<u>-</u>	<u>-</u>	<u>0.8</u>

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 year	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	500.0	314.8	-	-	814.8
Trade and other payables	-	429.7	-	-	429.7
Long-term loans from financial institutions	-	284.8	548.9	-	833.7
Lease liabilities	-	28.6	28.4	-	57.0
Total non-derivatives	<u>500.0</u>	<u>1,057.9</u>	<u>577.3</u>	<u>-</u>	<u>2,135.2</u>
Derivatives					
Derivative liabilities: net settled	-	0.2	-	-	0.2
Total derivatives	<u>-</u>	<u>0.2</u>	<u>-</u>	<u>-</u>	<u>0.2</u>

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 year	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	218.0	150.1	-	-	368.1
Trade and other payables	-	46.5	-	-	46.5
Long-term loans from financial institutions	-	272.3	305.3	-	577.6
Lease liabilities	-	5.5	4.2	-	9.7
Total non-derivatives	<u>218.0</u>	<u>474.4</u>	<u>309.5</u>	<u>-</u>	<u>1,001.9</u>

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 year	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	300.0	200.2	-	-	500.2
Trade and other payables	-	22.2	-	-	22.2
Long-term loans from financial institutions	-	202.1	376.1	-	578.2
Lease liabilities	-	8.5	12.0	-	20.5
Total non-derivatives	<u>300.0</u>	<u>433.0</u>	<u>388.1</u>	<u>-</u>	<u>1,121.1</u>

28.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, accounts payable and short-term loans from financial institutions, the carrying amounts in the statement of financial position approximate their fair value.

b) For long-term loans carrying interest at rates approximating the market rate, the carrying amounts in the statement of financial position approximate their fair value.

c) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Group considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

29. Capital management

The primary objective of the capital management of the Group is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods. As at 31 December 2021, the Group's debt-to-equity ratio was 0.46:1 (2020: 0.54:1) and the Company's debt-to equity ratio was 0.44:1 (2020: 0.52:1).

30. Events after the reporting period

On 18 February 2022, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment for the year 2021 of Baht 0.77 per share, or a total of Baht 371.6 million. Since an interim dividend of Baht 0.19 per share, or a total of Baht 91.7 million, was already distributed to the shareholders in September 2021, the remaining final dividend is Baht 279.9 million (Baht 0.58 per share).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2022.





Attachment



Attachment 1

Information of the Board of Directors, Executives, Controlling Persons and Company Secretary

As of December 31, 2021

Ms. Laksana Supsakorn

Chairman of the Board / Authorized Director

Age : 70 years

Starting date of Directorship : 2 April 2012

Education :

MBA Wharton Business School, University of Pennsylvania, USA
Bachelor's Degree in Accounting (Honor), Chulalongkorn University

Seminars on Directors Roles & Responsibilities / Thai Institute of Directors:

- 2014 Role of the Chairman Program (RCP)
- 2014 Director Certification Program (DCP)
- 2012 Director Accredited Program (DAP)

Shareholding in Company on December 31, 2021 :

41,461,267 shares (8.59 %)

Family Relationship with Other Director and Executives:

Younger sister of Mrs. Anurat Tiamtan and Mr. Sitilarb Supsakorn and aunt of Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present:

Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present:

Tipco Pineapple Company Limited
Tipco F&B Company Limited
Tipco Retail Co., Ltd
Siam Container Terminal Company Limited
Vanichapark Company Limited
Thanomwongse Service Company Limited
Ruamsapsin Company Limited
Tipco Tower Company Limited
Thai Slurry Seal Company Limited
Raycol Asphalt Company Limited

Related Experience:

2017 – Present	Director, Tipco Retail Company Limited
2017 – Present	Director, Tipco Pineapple Company Limited
2014 – Present	Director, Tipco Tower Company Limited
2013 – Present	Director, Tipco Asphalt Public Company Limited
2013 – Present	Director, Tipco F&B Company Limited

ACM Pongsatorn Buasup

Vice Chairman / Independent Director

Age : 70 years

Starting date of Directorship : 11 November 2019

Education :

National Defense Collage
Air War College
Air Command and Staff College
Avionics Officer School USAF, Colorado, USA.
Royal Thai Air Force Academy Bachelor of Aeronautical Engineering

