



2020 TOWARDS NEW NORMAL, BEGINNING

Celebrating Osotspa's 130th Anniversary

From the past to the present
we are proud to have grown side by side with Thais

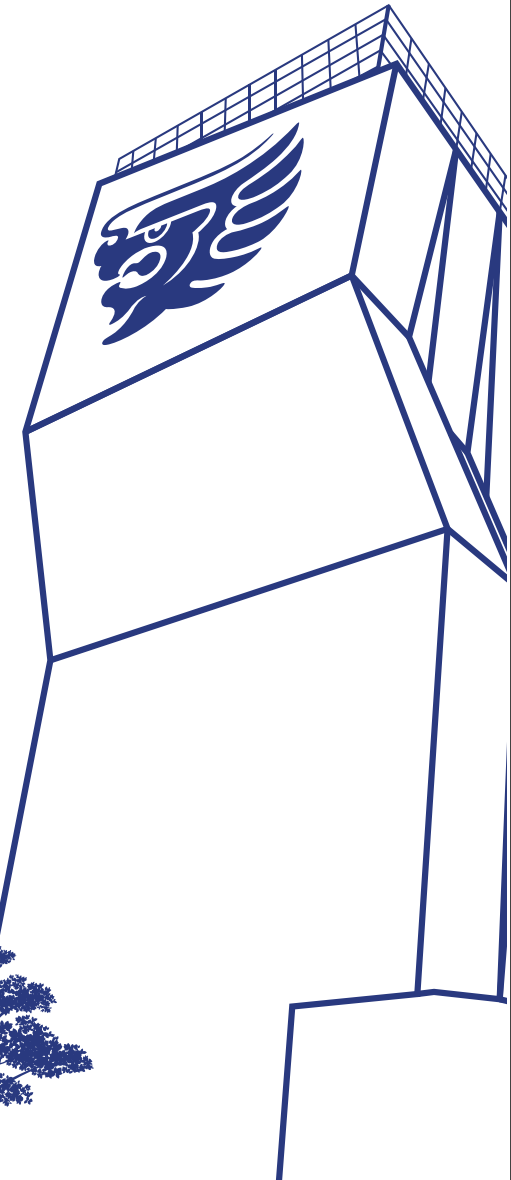
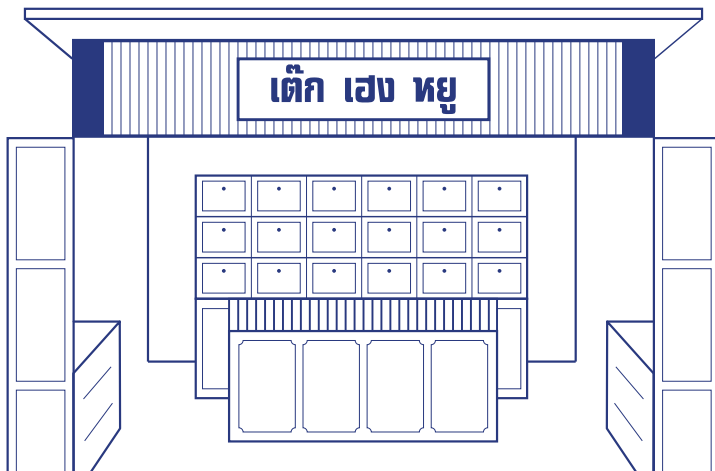
Story of Osotspa 130-Year Legacy



Travel the world with Paothong



Suthichai Live



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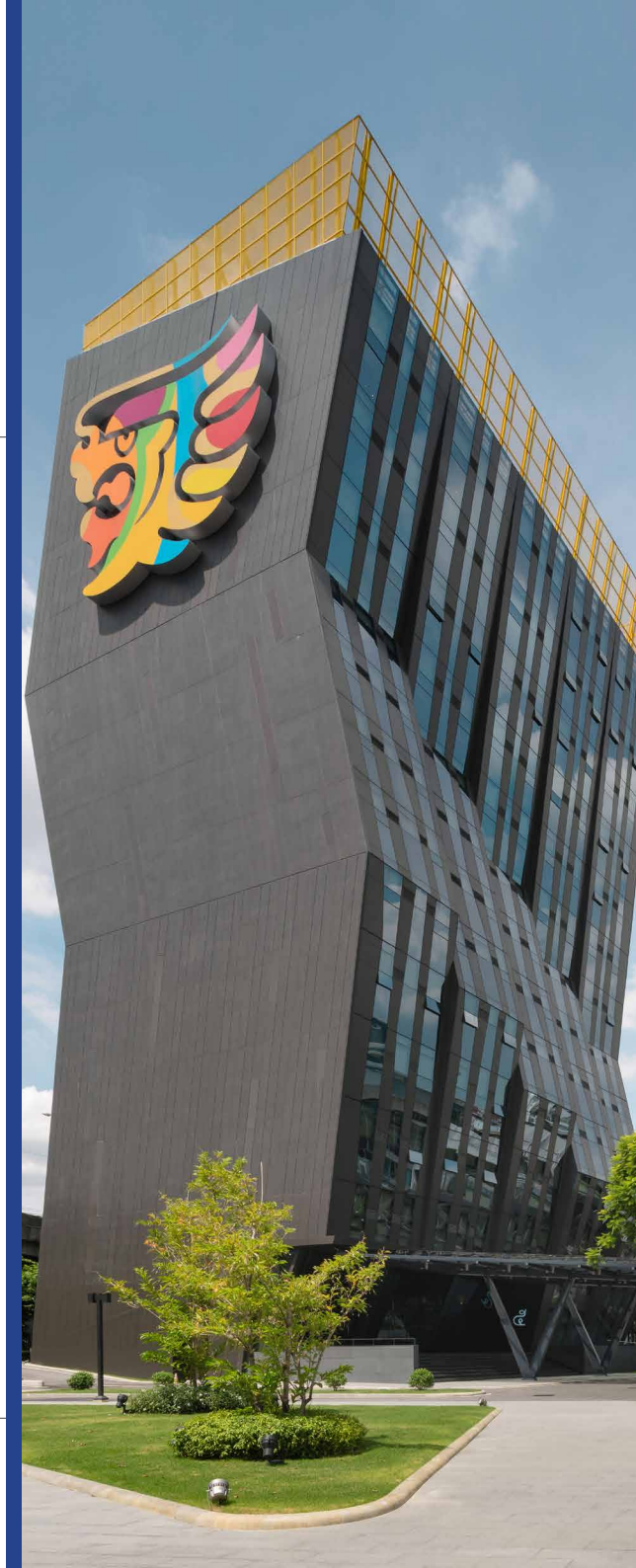
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MESSAGE FROM CHAIRMAN

Message from our Chairman of the Board of Directors

With a history that spans 5 generations and well over 100 years, Osotspa has faced a variety of unique situations in its time. None, however, can be compared to the COVID-19 pandemic which has impacted all business sectors, both domestically and globally. Amid these trying times, the vision and experience of our management team has truly shined. This, in conjunction with the strong collaboration and dedication of all employees, has enabled Osotspa to respond to the crisis with timely, highly effective strategies. As a result, our businesses have continued to run smoothly while our employees have been well protected from COVID-19.

Undeterred by a crisis of the magnitude of COVID-19, Osotspa has stayed committed to its “Power to Enhance Life” vision. Over the year, the Company provided support worth 50 million Baht in the fight against COVID-19, targeting various dimensions such as spread mitigation, treatment of infections, and encouragement of patients and frontline workers.

Osotspa has shown its appreciation and support for frontline medical and healthcare workers fighting COVID-19 by donating the Company’s beverages and alcohol-based hand sanitizers to hospitals and public health agencies across Thailand. Osotspa’s engineering team, meanwhile, applied its knowledge and mechanical expertise to invent medical equipment for COVID-19 patients, including negative pressure cabinets, COVID-19 patient filters stations, negative pressure isolation capsules, and dental tools. Moreover, M-150 volunteer teams took the fight to the street with staff from various sectors, handing out beverage products

to encourage and reenergize frontline workers. Osotspa also created new job opportunities for those who have become unemployed due to COVID-19. Comprehensive training, including drink recipes, sales techniques, and knowledge of Osotspa’s products, equipment, and supplies for opening drink shops were offered to participants. In addition to this training, the Company provided the supplies required for beverage sales and delivery so that participants can begin their new careers and earn an income to support their families.

On behalf of Osotspa, I would like to extend my sincere gratitude to all shareholders, business partners, and related parties for their continued support and confidence in our operations. I would also like to thank the staff for their wholehearted commitment and efforts to help our organization survive the crisis. Our ability to deftly navigate the historic challenges of the pandemic is a reminder of the fundamental strengths of Osotspa and proof that we enter our 130th year on firm, sustainable footing.



Mr. Surin Osathanugrah

Chairman of the Board of Directors



MESSAGE FROM CEO

Message from our Chief Executive Officer

The COVID-19 pandemic has pummeled the global economy and caused seismic changes to the operations of all industries. In this environment, uncertainty has become the primary obstacle to conducting business. Hence, with 129 years of business experience and a structure conducive to agility, Osotspa is better equipped than most to rapidly and effectively overcome such situations.

Even before COVID-19 morphed into a historic pandemic, the Company had made effective preparations for every conceivable contingency, including marketing campaigns and production, supply chain and delivery optimizations. As a result of these preparations, operations were largely uninterrupted by the global turmoil from the pandemic. Furthermore, some brands outperformed thanks to their status as long-time market leaders trusted by consumers for quality. Indeed, when consumers turn more cautious on spending, they tend to stick with their trusted brands. These include M-150 and C-Vitt drinks as well as Babi Mild products. Osotspa's strong balance sheet with positive cash flows, liquidity, and controlled capital expenditure (CAPEX) together with its continuous efficiency improvements and cost reductions through the Fit Fast Firm project were key to the Company navigating the COVID-19 crisis last year.

Osotspa is well aware that in every crisis, there are opportunities. In the case of COVID-19, the pandemic served as the driving force behind Osotspa's digital transformation and focus on agility, resulting in the launch of new products that serve the recent changes in consumer demand. The C-Vitt brand of Vitamin C

beverages in particular has seen tremendous growth, tracking consumer health care trends and supported by an increase in production capacity.

The opening of the new beverage factory in Myanmar in July 2020 represents an important milestone for Osotspa. At its core, the new plant will allow the Company to better manage production and logistic costs. It will also facilitate further expansion of route-to-market and distribution channels, allowing Osotspa to more effectively tap consumer demand in the region. This bodes well for gross margin, flexibility, market share, and sales growth, brightening overall revenue prospects.

On behalf of the Board of Directors, I extend our sincere gratitude to all shareholders, business partners, and related parties for their continued support and confidence in our operations. I would also like to thank the executives and staff for their wholehearted commitment and efforts towards helping our organization survive the crisis.

Backed by our robust industry capabilities, deep executive experience, and broad staff collaboration, Osotspa shall continue to effectively manage the pandemic's impact while generating high shareholder returns and sustainable growth.