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

- 2012 Director Accreditation Program (DAP)
- 2008 Director Certificate Program (DCP)
- 2008 Financial Statements for Directors

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

None

Related Experience:

2004 – Present	Adviser of National Metal and Materials Technology Center
2012 – 2018	Chairman of the Board of Directors, Defense Technology Institute, Ministry of Defense
2011 – 2014	Director and Audit Committee, The Transport Co., Ltd
2009 – 2013	Consultant of Grupo Arger, a trading company in Brazil
2008 – 2009	Director of Aeronautical Radio of Thailand Ltd.
2007 – 2009	Chief of Staff to Ministry of Defense
2004 – 2006	Director of Directorate of Armament, RTAF.



Mrs. Anurat Tiamtan

Director / Authorized Director

Age : 73 years

Starting date of Directorship : 22 March 1976

Education :

M.Sc. (Biochemistry), The American University, Washington D.C., USA

B.Sc. (Chemistry), Kasetsart University

Seminars on Director Roles & Responsibilities / Thai Institute of Directors:

2001 Chairman Program 2000

2004 Director Certification Program (DCP)

Shareholding in Company on December 31, 2021 :

34,566,765 shares (7.16 %)

Family Relationship with Other Director and Executives:

Elder sister of Mr. Sitilarb Supsakorn, Ms. Laksana Supsakorn and aunt of Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

Tipco F&B Company Limited

Tipco Pineapple Company Limited

Tipco Biotech Company Limited

Tipco Retail Company Limited

Siam Container Terminal Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Related Experience:

2003 - 2013 Chairman of the Board, Tipco Foods Public Company Limited

2003 - 2013 Chairman of the Board, Tipco Asphalt Public Company Limited

Mr. Sitilarb Supsakorn

Director / Authorized Director

Age : 71 years

Starting date of Directorship : 2 April 2012

Education :

Bachelor's Degree of Business Administration, Babson College, MA, USA

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

2012 Director Accreditation Program (DAP)

Shareholding in Company on December 31, 2021 :

55,000,000 shares (11.40 %)

Family Relationship with Other Director and Executives:

Younger brother of Mrs. Anurat Tiamtan, elder brother of Ms. Laksana Supsakorn and uncle of Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present:

Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present:

Tipco F&B Company Limited

Tipco Biotech Company Limited

Tipco Retail Company Limited

Tipco Pineapple Company Limited

Siam Container Terminal Company Limited

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Thai Slurry Seal Company Limited

Thai Bitumen Company Limited

Raycol Asphalt Company Limited

Tipco Maritime Company Limited

Ravana 1020 Company Limited

Tasco Shipping Company Limited

Alpha Maritime Company Limited

Bitumen Marine Company Limited

Related Experience:

2018 – Present Director, Tipco F&B Company Limited

2018 – Present Director, Tipco Biotech Company Limited

2018 – Present Director, Tipco Retail Company Limited

2017 – Present Director, Tipco Pineapple Company Limited

2014 – Present Director, Tipco Tower Company Limited



Mr. Surachet Supsakorn

Director / Member of the Nomination and Remuneration Committee / Authorized director

Age : 61 years

Starting date of Directorship : 18 August 2003

Education :

Master's Degree of Business Administration in Finance, Kasetsart University
Bachelor's Degree of Business Administration in Accounting,
Rajamangala University of Technology College, MA, USA

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

2004 Director Certification Program (DCP), Diploma, IOD
2003 Director Certification Program (DCP), Certificate of Completion, IOD

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

Cousin of Mrs. Anurat Tiamtan, Mr. Sitilarb Supsakorn, Ms. Laksana Supsakorn and Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present:

United Paper Public Company Limited

Holding a Position of Director in Other Companies at present:

Ruamsapsin Company Limited

Related Experience:

2014 – 2021	Director, Tipco Tower Company Limited
2014 – 2019	Managing Director, Tipco Tower Company Limited
2012 – Present	Director, Ruamsapsin Company Limited
2011 – 2019	Managing Director, Thanomwongse Service Company Limited
2004 – Present	Independent Director and Chairman of the Audit Committee, United Paper Public Company Limited
2001 - 2010	Deputy Managing Director, Thanomwongse Service Company Limited
2000	Senior Manager – Administration, Thanomwongse Service Company Limited