Mr. Thana Chaiprasit

Acting Chief Executive Officer

Board of Directors



**MR. SURIN
OSATHANUGRAH**

Chairman of the Board of Directors
and Authorized Director



**MR. SOMPRASONG
BOONYACHAI**

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



**MRS. KANNIKAR
CHALITAPORN**

Vice Chairperson of the Board of Directors
and Chairperson of the Executive Committee



**MR. PETCH
OSATHANUGRAH**

Vice Chairman of the Board of Directors
and Authorized Director



**MR. THANA
CHAIPRASIT**

Director, Member of the Executive Committee,
Authorized Director, and Acting Chief Executive Officer



**MR. RATCH
OSATHANUGRAH**

Vice Chairman of the Board of Directors
and Authorized Director



**MR. PRATHARN
CHAIPRASIT**

Director, Senior Vice Chairman
of the Executive Committee

MR. TASHARIN OSATHANUGRAH

Director, Vice Chairman of the Executive Committee and Authorized Director



MS. PENCHUN JARIKASEM

Independent Director and Chairperson of the Audit Committee



MR. NITI OSATHANUGRAH

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



MR. KRIRK VANIKKUL

Independent Director and Member of the Audit Committee



MRS. WANNIPA BHAKDIBUTR

Director, Member of the Executive Committee, Member of the Risk Management Committee, President and Authorized Director



MRS. SINEE THIENPRASIDDHI

Independent Director and Member of the Audit Committee



MRS. PORNTIDA BOONSA

Director, Member of the Executive Committee, Member of the Risk Management Committee, and Chief Financial Officer



MR. SALIN PINKAYAN

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



Executives



**MRS. KANNIKAR
CHALITAPORN**

Chairperson of the Executive Committee



**MR. THANA
CHAIPRASIT**

Acting Chief Executive Officer



**MR. PRATHARN
CHAIPRASIT**

Senior Vice Chairman of the Executive Committee



**MR. TASHARIN
OSATHANUGRAH**

Vice Chairman of the Executive Committee



**MRS. WANNIPA
BHAJDIBUTR**

President



**MRS. PORNTIDA
BOONSA**

Chief Financial Officer

BUSINESS OVERVIEW

AT A GLANCE

Osotspa was established in 1891 as a pharmacy with products focused on the health of the Thai people under the name "Teck Heng Yoo" by Mr. Pae, the first generation of the Osathanugrah family. OSP was listed on the Stock Exchange of Thailand (SET) on 17 October 2018 aiming for transition into the global market and sustainable growth.



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



EUROPE

- Finland
- Malta
- Slovenia
- Latvia
- Bulgaria
- Cyprus
- Ireland
- Netherlands

AFRICA

- Tunisia
- Libya
- Kenya
- Senegal
- Egypt
- Nigeria
- South Sudan

MIDDLE EAST

- Oman
- Saudi Arabia
- Yemen
- Kuwait

ASIA

- Thailand
- Myanmar
- Laos
- Cambodia
- Vietnam
- Indonesia
- Malaysia
- Singapore
- Japan
- Bangladesh
- Pakistan

No.1

IN THAILAND, MYANMAR, AND LAOS

33 COUNTRIES WITH BRAND PRESENCE

VISION AND MISSION

THE POWER TO ENHANCE LIFE

The power to enhance life through a culture of high performance, innovation and sustainability.



CONSUMERS

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



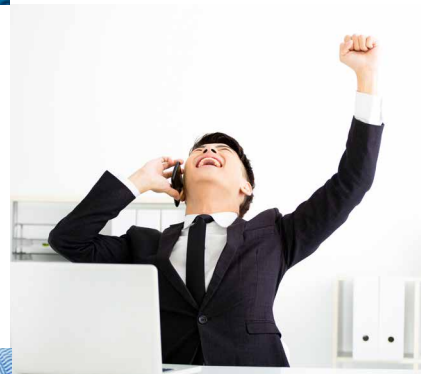
BUSINESS PARTNERSHIPS

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



SHAREHOLDERS

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



COMMUNITY

To be a positive force in our communities.



EMPLOYEES

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

Our Values

INTEGRITY

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



TEAMWORK

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

INNOVATIVE THINKING

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



PASSION TO WIN

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

OSOTSPA'S LONG TERM STRATEGIC DIRECTION

For over 129 years, Osotspa has been enhancing people's lives by providing them with products they can trust and love, products which help them feel healthier, energized, and beautiful, both inside and out. Infused with a rich Thai heritage, the Company has built an incredibly successful, highly respected business.

Long term, Osotspa aims to be one of the top consumer product players in Southeast Asia. To that end, the Company has set a course that draws on the Company's deep roots and ensures the organization is built to last. By working with employees, business partners, and the communities the Company serves, Osotspa finds new ways to improve the wellbeing of consumers with life-enhancing products and services.

Osotspa will achieve this mission by promoting health and wellbeing to the world in a manner that reflects the Company's Thai heritage. The Company will bring a distinctive, authentic proposition - the Osotspa way - to market by:

- Embracing the distinctiveness of the Company's Thai heritage (Osotspa's "Thainess"), from product ingredients to approach and design, in order to craft market differentiation.
- Leveraging Osotspa's roots in health & wellbeing to develop a global reputation as an expert in Asian influenced health & wellbeing products.
- Following in the footsteps of Osotspa's founders to build an organization to last by focusing on sustainability and grounding the Company's expansion in strong organizational values and principles.

Through implementation of this strategic directions, Osotspa will achieve strong results and deliver on its commitment to enhance sustainable living. These efforts shall be powered by a corporate culture of high performance, innovation and good governance.

The Company will bring the Osotspa way of health & wellbeing to the world by growing business sustainably across four core business units:

THE OSOTSPA WAY OF STAYING ALERT by repositioning and growing our energy drinks portfolio.

THE OSOTSPA WAY OF FUNCTIONING WELL by capturing growth opportunities, extending format, and leading the market in the functional drinks.

THE OSOTSPA WAY OF LOOKING GOOD by transforming Osotspa into a recognized leader in personal care.

THE OSOTSPA WAY OF FEELING WELL by becoming a leader in health products based on Asian traditional and herbal remedies.

Three key enablers power our ambitions

There are three key enablers which power our ambition to bring the Thai way of health & wellbeing to the world:

The right international coverage.

Ensuring the Company goes after the right markets and leverages the right partnerships to achieve our ambitions.

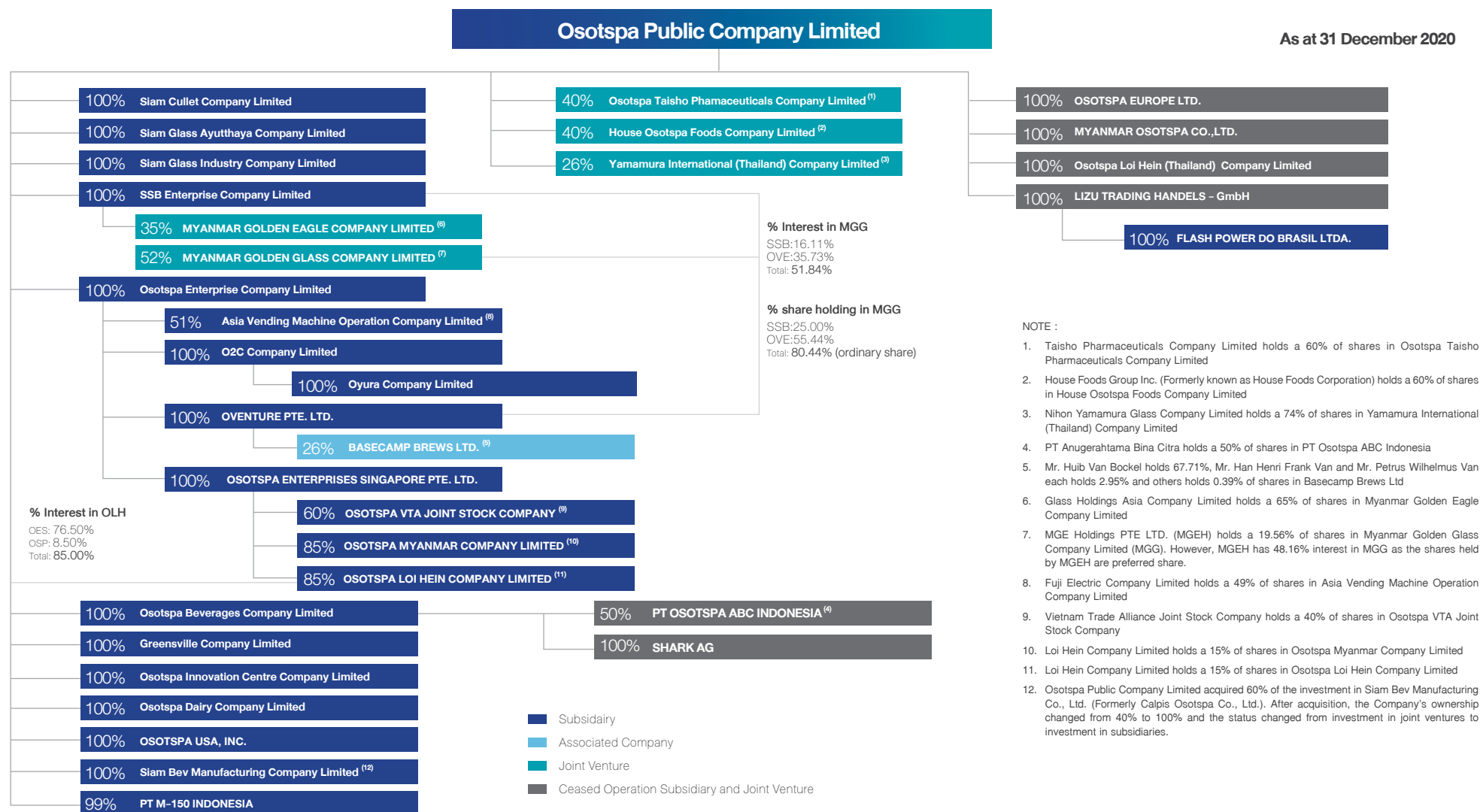
Smart innovation for sustainable growth.

Instilling a culture and spirit of continuous innovation and capability enhancement which in turn fosters intelligent choices for product, channel, and business model development and ultimately, sustainable growth.

A rigorous, efficient, and effective Osotspa ecosystem.

Creating an ecosystem grounded on a healthy and right synthesis of organization, people, culture, systems, and processes.