Mr. Kris Sertthin

Director / Authorized Director

Age : 39 years

Starting date of Directorship : 11 November 2019

Education :

Bachelor of Science in Business Administration with concentration in Finance and Economics, Babson College, Wellesley, MA, USA

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

None

Shareholding in Company on December 31, 2021 :

2,000,000 shares (0.41%)

Family Relationship with Other Director and Executives:

Grandson of Mrs. Anurat Tiamtan, Ms. Laksana Supsakorn Mr. Sitilarb Supsakorn and Mr. Surachet Supsakorn

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

Rattanajit Company Limited
Jitzda Company Limited
United Technology Services Company Limited
Tipco F&B Company Limited
Tipco Retail Company Limited

Related Experience:

2021 – Present	Director – Business Development, Tipco Asphalt Public Company Limited
2015 – 2021	Senior Manager – Business Development, Tipco Asphalt Public Company Limited
2011 – 2015	Business Development, Tipco Group of Companies
2008 – 2011	Advisory Staff to the Finance Minister, Office of the Minister of Finance of Thailand
2007 – 2005	Investment Banking Department, Phatra Securities Public Company Limited (Formerly Merrill Lynch Thailand)

Mr. Virat Phairatphiboon

Independent Director / Chairman of the Audit Committee

Age : 74 years

Starting date of Directorship : 7 September 2007

Education :

Bachelor's Degree in Economics and Business Administration, Adams State College, Colorado, U.S.A.

Executive Development Program, Princeton University, USA

Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

2018 Tough Boardroom Situations – Independent Directors Share Lessons Learned

2014 Director Certification Program Update (DCPU)

2013 Anti-Corruption for Executive Program (ACEP)

2008 Role of the Compensation Committee Program (RCC)

2004 Audit Committee Program (ACP)

2002 Director Certification Program DCP

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

Bank of Ayudhya Public Company Limited

Holding a Position of Director in Other Companies at present:

None

Related Experience:

2020 – Present Nomination and Remuneration Committee Member – Bank of Ayudhya Public Company Limited

2018 – Present Chairman of the Risk and Compliance Committee – Bank of Ayudhya Public Company Limited

2007 – 2018 Nomination and Remuneration Committee Member – Bank of Ayudhya Public Company Limited
2000 President – CIMIC Finance and Securities Public Company Limited

1999 – Present Audit Committee Member - Bank of Ayudhya Public Company Limited

1998 – Present Independent Director - Bank of Ayudhya Public Company Limited

Mr. Paisal Pongprayoon

Independent Director / Audit Committee / Chairman of the Nomination & Remuneration Committee

Age : 72 years

Starting date of Directorship : 2 April 2012

Education :

Master's Degree in Engineering concentrated in Industrial Engineering from Fairleigh Dickinson, USA

Bachelor's Degree in Engineering concentrated in Civil Engineering from Villanova University, USA

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

2014 Role of the Chairman Program (RCP)

2014 Director Certification Program (DCP)

2012 Directors Accreditation Program (DAP)

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

None

Related Experience:

2000 - 2010 Head of Business Partner: True Corporation Public Company Limited

1997 - 1999 Managing Director, Samart Cable System Public Company Limited

1993 - 1997 Director in Commercial Section, Telecom Asia Corporation Public Company Limited

1992 - 1993 Real Estate Development Projects Manager, Thai Wah Engineering Company Limited

1991 - 1992 Assistant Managing Director, Hi-Tech Industry Estate Public Company Limited



Mrs. Achara Pricha

Independent Director/ Audit committee / Member of the Nomination and Remuneration committee

Age : 66 years

Starting date of Directorship : 25 April 2014

Education :

Master in Business Management, Asian Institute of Management, The Philippines

Bachelor Degree of Mass Communications Arts.Major in Journalism, Chulalongkorn University

Diploma in French Language Division, Borpit Pimuk College

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

2018 Tough Boardroom Situations – Independent Directors Share Lessons Learned

2018 Board Matters & Trends BMT 6/2018

2015 Advanced Audit Committee Program (AACP)

2014 Director Certificate Program Completion, IOD

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

Sarnti Green Pack Co., Ltd.

Related Experience:

1995 – Present Director, Sarnti Green Pack Co., Ltd.

2008 – 2012 Director, SSJ Pte., Ltd., Singapore.

2008 – 2011 Director, Shaldan (Thailand) Co., Ltd.

2010 – 2012 Assistant Vice President, Reno (Thailand) Co., Ltd.

2005 – 2010 Second Vice President, International Business Division, ICC International PCL.

1989 – 2005 Second Vice President, Cosmetic Direction ICC International PCL.

Mr. Chalit Limpanavech

Independent Director

Age : 70 years

Starting date of Directorship : 24 April 2008

Education :

Master's Degree in Public Administration from Chulalongkorn University

Attained the Senior Marketing Management Course in London 1987

Bachelor's Degree of Business Administration in Marketing from Assumption University

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

Board Matters & Trends BMT 6/2018

Director Certificate Program (DCP)

Financial Statements for Directors

Audit Committee Program

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

Sarnti Green Pack Co., Ltd.

Related Experience:

2018 - Present Advisor to Marketing Association of Thailand

2011 - 2018 Vice President for Academic Affairs, Marketing Association of Thailand.

2011 - 2015 Chairman of marketing Management Group of the Thai Management Association (TMA)

2003 - 2011 Audit Director of Chuo Senko Advertising (Thailand) Public Company Limited

2003 - 2010 Dean of Communication Arts, Assumption University (ABAC)

Mr.Yongsit Rojsrikul

Chief Executive Officer / Authorized Director

Age : 58 years

Starting date of Directorship : 13 January 2021

Education :

MBA California State University Dominguez Hills, USA

Bachelor of Engineering (Electrical), Chulalongkorn University

National Defence Course, Class 61

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

2008 Chartered Director Program

2007 Director Certification Program

2007 Director Diploma Program

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

None

Related Experience:

2018-2020 Chief Enterprise Business Officer of Advanced Info Service Pcl. (AIS) and Advanced Wireless Network Co, Ltd (AWN)

2012-2014 Governor Director and Secretary of the Board of the Mass Rapid Transit Authority of Thailand (MRTA)

1991-2011 Executive Vice President and Chief Commercial Officer of Thaicom Public Company Limited.



Ms. Kullakarn Cheenpun

Company Secretary

Age : 55 years

Starting date of Directorship : 1 April 2017

Education :

Bachelor's Degree in Accounting from Ramkhamhaeng University

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

Company Secretary Program (CSP) 68/2016

Board Reporting Program (BRP) 19/2016

Effective Minute Taking (EMT) 35/2016

Refreshment Training Program (RFP) 4/2021

Seminars / Thai Listed Companies Association

Fundamentals of Law for Corporate Secretaries 12/2014

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

None

Related Experience:

2017- Present	Company Secretary and Secretary of the Audit Committee, Tipco Foods Public Company Limited
2014-2017	Assistant Company Secretary and Secretary of the Audit Committee, Tipco Foods Public Company Limited
2009-2013	Unit Head of Corporate Public Relations, Tipco Foods Public Company Limited
2000-2008	Budget Analyst and Secretary of the Audit Committee, Tipco Foods Public Company Limited
1992-1997	Accountant, Tipco Foods Public Company Limited

Mr. Leuchar Pisitthakarn

Chief Financial Officer

Age : 56 years

Education :

Master of Business Administration, Rangsit University, Thailand

Bachelor of Science in Economics, University of Utan, USA

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

American Management Association, California, USA

(Sr. Project Management)

Dale Carnegie - Management Team Building

Management Development Program - Module I & II

Business for Finance, Switzerland - Module I & II

Great Manager Program

Talent Management Program

Multi-Functional Team Building

People Product Management

Safety Office at Management Level

Strategic Financial Leadership Program

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

Tipco Pineapple Company Limited

Tipco Tipco F&B Company Limited

Tipco Biotech Company Limited

Tipco Retail Company Limited

Related Experience:

2017	Director - The Premier Group of Companies
2016	Group Chief Financial Officer - Pacific-AA Group (Singapore, Myanmar, and USA)
2014 - 2016	VP Finance International - The Minor Food Group - Under the "Minor International"
2013 - 2014	Group Chief Operating Officer/Group Chief Financial Officer - Winvestment Holding Ltd.
2006 - 2013	Standard Chartered Bank
	- Head of Performance Management, Consumer Banking SEA & SG (Singapore)
	- CFO for Mekong Region (Vietnam, Laos, and Cambodia)
	- Head of Business Finance, Consumer Banking Thailand

Ms.Tanyaporn Vanichkitpaisan

Director - Corporate Accounting & Internal Control

Age : 48 years

Education :

Master of Business Economics (MBE), National Institute of Development Administration (NIDA)

Bachelor of Accounting (BA), Thammasat University

Seminars on Director Roles Responsibilities / Thai Institute of Directors:

None

Shareholding in Company on December 31, 2021 :

None

Family Relationship with Other Director and Executives:

None

Holding a Position of Director in Listed Company at present:

None

Holding a Position of Director in Other Companies at present:

None

Related Experience:

2018 - 2019 VP Accounting, SC Group

2014 - 2018 Senior Audit Manager-Internal Audit, Minor International Plc.

1995 - 2014 Senior Audit Manager, EY Office Limited

Attachment 2

Profiles of directors of subsidiaries

Names of the directors of the subsidiaries are listed below.

Directors		Subsidiaries
		Tipco F&B Co., Ltd.
Miss Laksana	Supsakorn	X
Mrs. Anurat	Tiamtan	/
Mr. Sittilab	Supsakorn	/
Mr. Kris	Sertthin	/
Mr. Yongsit	Rojsrikul *	///
Mr. Leuchar	Pisitthakarn	/

Directors		Subsidiaries
		Tipco Pineapple Co., Ltd.
Miss Laksana	Supsakorn	X
Mrs. Anurat	Tiamtan	/
Mr. Sittilab	Supsakorn	/
Mr. Yongsit	Rojsrikul*	///
Mr. Leuchar	Pisitthakarn	/

Directors		Subsidiaries
		Tipco Biotech Co, Ltd.
Mrs. Anurat	Tiamtan	X
Miss Laksana	Supsakorn	/
Mr. Sittilab	Supsakorn	/
Mr. Yongsit	Rojsrikul*	///
Mr. Leuchar	Pisitthakarn	/

Directors		Subsidiaries
		Tipco Retail Co., Ltd.
Miss Laksana	Supsakorn	X
Mrs. Anurat	Tiamtan	/
Mr. Sittilab	Supsakorn	/
Mr. Kris	Sertthin	/
Mr. Yongsit	Rajsrikul*	///
Mr. Leuchar	Pisitthakarn	/

Remarks * Appointed on February 18, 2021

1. / = Director

X = Chairman

/// = Chief Executive Officer

2. A subsidiary refers to a subsidiary that is of significance, for example, with its revenue exceeding 10% of the total revenue as per the consolidated income statements for the recent fiscal year.

Attachment 3

Details regarding Head of Internal Audit Function and Head of Compliance Function

1. Details Regarding Head of Compliance Function

The Board of Directors has appointed Miss Kullakarn Cheenpun, Corporate Secretary, as Head of Compliance Function. She shall be responsible for acting as a center of supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies such as the Bank of Thailand, the Office of the Securities and Exchange Commission, the Office of Insurance Commission, the Energy Regulatory Commission, or other relevant agencies governing the Company's business operations. The Board of Directors approved the compliance policy requiring that the Board of Directors, the Audit Committee, high-level executives, departments or functional units, and employees comply with laws. There shall be communication to employees to ensure that they are aware of their duties and responsibilities to study and understand laws, rules and regulations applicable to their work and to ensure strict and full compliance therewith. (The profile is as per Attachment 1.)

2. Details Regarding Head of Internal Audit Function

The Audit Committee appointed Audit and Management Consultant Co., Ltd. as the Company's internal auditor. Audit and Management Consultant Co., Ltd. assigned Mrs. Pilai Piampongsarn, as an internal auditor, to be mainly responsible for internal audit operations of the Company.