Shareholding Structure



Information of Osotspa's Subsidiaries, Associates, and Joint Ventures

Subsidiaries

Company Name	Type of Business	Ownership Interest (%)	Paid-up Capital (Million Baht)
Siam Glass Ayutthaya Co., Ltd.	Manufacturing and distribution of glass	100.00	2,655.00
Siam Glass Industry Co., Ltd.	Manufacturing and distribution of glass	100.00	400.00
Siam Cullet Co., Ltd.	Distribution of cullet	99.98	1.00
SSB Enterprise Co., Ltd.	Manufacturing of beverage concentrates and premixes	100.00	170.00
Osotspa Beverages Co., Ltd.	Distribution of beverages	100.00	354.95
PT. M-150 INDONESIA	Import and distribution of beverages in Indonesia	99.00	4.07
Greenville Co., Ltd.	Manufacturing and distribution of personal care products	100.00	6.50
Osotspa Innovation Centre Co., Ltd.	Research and development	100.00	61.60
Osotspa Enterprise Co., Ltd.	Investment in other companies	100.00	2,774.59
Osotspa Dairy Co., Ltd.	Property leasing/rentals	100.00	463.57
OSOTSPA USA, INC.	Marketing services	100.00	105.16
Siam Bev Manufacturing Co., Ltd. ¹ (Formerly Calpis Osotspa Co., Ltd.)	Manufacturing and distribution of beverages	100.00	1,500.00
Oventure Pte. Ltd. (Held by Osotspa Enterprise Co., Ltd.)	Investment in other companies	100.00	866.90
Osotspa Enterprises Singapore Pte. Ltd. (Held by Osotspa Enterprise Co., Ltd.)	Investment in other companies	100.00	1,862.72
O2C Co., Ltd. (Held by Osotspa Enterprise Co., Ltd.)	Electronic commerce	100.00	12.50

¹ Status changed from joint venture to subsidiary since 28 January 2020

Company Name	Type of Business	Ownership Interest (%)	Paid-up Capital (Million Baht)
Asia Vending Machine Operation Company Limited (Held by Osotspa Enterprise Co., Ltd.)	Distribution of beverages, food, and other products	51.00	50.00
Osotspa Myanmar Company Limited (Held by Osotspa Enterprises Singapore Pte. Ltd.)	Manufacturing and distribution of beverages in the Republic of the Union of Myanmar	85.00	1,182.94
OSOTSPA LOI HEIN COMPANY LIMITED (Held by the Company 8.50% and held by Osotspa Enterprises Singapore Pte. Ltd. 76.50%)	Retail and wholesale beverages in the Republic of the Union of Myanmar	85.00	186.20
OSOTSPA VTA JOINT STOCK COMPANY (Held by Osotspa Enterprises Singapore Pte. Ltd.)	Distribution of beverages in Vietnam	60.00	75.21
Oyura Co., Ltd. (Held by O2C Co., Ltd.)	Education and sales of herbal products	100.00	7.50
Flash Power do Brasil Ltda (Held by LIZU Trading Handels GmbH)	Obtaining licensing fees for use of trademark	100.00	2.81
Osotspa Loi Hein (Thailand) Co., Ltd.	Ceased operations	99.98	1.00
Osotspa Europe Limited	Ceased operations	100.00	266.24
LIZU Trading Handels GmbH	Ceased operations	100.00	324.11
Myanmar Osotspa Company Limited	Ceased operations	100.00	9.77
Shark AG (Held by Osotspa Beverages Co., Ltd.)	Ceased operations	100.00	346.30

Associates

Company Name	Type of Business	Ownership Interest (%)	Paid-up Capital (Million Baht)
Basecamp Brews Ltd (Held by Oventure Pte. Ltd.)	Distribution of beverages in the United Kingdom	26.00	326.92

Joint Ventures

Company Name	Type of Business	Ownership Interest (%)	Paid-up Capital (Million Baht)
House Osotspa Foods Co., Ltd.	Distribution of food and beverages	40.00	167.00
Osotspa Taisho Pharmaceutical Co., Ltd.	Distribution of medicine, healthy drinks and healthy food	40.00	100.00
Yamamura International (Thailand) Co., Ltd.	Distribution of packaging, machinery, spare parts and equipment	26.00	15.00
MYANMAR GOLDEN EAGLE COMPANY LIMITED (Held by SSB Enterprise Co., Ltd.)	Manufacturing and distribution of glass bottles	35.00	279.52
MYANMAR GOLDEN GLASS COMPANY LIMITED ² (Held by Oventure Pte. Ltd. 35.73% and SSB Enterprise Co., Ltd. 16.11%)	Distribution of glass bottles	51.84 ²	168.95
PT Osotspa ABC Indonesia (Held by Osotspa Beverages Co., Ltd.)	Ceased operations	50.00	34.48

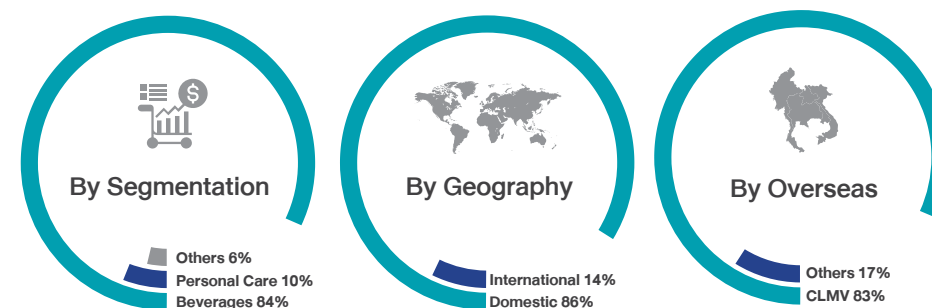
² The Group invested in MYANMAR GOLDEN GLASS COMPANY LIMITED in May 2020 via Oventure Pte. Ltd. 55.44% (%interest is 35.73%) and SSB Enterprise Co., Ltd. 25.00% (%interest is 16.11%).

Financial Highlights

Unit: million Baht

Statement of Income	2018	2019	2020
Revenue from sales	24,297	25,611	25,583
Total revenue	24,971	26,187	26,129
Gross profit	7,883	8,946	9,029
Earnings before interest and tax (EBIT)	3,803	3,999	4,090
Profit for the year	3,062	3,268	3,437
Profit attributable to owners of the parent	3,005	3,259	3,504
Statement of Financial Position	2018	2019	2020
Total assets	23,456	24,324	25,855
Total liabilities	5,153	6,301	6,526
Total equity	18,303	18,023	19,329
Equity attributable to owners of the parent	18,088	17,871	19,224
Key Financial Ratios	2018	2019	2020
Gross Profit Margin (%)	32.4	34.9	35.3
EBIT Margin (%)	15.7	15.6	16.0
Current ratio (x)	2.7	1.8	2.0
Total debt to equity (x)	0.3	0.3	0.3
Return on equity (%)	28.2	18.0	18.4
Return on asset (%)	15.8	13.7	13.7
Per Share Data (Baht/Share)	2018	2019	2020
Earnings per share	1.5	1.1	1.2
Dividend per share	0.7	1.0	1.1
Book value per share	6.1	6.0	6.4
Share Information As the Ended Period	2018	2019	2020
Share Price (Baht)	24.5	40.5	35.5
Issued and paid-up share capital (million shares)	3,004	3,004	3,004
Market capitalization (million Baht)	73,592	121,652	106,633
Price/earnings or P/E ratio (x)	16.6	37.5	30.4
Price/book value or P/BV ratio (x)	4.0	6.7	5.5

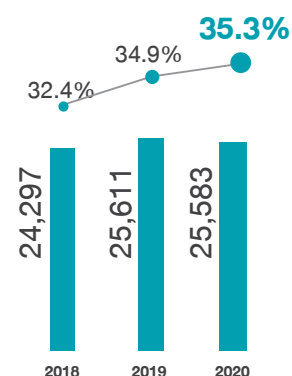
Revenue Breakdown



Financial Performance

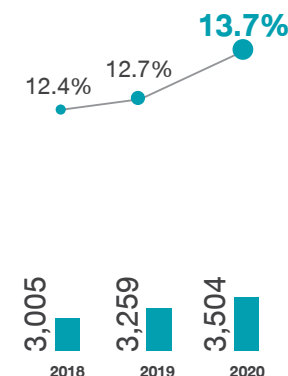
Revenue from Sales and Gross Profit Margin

Unit: Million Baht, %



Net Profit* and Net Profit* Margin

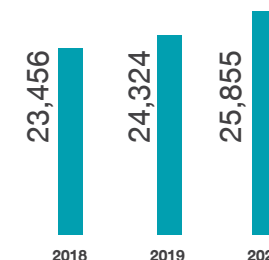
Unit: Million Baht, %



*Remark: Profit attributable to owners of the parent.

Total Assets

Unit: million Baht



HISTORY AND DEVELOPMENT

1891

Established under the name Teck Heng Yoo as a pharmacy selling traditional herbal remedies, including Krisnakan Tra Kilane which effectively cured stomach aches and diarrhea

1965

Expanded into the non-alcoholic beverage market by introducing Lipovitan-D licensed from Japan's Taisho Pharmaceutical Company as the first energy drink brand in Thailand

1977

Invested in upstream glass packaging manufacturing facilities under Siam Glass

1985

Launched our flagship energy drink M-150

1991

Expanded into baby care products with the launch of the Babi Mild brand

1992

Expanded into women's beauty care products with the launch of the Twelve Plus brand

2007

Expanded into the functional drink market through the launch of the Peptin brand



2016

Implemented business restructuring and transformation initiatives (People, Portfolio, Operations)

2015

Entered into a joint venture with Loi Hein to distribute beverages in Myanmar

2013

Entered into a joint venture with Calpis Co., Ltd. to manufacture and sell beverages under Calpis in Thailand

2012

Entered into a joint venture with House Foods Corporation (Japan) to launch functional drinks under C-Vitt



2018

- Listed on the Stock Exchange of Thailand (SET) under the ticker symbol "OSP"
- Established Osotspa Myanmar Company Limited to produce and distribute beverages in Myanmar
- Held a groundbreaking ceremony for our first overseas beverage facility in Thilawa, Myanmar
- Acquired a 20% stake in Basecamp Brews Limited to expand our overseas business
- Established Oventure Pte. Ltd for overseas investment
- Disposed investment in Future Marketing Communications Group and White Group to focus on core businesses
- Launched ready-to-drink coffee under the M-Presso brand
- Invested in a new glass manufacturing facility in Rojana Industrial Park, Ayutthaya
- Invested in Osotspa Innovation Centre Company Limited for research and development



2019

- Acquired a 51% stake in Asia Vending Machine Operation Company Limited to capture growth opportunities in one of the fastest growing retail channels
- Established O2C Co., Ltd and Oyura Co., Ltd to improve proficiency and reach consumers directly through new platforms
- Established Osotspa Innovation Center as a center of expertise to support innovation capabilities
- Completed a new glass packaging manufacturing facility in Rojana Industrial Park, Ayutthaya, to increase production capacity and efficiency by utilizing modern robotics technology and intelligent mechanisms to assist in data production and processing while reducing waste and manufacturing errors
- Invested in a 60% equity interest in Osotspa VTA Joint Stock Company to expand our exposure in Vietnam
- Increased shareholding in Osotspa Loi Hein Company Limited from 51% to 85% in line with the Company's international business expansion plan
- Established Myanmar Golden Eagle Company Limited to expand into the glass packaging manufacturing business in Myanmar
- Acquired an additional equity interest in Basecamp Brews Limited from 20% to 22%
- Launched Osotspa Delivery for distribution and a consumer engagement and loyalty program via the M-Point LINE official account
- C-Vitt ranked no. 1 market share in the overall functional drink market in Thailand
- Ranked as one of the top 100 listed companies that has demonstrated outstanding environmental, social and governance (ESG) achievement in 2019

2020 AT A GLANCE

2020 was an unprecedented, challenging year as the global and domestic economies were crushed by COVID-19 related lockdowns and travel restrictions. Thailand's GDP contracted heavily as foreign tourism collapsed, manufacturing and service sectors cut back on capacity and headcount, and consumers lost jobs and spending power. Amid this difficult environment, Osotspa remained steadfast, managing the crisis with employee health and safety as top priority. We achieved a net profit growth of 7.5% with an all-time high market share in all categories. Our cash position remains strong. We also continue to support our surrounding communities through various social outreach programs.