Profile of Mrs. Pilai Piampongsarn

Education and Professional Certificates

- B.A. in Accountancy, Chulalongkorn University
- Mini MBA, Chulalongkorn University
- Certified Public Account (Thailand) – (CPA Registration No.2336)
- Honorary Certified Internal Auditor, Institute of Internal Auditors – (CIA No.30861)
- Director Certification Program (DCP) – IOD Batch 9/2001

Work Experience

- | | |
|----------------|--|
| 1981 – 1994 | Director of Internal Audit Department, Electricity Generating Authority of Thailand |
| 1994 – 1996 | Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand |
| 1995 – 1997 | Chairman of the Institute of Internal Auditors of Thailand |
| 1999 – Current | President of Audit and Management Consultant Co., Ltd. |

Internal Audit

2004 – Current	Tipco Foods Group
2003 – Current	United Paper Pcl.
2003 – 2014	Park Nai Lert Co., Ltd.
2000 – 2017	Erawan Group Pcl. and its subsidiaries

Internal Control and Internal Audit Assessment

2011 – 2014	Budget control, procurement, control of rental fee revenue, rental contract and fixed asset, etc. of the Property Fund and Leasehold Property Fund of Siam Commercial Bank Asset Management Co., Ltd.
-------------	---

Training

1994 – 1997	The Institute of Internal Auditors of Thailand – Establish the training course and acting as a speaker
1998 – 2001	American Corporation for Thailand Internal Auditor Training Program, in collaboration with the Ministry of Labor, the Stock Exchange of Thailand, KENAN Institute, Price Waterhouse Coopers, TRIS and the Institute of Internal Auditors, etc.

Training Program Committee: Establishing and acting as a speaker in the course of “Internal Auditing for New Internal Auditor” for the unemployed graduates during the economics crisis in 1998 for 22 classes with approximately 1,000 participants in total.

Attachment 4

Operating Assets

Assets of the Company and Its Subsidiaries

As at 31 December 2021





Item	HQ	Prachuap Khiri Khan	Ayutthaya	Phetchaboon	Chiangmai
1. Land	22.15	127.10	***41.29	***16.92	84.50
2. Land development fee	0.00	0.11	1.12	0.04	0.00
3. Buildings	16.59	99.50	***226.62	***245.35	32.77
4. Office equipment	0.78	-	0.63	0.65	0.26
5. Vehicles	4.82	2.31	0.64	0.26	0.00
6. Machinery and equipment	0.00	105.16	465.61	114.00	47.80
7. Tools and equipment	7.20	21.64	21.20	6.60	3.65
8. Intangible assets	28.01	0.22	-	-	0.00
9. Work in process	0.05	51.90	7.26	0.61	0.17
10. Reserve for obsolete assets	0.00	(20.69)	(173.84)	-	-
11. Other	0.52	-	-	-	-
Total	80.12	387.25	590.53	384.43	169.15
Grand Total					1,611.49

***Subject to mortgages totaling Baht 530.18 million with financial institutions

Remark

1. The head office building is situated on the rented floors, i.e. 24th and 27th – 28th, of Tipco Tower Co., Ltd., with the total rental and service fees of Baht 12.62 million per year.

Key trademarks

Trademark	Owner's Name	Types of Goods/Services	Registration No./ Country	Valid Period
	Tipco Foods Pcl.	Mineral water, still water, herbal drinks (non-medical use), cereal drink, soya milk, mineral drink, fruit drink with vitamin for non-medical use	Kor. 281009 / Thailand	10 years
	Tipco Foods Pcl.	<ul style="list-style-type: none"> Fruit juice, vegetable juice, mixed fruit and vegetable juice, cereal drink, soya milk, corn milk, millet milk, herbal drink for medical use, mineral drink, functional drink with vitamin, mineral water, and water Ready-to-drink green tea, ready-to-drink green tea with fruit juice, coffee, and tea 	Kor. 272041 / Thailand Kor. 272789 / Thailand	10 years 10 years
	Tipco Foods Pcl.	Sales and services related to food and beverages	Bor.61070 / Thailand	10 years
	Tipco Foods Pcl.	Fresh fruits	Kor.399781/ Thailand	10 years

Investment Policy

As at 31 December 2021, the Company's investments in its subsidiaries and associates consisted of investments of Baht 700 million in the processed fruit business; Baht 729.05 million in the consumer business; Baht 175.50 million in the retail business; Baht 160.79 million in the extract and agricultural business; and Baht 644.93 million in the business of manufacture and distribution of asphalt products. The investments in the subsidiaries and associates accounted for 34% of total assets.