**Managed through
Crisis**



**Achieved All-Time-High
Market Share**



Drove Profitability



**Contributed to
Our Society**



**Geared Up for
International Sales Growth**



**Exhibited Strong
Cash Position**



Read more details in Year 2020 Highlights on page 99

2020 – Bolstering Resilience and Agility amid Crisis, New Normal



DRIVING OUR CORE PORTFOLIO

In the face of the business disruption from the pandemic, Osotspa remained firmly focused on strengthening our core product awareness and availability with a particular focus on the distribution excellence model. As a result, Osotspa remained a strong number one leader in both energy drinks and functional drinks in Thailand, backed by M-150 and C-Vitt brands.

CAPTURING INCREASING DEMAND IN HEALTH AND HYGIENE

Consumer trends in health and well-being have been amplified by the pandemic driven growing demand for immunity. In the beverage space, Osotspa responded to the demands of health-conscious consumers by expanding production of C-Vitt, the market leader in functional drinks, introducing the new Chalarm Vitamin C product

and launching herbal variant energy drinks, including M-150 Black Galingale and Som In Sum Plus with Lingzhi. These products served to boost Osotspa's overall beverage business growth. For personal care, Osotspa utilized its manufacturing facilities to launch the Babi Mild Healthi Plus range of products, offering hygiene and mildness solutions such as hand wash and alcohol gel.



READY FOR NEW NORMAL BUYING BEHAVIOR

Osotspa accelerated its alternative distribution channels in 2020, namely the e-commerce marketplace platform and Osotspa delivery, to capture new buying behavior that favors e-commerce and in-home consumption. As a result, e-commerce sales more than doubled and the Company received several awards and recognition for its outstanding sales in Shopee and Lazada in the baby products and grocery category.

AMPLE ROOM FOR COST IMPROVEMENT VIA ROBUST FIT FAST FIRM

Osotspa has steadily implemented cost saving initiatives under its "Fit Fast Firm" project. The project, which was started in 2018, has a long-term target of 2,500 million Baht in total savings for 2019 – 2023. Despite the historic challenges of 2020, Osotspa managed to achieve more than 1 billion Baht in savings, ahead of our annual target of 500-800 million Baht and beyond the 775 million Baht achieved the previous year.





CONTINUOUSLY INVESTING FOR GROWTH

Moving toward future growth, Osotspa had made strategic investments in several areas:

- Capacity expansion in Thailand through investing in new beverage filling facilities in Ayutthaya and acquiring the remaining 60% share in Calpis Osotspa Company Limited to integrate production facilities and support growth potential
- Expanded international footprint through a new production facility in Myanmar, our first overseas production facility, and the additional equity interest in Basecamp Brews Limited from 22% to 26%
- Leveraged expertise and coverage by expanding its glass packaging manufacturing business in Myanmar through investment in Myanmar Golden Glass Company Limited

ENSURING SUSTAINABLE GROWTH



Selected as a constituent member of the FTSE4 Good Index Series

Included in Thaipat Institute's ESG100 universe for the 2nd consecutive year



Partnered with Cleantech Solar to install solar rooftop on all major production sites

Signed a memorandum of understanding on sustainable cullet supply to enhance the potential of OSP's recycling center



Launched "Life Must Go On" campaign, which committed to supporting Thais to stand up, fight and feel empowered to live their lives

2020 AWARDS AND RECOGNITION

CORPORATE, BRANDING, AND PRODUCTION EXCELLENCE

- 1 Brand of the Year by World Branding Award**
M-150 was awarded as the Brand of the Year at the World Branding Award 2020 for the fourth consecutive year.
- 2 Excellence in Branding of the Superbrands 2020**
Twelve Plus received the Superbrands Thailand's Choice Award 2020 for the eleventh consecutive year.
- 3 Best Leader in Food & Beverage Sector Thailand by International Finance Magazine and Best Leader in Food & Beverage Sector Thailand and Best Consumer Product Company by International Business Magazine**
Osoetspa was recognized for its best-in-class achievements and its outstanding management and leadership excellence in driving business growth with vision and inspiration.
- 4 FSSC 22000 Version 5**
Osoetspa is certified with FSSC 22000 Version 5 (Food Safety System Certification Version 5), an internationally-recognized food safety certification system established by the Global Food Safety Initiative (GFSI).

INVESTOR RELATIONS

- 1 Shortlisted as a finalist for Best Investor Relations in the Consumer Staples sector - South East Asia by IR Magazine**
IR Magazine is a renowned media publication originally launched by the Economist group and its awards have been the definitive hallmark of IR excellence and best practice.
- 2 Best Investor Relations Company Thailand 2020 in the Food & Beverage Sector by International Business Magazine Award**
The award recognized companies that have been showcased their high standards and excellence to lead from the front and achieving quality services.

SUSTAINABILITY

- 1 ESG 100**
Osoetspa was included in the ESG 100 list for 2020, which named the 100 most outstanding securities, in terms of Environmental, Social and Governance (ESG) performance.
- 2 Zero Accident Campaign**
Osoetspa subsidiaries (Greensville Co., Ltd., Siam Glass Industry Co., Ltd. - Samut Prakan, Siam Glass Ayutthaya Co., Ltd. and Siam Cullet Co., Ltd.) received plaques of recognition from the Zero Accident Campaign 2020, marking the second consecutive year from the Thailand Institute of Occupational Safety and Health (Public Organization).
- 3 Carbon Footprint for Organization (CFO) Certificates**
Osoetspa subsidiaries (the glass and beverage filling plants in Ayutthaya) received Carbon Footprint for Organization Certificates from Thailand Greenhouse Gas Management Organization (TGO) for the second consecutive year.
- 4 Best Prize of the Internal Moral Promotion VDO Contest**
Osoetspa received the best prize of the Internal Moral Promotion VDO Contest held by the Volunteering Heart Foundation.
- 5 Plaque in Honor of the Organization Supporting the Disabled**
Osoetspa received a Plaque in Honor of the Organization Supporting the Disabled (Good Level) from the Ministry of Social Development and Human Security.



Beverages

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



Personal Care

Strong pillar of growth offering baby care, women's beauty care and male grooming products



BRAND PORTFOLIO OVERVIEW

Osotspa owns a broad and diversified product portfolio of iconic brands to address consumer preferences and needs

Healthcare

Preserving a well-established heritage and combining brand legacy of healthcare products that enhance people's lives and wellbeing



Confectionary

Another heritage that continues to innovate and leverage brand recognition to expand our presence



NATURE OF BUSINESS

Revenue Breakdown

(Unit: Million Baht)	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Beverages	20,359	83.8%	21,473	83.8%	21,547	84.2%
Energy Drinks, Sport Drinks, and RTD Coffee	18,336	75.5%	18,853	73.6%	17,706	69.2%
Functional Drinks	2,023	8.3%	2,620	10.2%	3,841	15.0%
Personal Care	2,452	10.1%	2,656	10.4%	2,501	9.8%
Baby Care	1,637	6.7%	1,731	6.8%	1,688	6.6%
Others	815	3.4%	925	3.6%	813	3.2%
Others	1,486	6.1%	1,482	5.8%	1,535	6.0%
OEM	1,125	4.6%	1,034	4.0%	1,045	4.1%
Healthcare, Confectionery, and Others	361	1.5%	448	1.8%	490	1.9%
Total Sales Revenue	24,297	100.0%	25,611	100.0%	25,583	100.0%

Beverage Segment

Our beverage portfolio includes energy drinks, sports drinks, and functional drink products as part of the larger stimulating drinks market, informally referred to as Brain and Body Boost drinks. Offering multiple brands, products and price points across the brain and body boost market gives the Company exposure to serve a wider range of consumer habits, behaviors, and disposable income levels, together with capture opportunities for increased consumption through tailored marketing campaigns.



Leading the Energy Drink Market

Amid the 2020 pandemic, Osotspa retained its strong leading position in the energy drink category in Thailand with a market share of 54.5%. Active marketing, a strong sales team and corporate social responsibility (CSR) support worked together to uncover opportunities in the crisis. Several campaigns were rolled out to lend a helping hand to communities and business partners coping with the virus outbreak's impact. These efforts resulted in the M-150 brand garnering even more favor and trust from consumers, reflected in its fourth brand of the year awards from World Branding.

Meanwhile, Lipovitan-D firmly held its no.1 position in the premium energy drink segment. The brand is admired for its strong Japanese quality and boasts the long heritage among energy drink brands in Thailand, celebrating 55 years in the kingdom. The 55th anniversary event commemorated LIPO's Japanese heritage and the strong relationship between Taisho Pharmaceutical and Osotspa.

Capturing the Latest Trends via Portfolio Expansion

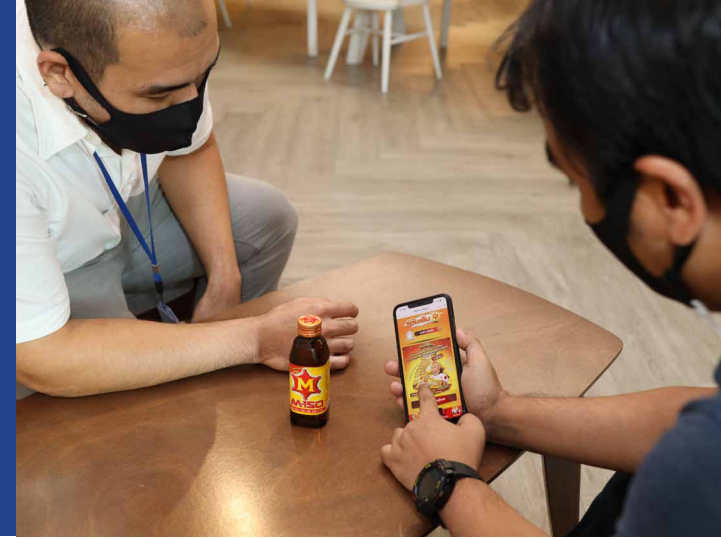
According to Grand View Research, the market for functional food and drinks is expected to grow at an average annual rate of 7.9% to 2025, gearing towards immune support, healthy bones and joints, digestive health, and improved energy levels. As consumers become more aware of health-promoting products, demand is increasing for drinks with herbal ingredients. Hence, OSP has stepped into the immunity-related health segment with the introduction of a unique herbal energy drink family: Som In Sum (Ginseng and Honey), Som In Sum new variant (Ginseng and Lingzhi) and Chalarm Black Galingale (Ginseng and Black Galingale). Catalyzed by pandemic trends, the herbal energy drink segment posted double-digit growth, outperforming domestic energy drink market. With health concerns at the forefront of consumer behavior, herbal energy segment is expected to grow exponentially for the years to come.