The Company aims to hold long-term investments in the business of manufacture and distribution of asphalts. Such investments may be sold in short periods for gains from sales of investments. However, the Company has the policy of maintaining such investments at 20-25%.

Details of Asset Valuation

-None-

Attachment 5

Policy and Good Corporate Governance and Code of business conduct

For details on policy and the full version of the Good corporate governance and Code of business conduct can be found at the link below.

<https://www.tipcofood.com/wp-content/uploads/2021/11/3.pdf>

Attachment 6

Report of the Audit Committee

The Audit Committee of Tipco Foods Public Company Limited comprises 3 independent directors. Mr. Virat Phairatphiboon serves as Chairman of the Audit Committee, while Mr. Paisal Pongprayoon and Mrs. Achara Pricha serve as members of the Audit Committee. The Audit Committee performs its duties as assigned by the Board of Directors under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Audit Committee supervises the review of the anti-corruption practices of the Company performed by the Internal Audit Department to ensure appropriate and adequate control systems to mitigate risks from possible corruption.

In 2021, the Audit Committee held 4 formal meetings with the external auditor and the internal auditor. The Committee also discussed with the internal auditor, the external auditor, and the management the action plans to ensure consistency and comprehensiveness. The Audit Committee's main operations can be summarized as follows:

1. Jointly determined the annual internal audit plan with Audit and Management Consultant Co., Ltd., the internal auditor, to review sufficiency of internal control systems; and monitored actual performance compared to the internal audit plan every quarter. Focus was placed on managing business risks and the internal auditor was assigned to review such risks on a quarterly basis.

2. Jointly reviewed the quarterly and annual financial statements and related financial reports together with the external auditor prior to submission thereof to the Board of Directors for consideration and approval. It was found that the financial statements were prepared in accordance with the financial reporting standards and disclosed sufficient, complete, and reliable information. Also, impacts from additional changes to the financial reporting standards were followed up.

3. Reviewed connected transactions between the Company and related individuals and juristic persons and opined that such transactions were undertaken in the ordinary course of business and market price comparison was made to ensure reasonableness.

4. Conducted reviews to ensure that effective internal control systems were in place and no significant weaknesses that could cause significant impacts were found. It was reiterated that the management must consistently enhance the internal control and risk management systems to be efficient and aligned with the business environment. The Audit Committee also promoted and supported internal audit activities to meet international standards and provided suggestions for areas of improvement.

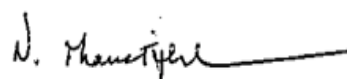
5. Monitored the Company's investment projects by regularly following up on their progress and management reports.

6. Reviewing the Company's compliance with relevant regulations and laws to ensure integrity, transparency, and fairness towards the shareholders and other stakeholders. Based on the review, it was found that the Company was in full compliance with said regulations and laws.

7. Jointly considered, proposed, and appointed a new external auditor according to an appropriate timeframe as well as an audit fee to the Board of Directors to seek approval from the shareholders' meeting. In this regard, EY Office Limited was appointed as the Company's auditor for 2020.

8. Reviewed the Charter of the Audit Committee and conducted self-assessment on the performance of the Audit Committee as well as reported the performance rating to the Board of Directors for acknowledgment.

In summary, the Audit Committee performed its duties comprehensively and in compliance with its Charter. Together with the management, the internal auditor, and the external auditor, after due consideration, the Audit Committee was satisfied that the Company's current internal control systems were sufficient and subjected to ongoing improvements. The Company had good corporate governance and risk management systems. The Company's financial statement preparation process was conducted with appropriate and adequate controls. The Company's financial statements were prepared in accordance with the reliable financial reporting standards. The Audit Committee also regularly reviewed relevant laws, regulations, and rules; and conducted assessments to ensure the Company's compliance therewith.



(Mr. Virat Phairatphiboon)

Chairman of the Audit Committee

15 February 2022



Tipco Foods Public Company Limited
118/1 TIPCO Tower 1, Rama 6 Road, Phayathai Sub-district, Phayathai District,
Bangkok. 10400
www.tipco.net