Utilizing Technology to Strengthen Loyalty Program

The launch of the M-point collection campaign, loyalty program in the LINE application, opened a new era for Osotspa. The new tech-focused platform has quickly become the most active channel for the brand to interact with end-consumers on a real-time basis. More than 6 million total users and over 2 million active users subscribed to the campaign within a year. As such, the M-point collection campaign offers robust data generation that can facilitate wider penetration to all ages, genders, and regions. Meanwhile, Osotspa also leveraged its M-Point platform to launch a donation campaign during the COVID outbreak.



Driving Growth in the Functional Drink Market

Osotspa remained the clear market leader in the functional drink category in Thailand with a market share of 36.3% in 2020. C-Vitt, the vitamin C drink brand under House Osotspa Foods Co., Ltd, has been the market leader in the overall functional drink category since 2018. C-Vitt continued to grow by offering various product formats, which C-Vitt Jelly was added to the portfolio for a differentiated drink experience, unlocking capacity constraints, and increasing penetration in traditional trade where there was a less impact from crises. These efforts were all backed by excellent sales execution and various marketing activities. Moreover, the Company's pilot cooperation with 5-Star Chicken and Kerry Express helped increase distribution coverage and serve the new normal consumer habits.



Our extensive distribution network in both traditional and modern trade, along with cash vans and vending machines, covers over

470,000 points
of sale across all provinces in Thailand.

Utilizing Emerging Channels to Build New Brands

In respond to consumer behavior shifting towards the online channel and in-home consumption, Osotspa effectively expanded its functional drink pipeline by introducing block-and-burn drink Slimma via social commerce and e-commerce in 2019. Made from natural ingredients, with no added sugar and no preservatives, Slimma promotes consumer health and well-being by aiding their confidences to maintain body shape without fasting. In the first 6 months since launch, Slimma became the leader in the fiber drink category on major e-commerce platforms, gaining the top rank among best-selling products in the beverage category and being chosen as the trending beverage in 2020. Pivoting to a multi-channel model showed how OSP could leverage its existing modern trade distribution channel to increase market reach and ultimately grow the brand.

Another distribution channel which has gained popularity amid the pandemic and social distancing measures is vending machines. Looking to harness this growth engine and widen its distribution channels, OSP invested in the operation of more than 2,000 vending machines which sell beverages and snack products in captive areas such as factories, office buildings, universities and residential neighborhoods.



Laying a Solid Foundation for the Challenges of International Growth

Through a challenging pandemic year, OSP embraced a new way of working to ensure operational resilience and was managed to complete a new state-of-the-art beverage filling factory in the Thilawa industrial zone. In addition to significant cost savings, the new production facility can serve local consumers with fresher drinks direct from the factory and allows the Company to be more responsive and flexible to local and international market opportunities. The full organization presence in Myanmar was established together with the continued expansion of the route-to-market to penetrate deeper into the country at a greater service for customers and consumers. As a result, the Shark brand which caters to the premium segment has developed a solid hold on its market leadership, making OSP the biggest player in the Myanmar energy drink market.

Even with COVID-19, the Company's expansion into Vietnam was progressing as planned with entry into key provinces. OSP will seek a robust understanding of local consumer habits, attitudes and purchase behavior while building stronger relationships with the entire distribution chain.



Building Brand Awareness through Collaboration and Social Media

Peptein with Nong Mamuang, a special collaboration with a leading Thai artist, increased brand relevancy and helped introduce Peptein to young adults. Similarly, Calpis Lacto delighted consumers with a limited edition cotton candy flavor. Replacing its original blue and white packaging with a lively pastel pink and blue, the product stood out on the shelf and became viral among millennials on social media.

Personal Care Segment

Personal care portfolio includes baby care under the Babi Mild brand, women's beauty care under Twelve Plus, and male grooming under Exit. In addition to the core portfolio, OSP ventured into the facial and skincare segments under Plantstory, PROhada, Ole and OTG. OSP produces, markets, and distributes personal care products in Thailand and CLMV markets. In Thailand, OSP has long been a prominent player in the personal care industry, with a strong number one market share in the baby liquid soap category and the second-highest market share in the baby talcum category.



Strengthening the Core

With the relaunch of our iconic Ultra Mild Bioganik variant to capture the organic trend, Babi Mild jumped from strength to strength with accretive market share growth in the total Baby market. The Bioganik range is our mildest formulation yet and has opened to the masses a complete organic product range, including baby soap, baby moisturizer, baby oil, baby talcum, baby fabric wash, and baby utensil cleansers. The year-long marketing support on our core brand reinforced strong brand equity and led to Amarin Baby & Kids awards



in several categories. It also resulted in Babi Mild taking the no. 1 position in the baby bath category for fourth consecutive year, market share gain in the talcum category, and improvement in the fabric wash category.

Emerging Channels on the Rise

OSP effectively captured the change in consumer behavior towards the online channel for both its existing and new brands. Babi Mild has a particularly strong presence on the e-commerce platform and hence was guaranteed best-selling brands during special promotional periods and Number 1 in Shopee for baby personal care category. In 2020, OSP continued to drive innovation to the market under the PROhada and OTG brands by using digital marketing and e-commerce to tap growing niche segments that have long been the stronghold of international brands. These efforts reflected the Company's ambition for high value propositions and confidence in our research and development capability to deliver product formulation with functional efficacy and ultimately improve the profitability of our business.





Reactivating and Expanding in the Consumer Segment

After establishing our core brand strength in the baby segment, Babi Mild expanded into the broader customer segment with Babi Mild Kids and reactivated its homecare category to target the prevailing in-home consumption and hygiene trends. OSP revolutionized the category by introducing 2-in-1 fabric wash plus softener that is dermatologically tested for the sensitive skin of babies and certified organic by Ecocert, a broadly recognized international standard.

Keeping our Beauty Category Relevant

Though the beauty segment had undergone a painful transformation during the COVID-19 pandemic, Osotspa was keeping our brands relevant with a vision to bring higher-value propositions and relevant partnerships. OSP harnessed innovation to embrace changes in consumer expectations and behaviors. Examples of this are the Twelve Plus Perfume Cooling Body Sherbet that suits Thailand's hot weather and the Twelve Plus hand sanitizer all-in-one spray which captures the prevailing hygiene-focused lifestyle via a portable design. As a result, the Twelve Plus brand won the "Superbrands 2020" award for the 11th consecutive year, ranking among the country's 19 leading brands in a reflection of consumers' confidence and trust.

Others

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

Leveraging Best-in-Class Manufacturing Capability to Capture Opportunities

The 2020 crisis opened unique opportunities for OSP. Our agility and speed, along with our low-cost manufacturing advantage make OSP one of most sought-after OEM players in the market. Amid the pandemic, OSP successfully utilized available capacity of its own personal care factory to produce OEM alcohol gel products for both domestic and international customers.

Refined Portfolio to Capture the Rise in Demand

Osotspa had refined and optimized healthcare portfolio to tailor to consumer needs, responding to the surge in demand for immunity boosters for health and wellness. The new variant of the Banner supplement gained consumer trust with its promise of overall health improvement from daily physical stress and mental exhaustion. Meanwhile, our heritage portfolio, including Krisnaklan Tra Kilane, Yathad 4 and Tamjai, tapped heightened consumer desire for precaution against illness while boosting overall health and wellness at affordable prices.



Osotspa's Footprint



Integrated Production Facilities, Capacity and Process

OSP owns and operates eleven production facilities in Thailand for beverage and personal care products, one production facility in Myanmar, and three distribution centers. The Company has a fully integrated value chain for beverage manufacturing, including its own cullet treatment plant, glass bottle manufacturing facilities, beverage filling plants, and distribution centers. The Company sources bottle caps and aluminum steel cans from third-party suppliers.

On aggregate, the total practical capacity of the glass factory is 461,000 tons per year, while the beverage filling lines can accommodate 4,460 million units per year, made up of 4,080 million bottles per year across sixteen bottling lines and 380 million cans per year across two canning lines. The majority of OSP's beverage products are produced internally. The Company may consider using third-party manufacturers depending on need and production capacity. The cullet treatment line has a capacity of 315,000 tons per year and supports glass production capacity. The cullet treatment factory plays a key role in OSP's Fit Fast Firm project as it allows the Company to purchase dirty cullet at lower cost and send the cullet to the treatment line to yield cleaner raw material. This enhances the overall glass production process and yields a better end-product. OSP remains active in improving the efficiency of production by implementing a "Total Productive Maintenance" program and by digitalizing tools used in both the production and supply chains.

Raw Materials and Packaging Materials

Osotspa sources raw materials and packaging materials primarily from multiple local suppliers. Major raw materials used for beverage products include sugar, taurine, and caffeine, while major packaging materials include glass bottles, cans, caps, labels and shrink-wrapping. As Osotspa operates a vertically-integrated beverage business, the majority of glass bottles, labels and shrink-wrapping are in-house manufactured. Hence, the main raw materials used in manufacturing glass packaging include cullet, natural gas, soda ash, and silica sand. Our glass factories are able to use between 40% and 90% recycled glass cullet, depending on the economic feasibility of using cullet versus new raw materials. Most raw materials and packaging materials were under either purchase orders or short-term supply agreements, which are generally re-examined on a yearly basis. This allows for lower cost of raw materials, low currency risk, and shorter procurement lead time in order to keep low inventories and quickly respond to markets. The Company has a policy for selection and inspection of raw materials and supplier to ensure that the highest quality standards are met.

Manufacturing Process

Throughout our production process, OSP undertakes extensive quality control testing of our manufacturing facilities, product quality and packaging to ensure our quality standards and specifications are met.





Recycle Center

To reduce environmental impact, the recycle center sorts packaging wastes into separate parts, including paper, glass, plastic and aluminum to be ready for the recycle process and to produce new bottles. In 2020, Osotspa signed a memorandum of understanding with Wongpanit, a major buyer of recyclable waste, to mitigate raw material risk and promote opportunities for small waste collectors to sell collected cullet.

As a key element of the Company's waste management policy, packaging recycling is applied across the value chain and contributes to the goal of zero landfill waste.

Cullet Treatment Plant

Cullet is sorted, freed of impurities, and crushed to make clean cullet ready to be transformed into new glass. High quality materials help improve production efficiency and reduce energy consumption.

Glass Factories

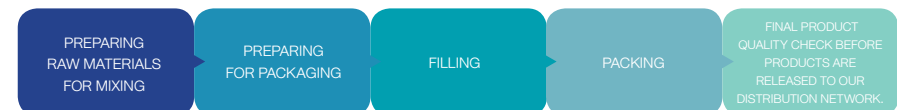


OSP has invested heavily to enhance efficiency and generate best-in-class operations with a technical collaboration with Nihon Yamamura Glass. The new production facility line at Siam Glass Ayutthaya 2 is equipped with state-of-the-art technology that involves high energy efficiency, robotics, and applied machine learning for big data analytics. Use of this modern technology allows for higher efficiency, lower defect rate, and lesser manpower. This leads to high flexibility in cullet composition and contributes to the ability to produce lighter-weight bottles, which can contribute to cost saving project under Fit Fast Firm. In addition, this facility has received an investment promotion certificate from the Board of Investment (BOI), making it eligible for 100% tax exemption for 8 years plus another 50% tax exemption for another 3 years.

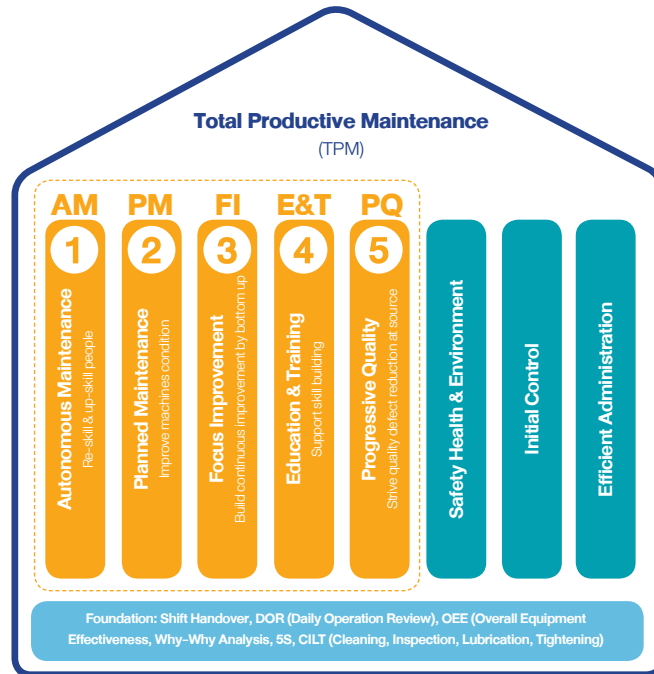
OSP has also leveraged its strong expertise in glass manufacturing in the overseas market, investing in Myanmar's only glass bottle manufacturing facility. The facility, slated to commence its commercial run in 2021, will enable OSP to better capture the country's strong demand with an import parity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



Beverage Mixing and Filling Plants



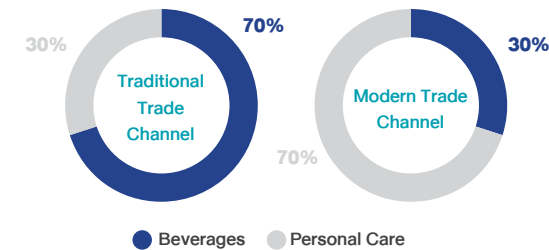
Osotspa has invested in end-to-end processes and implemented Total Productive Maintenance (TPM), driven by its goal to be a world class manufacturer with excellent performance in quality, safety, cost, productivity, and sustainability. Striving for this goal leads to continuous process improvement, waste reduction, further cost optimization and greater effectiveness in our organizational structure.



In 2020, Osotspa invested in both domestic and internal beverage manufacturing capacity expansion to meet rising demand and support future growth. The acquisition of Siam Bev Manufacturing Co., Ltd (formerly named Calpis Osotspa Co., Ltd) provided additional beverage capacity and incrementally boosted margin from higher production utilization while opening for opportunity to build the Calpis brand under our functional drink portfolio. The new beverage filling lines in Thailand, which are equipped with new technology to ensure high product quality, greater production capabilities and efficiency, and reduction in water and energy usage, were completed and commissioned in June 2020. The new beverage filling plant in Myanmar commenced operations in July 2020 to fully capture manufacturing margins, provide additional flexibility to respond to market demand, and strengthen our regional presence.

Distribution and Logistics

Osotspa has an extensive distribution network of traditional and modern trade stores with over 470,000 points of sales across Thailand. In addition, Osotspa uses cash vans for certain new products or brands in areas where market penetration is weaker. Responding to changes in lifestyle and technology, use of other complementary channels, including vending machines, social commerce, and the online marketplace, has helped Osotspa widen product availability and brand visibility. These rapidly expanding channels allow the Company to derive higher-value growth. To cover all levels of the market, a mix of distribution methods are applied, based on product type, existing level of product recognition, region, and geography.



Personal Care Factories

Osotspa has liquid and powder product manufacturing plants that provide flexible manufacturing capabilities to quickly respond to the changing needs of both OEM and end-customers. The factories are equipped with on-site advanced personal care research and development centers to support the future growth of the personal care segment.

The Use of IPO Proceeds

As at 30 June 2020, Osotspa had fully utilized the IPO proceeds of 12,278.2 million Baht according to the objectives stated. All projects, including new furnaces at our glass factory, new beverage production facility in Myanmar and new powder plant factory for personal care products, were completed as planned.

BOI Promotional Privileges

Some of the Company's subsidiaries have been granted promotional privileges from Thailand's Board of Investment (BOI) or from the Special Economic Zones (SEZ) Act of the Republic of the Union of Myanmar in the Thilawa SEZ. These include tax privileges, such as exemption of import duties on machinery and equipment and corporate income tax exemptions, as shown below.

Project	Date certificate received	Tax privilege expiration date	Tax privileges
Manufacturing of glass bottles	10 August 2011	13 January 2020	7 years from commercial commencement date; does not receive income tax deduction under Section 35 (1)
Manufacturing of glass bottles	3 March 2014	2 October 2027	8 years from commercial commencement date; receives income tax deduction under Section 35 (1) at a rate of 50% for a further 3 years
Research and Development	27 March 2019	31 March 2027	8 years from commercial commencement date; does not receive income tax deduction under Section 35 (1)
Manufacturing of beverages (Myanmar)	16 June 2018	Year 5 : 14 July 2025 Year 10 : 14 July 2030	<ul style="list-style-type: none"> Years 1 - 5: Full exemption of income tax from the commercial commencement date. Years 6 - 10: Income tax deduction at the rate of 50% Years 11 - 15: Income tax deduction at the rate of 50% if there is additional investments, according to the specified conditions

INNOVATION at OSOTSPA

Osotspa channels the power of innovation by integrating the latest technology, digitalization, trends, and sustainability measures into its operations, thereby creating value and product differentiation while satisfying evolving consumer needs and achieving sustainable growth.



[Read more details about innovation on page 74](#)



Product Innovation

Osotspa has been responding to consumer trends through innovation, offering a broad range of products with new benefits and exciting formats. In 2020, Osotspa introduced new energy drinks with herbal ingredients, personal hygiene and homecare products. The Company also expanded its functional drinks portfolio to cover additional drinking moments throughout the day. As consumers are adopting healthier diets and lifestyles, the Company has reformulated products to reduce sugar without compromising on taste and efficacy. At the same time, the Company stepped up its quality, safety, and regulatory compliance related to product development. New beverage filling lines are equipped with smart control and data tracking to ensure quality and improve efficiency throughout the end-to-end production process. Moreover, Osotspa continues its efforts to reduce the weight of its bottles which use less raw materials and less energy, to reduce overall manufacturing costs and reduce environmental impact from production and transportation.

Research and Development

To foster business sustainability and secure our status as an organization with outstanding product innovation in Thailand and ASEAN, Osotspa targets allocation of 1-3% of our revenue to R&D spending per year. Our Osotspa Innovation Center, equipped with more than 50 researchers, advanced equipment, and a connection to the National Science and Technology Development Agency's researcher network, underpins the Company's overall product development and R&D capabilities. The Center's primary mandate is to research and develop ingredients and products that are safe and beneficial to consumers' health. This includes developing prototypes, performing quality control, and inventing new products by utilizing knowledge of Thai herbs. The Innovation Center helps the Company cope with rapid industry changes while honing competitiveness and promoting efficiency and sustainability.

Osotspa cooperates with the Faculty of Engineering and Architecture, Rajamangala University of Technology, Suvornabhumhi for Academic Cooperation for Research and Development and Exchange of Knowledge on Mechanical Engineering. This cooperation enables us to develop spare parts domestically, helping to reduce costs by way of fewer imported parts while also contributing to personnel development. The partnership also serves to help develop Thailand's industrial sector over the long run.



Process Innovation

Osotspa strives for business processes improvement and foster a culture of organizational innovation to cope with the challenges of increased competition, changes in consumer demand, rapid technology shifts and uncertainties. The Company integrates technology and innovation to improve its business processes in tandem with development of employee capabilities.

Osotspa took the opportunity to harness powerful robotics and automation tools moving towards digital transformation. Robotic Process Automation (RPA) has already been implemented in various functions, including finance & accounting, sales and marketing, and customer service, with an emphasis on reducing routine and repetitive tasks. At the same time, Osotspa has launched "Osotspa RPA Academy" to develop staff capabilities in regard to the design of automatic work processes and train RPA for repetitive and high-volume transactions. Users are able to design and customize based on their requirements such as the ability to extract data, fill in forms, record expenses, create POs or invoices, and even conduct preliminary budget checks. These efforts improve efficiency and raise work quality by cutting down on time required as RPA can operate continuously, 24 hours a day. This frees up staff to utilize their time for analysis and other value-added activities.

In addition, the Company has implemented e-procurement software and established centralized purchasing. This allows for visibility, transparency, and control over the procurement processes, and streamlines the overall processes ranging across procurement, supply chain management, and strategic and financial planning. As business processes are simplified and economies of scale are achieved, the Company can realize its goal of cost savings, efficiency improvements and greater strategic and competitive decision making.

INDUSTRY COMPETITION and OUTLOOK

Market Landscape

Outbreak of COVID-19 in Thailand has severely impacted the country's overall economy, leading to gross domestic product (GDP) shrinking 6.1% in 2020. This raised unemployment levels, increased household debt, and weakened purchasing power and consumption. Prevention and control measures to curb the spread of the virus, including travel restrictions and the closure of high-risk venues, have encouraged a shift in retail consumer channels. As a result of these dynamics, the overall fast-moving consumer goods (FMCG) market in 2020 declined 6.7% throughout categories and channels.

For 2021, several key challenges raise uncertainties in regard to economic outlook and speed of recovery. In addition, the potential for the third phase of Thailand's excise tax on sugar-sweetened beverages to come into effect. Consumer confidence is also a concern as it took a hit following the spike in COVID-19 infections in December. Nevertheless, global economic expansion, widespread access to vaccines for COVID-19, government stimulus packages for economic recovery and budget disbursement will be positive factors for the overall industry.

Non-Alcoholic Beverage Market

Non-alcoholic beverages outperformed FMCG market last year, driven by functional drink category that gained consumer momentum thanks to proliferation of health-consciousness as well as entry of new players into the market. Energy drinks declined due to COVID-19, particularly in the second quarter but signs of recovery were shown after removal of nationwide lockdown measures. Herbal energy drinks continued showing growth despite the market contracted. Traditional trade, the primary channel for energy drinks, outperformed modern trade. Convenience stores, which had been the growth driver for FMCG prior to the pandemic, was the most impacted channel at -10.8% in 2020 as store traffic was severely impacted by lack of tourists and lockdown curfews. However, Thailand's gradual economic recovery should ease the impact, provided that COVID-19 outbreak is brought under control.

Personal Care Market

The personal care market suffered the most from the COVID-19 pandemic with a 9.5% contraction due to uneven recovery in subsegments. Demand for personal hygiene and homecare products increased, while beauty products lost favor as social activity was curtailed. The crisis accelerated a wellness trend and encouraged brands to pivot their propositions, speed up product innovation pipelines to respond to demand shifts, and accelerate online channels to reach consumers.

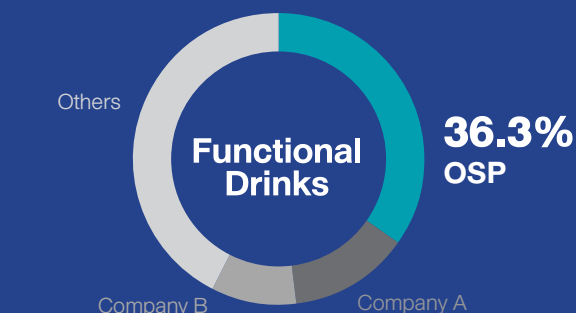
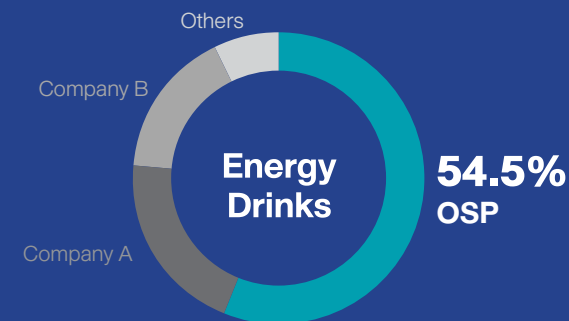
Consumer Behavior and Trends

COVID-19 has given rise to new consumer behavior and purchasing patterns.

- New in-home habits are formed amid the pandemic, driven by convenience and necessity. Behaviors affected by the lockdown, including in-home consumption, delivery services, online shopping, and home entertainment, have tendency to continue even post COVID-19.
- Online became the new normal. Movement restriction measures accelerated digital adoption, including online shopping, online media/entertainment, and study/work from home.
- Consumers are seeking greater value for their money and are more cautious on spending. Thus, consumers are willing to pay for additional health benefits and high quality or consumers will seek more affordable alternatives.
- The convenience store channel has been disrupted by imposition of curfews and the disappearance of tourists. Conversely, online operators, local supermarkets and kiosks have benefited amid the pandemic.
- Health and hygiene have risen to the forefront of consumers' minds in both beverage and personal care product selection. A single benefit may not be enough as consumer demand has become sophisticated. For beverages, consumers are seeking for innovation, low sugar or healthier products, and clear additional health benefits. For personal care, natural, safe and clean ingredients are key trends to consider.
- New consumer groups are emerged, such as aging population, millennials, and new economy workers.

Undeterred by these industry challenges, Osotspa is backed by a strong 2021 plan that accounts for changes in consumer behavior with product innovation and marketing activities strengthen our market leader position. A greater depth of consumer behavior analysis leads to better portfolio and services to address the need, create brand awareness and engagement with target consumers.

Market Share



Driving **market share gains** across all major categories and achieved a record high in Q4'20

2021 Business Outlook

2021 will be another challenging year as indicated by the breakout of a second wave of COVID-19 in Thailand since the beginning of the year. In the face of economic sluggishness, OSP aims to deliver double digit earnings growth and maximize shareholder return. However, uncertainty in both the local and international business environments necessitates a differentiated approach to top line expansion, one that accommodates the disparate stages of demand recovery in each country.

In 2021, OSP plans to expand our beverage business. Our priority is to grow the energy drinks business by building on our success and strength of multi-brand portfolio strategy, leveraging our strong distribution network, and expanding herbal segments. We plan to expand our energy drink consumer base with female-focused product launches. Besides energy drinks, OSP plans to expand the functional drink segment by channeling C-Vitt's leading market position and to building another big brand. In addition, new benefits innovation will be launched and white spaces will be further penetrated, particularly in the traditional trade channel. Regarding the in-home consumption trend, OSP plans to respond with C-Vitt and Slimma products. For our beverage businesses, a new direct-to-consumer channel has been developed in collaboration with a leading logistics provider in Thailand.

OSP's infrastructure in Myanmar is ready to further strengthen our leadership position in the country. OSP is No.1 in energy drinks in Myanmar with a market share of more than 30% and Shark is the No.1 energy drinks brand. We have a robust multi-brand portfolio that covers the premium and mass segments and we plan to expand our portfolio to cover all segments in the future. OSP has built a strong sales team to execute market activation and sustain the momentum of our new route-to-market to expand distribution coverage. With our new factory, gross margin will significantly improve and we will have more flexibility to respond to market demand and manage uncertainty. However, the recent coup in Myanmar may have short-term impact on market space with protests affecting transportation and the opening of retail shops. We will continue to adjust our operations to address the situation.



Our robust Fit Fast Firm project, which focuses on cost savings and efficiency improvement, will be accelerated to mitigate risk, manage uncertainty, and drive profitability. Key 2021 cost savings projects are 1) Myanmar Fit Fast Firm, which we expect to double its gross margin, 2) Product formulation optimization with a focus on sugar levels of all energy drinks, 3) Lighter-weight bottles for the majority of beverage products, and 4) Warehouse and distribution optimization, starting with transportation cost savings.

Sustainability principles will be actively integrated into our corporate strategy, enabling OSP to create long-term value for all stakeholders and contribute to a sustainable society.

Last but not least, OSP is well-positioned to ride economic recovery and capture inorganic growth opportunities in 2021. Key focuses are 1) Growth that synergizes with our existing businesses, 2) Cost efficiency, and 3) New capabilities.

Assets Used in Operation

As of 31 December 2020, the primary fixed assets used in the business operations of Osotspa and its subsidiaries had net book values – after deducting accumulated depreciation and provision for impairment – in the consolidated financial statements of the Company as detailed below.

No.	Type	Net book value (Million Baht)			Obligations
		Owned assets	Right of use under lease	Total	
1.	Land and land improvements	888.70	369.92	1,258.62	None and contractual lease payment
2.	Building and building improvements	4,428.25	81.45	4,509.70	
3.	Machinery and factory equipment	4,662.88	167.42	4,830.30	
4.	Vehicles	20.86	120.84	141.70	
5.	Furniture, fixtures, and office equipment	417.48	2.63	420.11	
6.	Major spare parts	181.72	-	181.72	None
7.	Assets under construction and installation	1,015.91	-	1,015.91	None
Total		11,615.80	742.26	12,358.06	

As of 31 December 2020, the Company and its subsidiaries had primary operating fixed assets for business in the consolidated financial statements of the Company as detailed below.

1) Land and Land Improvements

Location	Purpose of use	Net book value (Million Baht)		Obligations
		Owned assets	Right of use under lease	
Huamak, Bangkok	Office, Factory and Warehouse	243.76	-	None
Minburi, Bangkok	Beverage Factory	8.89	-	None
Ayutthaya (Khlongsuanphlu and Bankrot)	Beverage Factory and Glass Bottle Factory	289.95	-	None
Ayutthaya (Rojana)	Glass Bottle Factory	105.88	-	None
Samutprakan	Glass Bottle Factory	62.76	-	None
Saraburi	Cullet Treatment Factory and Recycle Center	116.90	-	None
Latkrabang, Bangkok	Personal Care Factory	40.97	-	None
Jatujak, Bangkok	Label Factory	-	41.72	Contractual lease payment
Thilawa Special Economic Zone, Myanmar	Beverage Factory	19.59	328.20	None and contractual lease payment

2) Building and Building Improvements

Location	Purpose of use	Net book value (Million Baht)		Obligations
		Owned assets	Right of use under lease	
Huamak, Bangkok	Head Office	1,029.66	-	None
	Beverage Factory	130.66	-	None
Ayutthaya (Khlongsuanphlu and Bankrot)	Office	294.77	-	None
	Beverage Factory	617.57	-	None
	Glass Bottle Factory ⁽¹⁾	274.53	-	None
Minburi, Bangkok	Beverage Factory	21.76	-	None
Jatujak, Bangkok	Label Factory	2.02	20.55	None and contractual lease payment
Samutprakan	Glass Bottle Factory	29.67	-	None
	Warehouse	26.58	-	None
	Office	4.79	-	None
Ayutthaya (Rojana)	Glass Bottle Factory	727.69	-	None
	Warehouse	40.93	-	None
	Office	14.36	-	None
Latkrabang, Bangkok	Personal Care Factory	258.96	-	None
Saraburi	Cullet Treatment Factory and Recycle Center	33.40	-	None
Thilawa Special Economic Zone, Myanmar	Beverage Factory	867.81	-	None

Note ⁽¹⁾ The Company engaged Siam Glass Industry Co., Ltd. to manage the operation of the glass bottle factory.

3) Machinery and Factory Equipment

Location	Purpose of use	Net book value (Million Baht)		Obligations
		Owned assets	Right of use under lease	
Huamak, Bangkok	Beverage production	196.70	-	None
Ayutthaya (Khlongsuanphlu and Bankrot)	Beverage production	1,341.75	0.46	None and contractual lease payment
	Production of glass bottles	598.49	-	None
Minburi, Bangkok	Beverage production	14.61	-	None
Jatujak, Bangkok	Label production	1.24	-	None
Samutprakan	Production of glass bottles	427.25	-	None
Ayutthaya (Rojana)	Production of glass bottles	1,323.99	-	None
Latkrabang, Bangkok	Production of personal care products	123.18	-	None
Saraburi	Cullet treatment and recycle center	120.90	-	None
Bangkok and vicinity	Vending machine and equipment for distribution of goods	18.28	166.96	None and contractual lease payment
Thilawa Special Economic Zone, Myanmar	Beverage production	461.17	-	None

Intellectual Property

The Company has registered company core trademarks with Department of Intellectual Property in Thailand ("DIP"). The such important trademarks include; M-150, Shark, Shark Cool Bite, Som In Sum, Peptein, Twelve Plus, V+, Slimma, Babi Mild, Banner, and Botan. The Company has not used unregistered trademarks in Thailand that are material to our business. The Company, generally, also register variants of each of our core trademarks and, consequently, the Company has more than 1,000 registered trademarks with DIP.

Trademark registration in Thailand shall be valid for 10 years after which it can be renewed for an additional 10-year period. The Company regularly renews all of our registered trademarks within 3 months prior to its expiration date.

The application for renewal of trademark registration shall be submitted to the registrar within 3 months prior to the expiration date or within 6 months after the expiration date pursuant to Section 54 of the Trademark Act B.E. 2534 ("Trademark Act"). Any trademark, which expires and is under the process of renewal, is deemed registered and remains protected under Trademark Act if the renewal application has been duly submitted unless the registrar orders otherwise. However, the Company believes that our significant trademarks of the Company are protected in all material aspects in countries in which the Company currently operates. The trademark renewal process in Thailand generally takes up to 1 years depending on the registrar's backlog.


The Company will seek to protect our trademarks in all jurisdictions in which our products are sold. Moreover, the Company have managed to register or initiated trademark registration process in over 130 countries worldwide in order to ensure protection of the name and logos of the Company in countries outside Thailand.



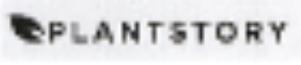










As of 31 December 2020, our core intellectual property are as follows;

Trademark	Applicant	Period of Protection	Registration No.	Obligation
Trademarks for Beverage Products				
	Company	9 October 2012 - 8 October 2022	Kor369277	None
	Company	24 December 2019 - 23 December 2029	Kor131835	None
	Company	9 March 2001 - 8 March 2021	Kor148256	None
	Company	9 March 2001 - 8 March 2021	Kor152322	None
	Company	11 October 2002 - 10 October 2022	Kor185055	None
	Company	11 April 2011 - 10 April 2021	Kor355893	None

Trademark	Applicant	Period of Protection	Registration No.	Obligation
	Company	9 November 2019 - 8 November 2029	Kor314851	None
	Company	27 July 2017 - 26 July 2027	191118485	None
	Company	17 July 2017 - 16 July 2027	191103786	None
	Company	17 July 2017 - 16 July 2027	191103787	None
	Company	31 August 2017 - 30 August 2027	191116905	None
	Company	24 January 2017 - 23 January 2027	Kor261928	None

Trademark	Applicant	Period of Protection	Registration No.	Obligation
<i>Slimma</i>	Company	4 April 2019 - 3 April 2029	201125219	None
<i>สลิมา</i>	Company	4 April 2019 - 3 April 2029	201125220	None
	Company	16 May 2019 - 15 May 2029	201125221	None
Trademarks for Personal Care Products				
	Company	10 January 2014 - 9 January 2024	Kor396803	None
	Company	7 December 2017 - 6 December 2027	201110700	None
	Osotspa Beverages Co.,Ltd	16 October 1998 - 15 October 2028	Kor123225	None

Trademark	Applicant	Period of Protection	Registration No.	Obligation
	Osotspa Beverages Co.,Ltd	11 September 2012 - 10 September 2022	Kor386960	None
	Company	18 September 2020 - 17 September 2030	Kor143871	None
	Company	25 August 2017 - 24 August 2027	191100208	None
Micellaneous				
	Company	22 May 2009 - 21 May 2019	Kor318164	None
	Company	22 May 2009 - 21 May 2029	Kor326772	None
	Company	21 February 2007 - 20 February 2027	Kor279861	None

Trademark	Applicant	Period of Protection	Registration No.	Obligation
	Company	21 February 2007 - 20 February 2027	Kor275687	None
	Company	15 July 1988 - 14 July 2028	Kor81123	None
	Company	25 May 1988 - 24 May 2028	Kor76201	None
	Company	25 May 1988 - 24 May 2028	Kor76202	None
	Company	13 June 1988 - 12 June 2028	Kor76274	None

Trademark	Applicant	Period of Protection	Registration No.	Obligation
	Company	9 April 1999 - 8 April 2029	Kor121015	None
	Company	8 January 1999 - 7 January 2029	Kor118390	None
	Company	11 July 2008 - 10 July 2028	Kor302620	None
	Company	26 September 2014 - 25 September 2024	Kor419428	None

In accordance with the Trademark Act, if many applicants apply for the trademark registration which the registrar considers those trademarks to be identical trademarks or may cause the public be confused or misled as to the rightful owner or origin of the products or the origin of the products marketed under such trademarks, the first applicant shall have the right to register such trademark.



Trademark Registration in Other Countries

The Company has also registered our own principal trademarks or initiated the registration of trademarks under the Company name in many countries in which our products are sold. However, the Company generally focuses to register our trademarks in Myanmar, Cambodia, Laos, Indonesia, and Vietnam, to ensure that the Company trademarks are protected in those countries.

At present, the Company trademarks in Myanmar are filed and registered at the Office of Registration Deeds (“ORD”) and the declaration of ownership published via journal and will re-declare the Cautionary notice every 3 years (from the registered date) to publicize that the Company declared trademarks are owned and any person shall not infringe such trademarks. In the past, there is no direct law and regulation in relation to intellectual property protection in Myanmar. The Company trademarks which are used in company business in Myanmar,

as a result, received no protection in accordance with intellectual property laws, contrarily to the protection of the Company trademarks which are registered in other countries. However, the Myanmar court and most of the relevant governmental authorities shall accept the Cautionary notice to give the legal protection in respect of intellectual property.

However, Myanmar Government has enacted the Trademark Act, but it has not yet become fully effective and established the Myanmar Intellectual Property Department (“MIPD”) for administration and law enforcement purposes. In the meantime, the trademarks re-registration system are open in October 2020 for the existing trademarks which already filed and registered with the ORD.

The Company has submitted the applications for the trademark re-registration in respect of the Company’s existing trademarks (being registered with the ORD) to the MIPD and such applications are currently under the consideration process by the MIPD.



Investment Policy in Subsidiaries and Associated Companies

The Company has investment policy in accordance with vision, mission, and strategy on growth in order to enhance operating results or profitability. The Company intends to invest in the synergy for the enhanced competitiveness of the Company, and to enable achievement of the goal of becoming a leader in the core business. The Company, Subsidiaries and/or Associated Companies may consider an investment in additional businesses that have the potential growth and scalability or will be beneficial for the business of the Group with good return on investment. The Company will carry out feasibility of the investment including potential and risk factors associated with the investment. The Company will follow an appropriate procedure for the investment, which shall be consented and/or approved by the Executive Committee, the Board of Directors or Shareholders (as the case may be). The approval for the investment in Subsidiaries and/or Associated Companies shall be in accordance with the relevant notifications of the Capital Market Supervisory Board and Board of Governors of the Stock Exchange of Thailand.



Securities and Shareholders

Registered Capital and Paid-up Capital

As of 31 December 2020, the Company registered capital stood at 3,003,750,000 Baht, comprising 3,003,750,000 ordinary shares at 1 Baht par value and fully paid-up capital totalling 3,003,750,000 Baht. The Company had no other types of share apart from ordinary share under symbol “OSP” (Listed in The Stock Exchange of Thailand).

Shareholders

Top 10 Major Shareholders of the Company

(Details from a shareholder list as of 30 December 2020)

No.	Major Shareholders	No. of Shares	% of Total Shares
1	The Orizon Group ⁽¹⁾	792,796,700	26.39
	• Orizon Limited ⁽²⁾	522,120,950	17.38
	• Mr. Ratch Osathanugrah	111,373,800	3.71
	• Mr. Petch Osathanugrah	120,298,950	4.00
	• Mr. Purat Osathanugrah	-	-
	• Mr. Puree Osathanugrah	-	-
	• Mr. Katha Osathanugrah	13,809,500	0.46
	• Mr. Natee Osathanugrah	25,193,500	0.84
2	Mr. Niti Osathanugrah	500,030,000	16.65
3	Thai NVDR Company Limited	131,427,703	4.38
4	Sub. Lt. Seri Osathanugrah	110,761,000	3.69
5	Mr. Pasuree Osathanugrah	88,774,700	2.96
6	Ms. Quesara Osathanugrah	83,588,200	2.78
7	Mr. Tasharin Osathanugrah	76,892,500	2.56
8	CREDIT SUISSE AG, SINGAPORE BRANCH	53,856,300	1.79
9	Mr. Thana Chaiprasit	51,188,500	1.70
10	STATE STREET EUROPE LIMITED	47,502,770	1.58

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

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

The Company has no shareholding agreement with major shareholders which will affect the Company's management

Other Types of Shares

-None-

Dividend Policy

The Company's Dividend Payment Policy

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

The Company has a dividend payout policy to shareholders of at least 60% of consolidated net profit after deducting the legal reserve specified by law or Articles of Association of the Company. Nonetheless, the consideration of a dividend payout shall depend on the Company's performance, financial position, cash flow, contractual obligations (i.e. loan payments), working capital, investment plans, general economic situation, and related factors as deemed appropriate by the Board of Directors and when in compliance with the laws & regulations. Osotspa paid dividends for the 2020 performance two times at the total amount of 1.10 Baht per share, which is equivalent to dividend payout ratio of 94% of the consolidated net profit after deducting the legal reserve.

The Dividend Payment Policy of the Company's Subsidiaries

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

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



Risk Management

Osotspa recognizes and places importance on risk management in order to manage risks that may affect the business operations. Risk management aims to create long-term stability for the business to achieve its goals within its risk appetite; able to reduce the risk from critical events or uncontrollable events and gain business opportunities that create added value for the Company.

Our risk management approach is designed to control and manage risks efficiently which includes identifying the risks our business faces, assessing likelihood and impact of risks to drive effective, prioritized mitigations, taking actions to manage the key risks, and monitoring and reporting risks on a continual basis to the Risk Management Committee and the Board.



The Company has analyzed and assessed the key risks that has significant impact on the Company covering strategic, operational, financial, compliance, and emerging risks. The key risk factors and mitigations are summarized as follows:

Risk	Potential Impact	How We Mitigate
Strategic Risk		
1. Consumer trends and preferences Failure to evolve our portfolio to take advantage of growth categories, competitive landscape, or to shape/participate in critical consumer, customer, or competitor developments.	<ul style="list-style-type: none"> • Consumers move away from our brands to alternative products. • Less efficient business model compared to key competitors. • Revenue and market share decrease. 	<ul style="list-style-type: none"> • Established long-term business strategy covering all areas (marketing, supply chain and distribution, manufacturing, people, etc.) considering new normal and changes in consumers' needs. • Monitored consumer and customer preferences plus market, technology, and competitor developments. • Use multi-brand portfolio strategy responding to various needs in each consumer segment. • Setup a unit directly responsible for innovation management process to convert strategies into projects which deliver new products to market. • Arrange marketing activities to build relationships between consumers and brands in both forms of outdoor activity and online platform.
2. New and foreign investment Failure to grow our business internationally and diversely in line with strategic aims. Foreign currency fluctuations.	<ul style="list-style-type: none"> • Negatively impact financial position and results of operations. 	<ul style="list-style-type: none"> • Established guidelines in analyzing feasibility, market research, and return on investment including identifying key risks and developing a mitigation plan, resource planning and staff capacity building to develop projects and facilitate management of change. • Closely oversee and monitor the performances of operations and finance conditions of those investments. • Especially in Myanmar, our key overseas operations with amanufacturingplant,weimplementjointmanagement/operation team, consisting of Myanmar and Thai team, to drive the organization and performance, with technical support experts from various countries to respond appropriately to local consumer preferences and market. With close coordination and monitoring, this enabled the Company to have the Thilawa plant commissioning run since July 2020 as planned.

Risk	Potential Impact	How We Mitigate
3. Economic dynamics and uncertainties Local, regional, global economic disruptions including a slow-down or recession in the general economy; reduced market growth rates, tighter credit markets for our suppliers, vendors, or customers.	<ul style="list-style-type: none"> • Liquidity issues, generalized downturn, difficulty in business forecasting and/or performance. • Decline in demand for our products resulting in harm to our revenue and profitability. 	<ul style="list-style-type: none"> • Winning in Crisis Strategy, winning in the new normal, by driving selected growth, defending profit, and cutting cost. • Scenario planning to analyze and evaluate performance results in advance for responding the uncertainty situation, conservative investments and strict controls on spending and credit released to the customers. • Corporate Treasury unit manages liquidity by monitoring and forecasting cashflow in order to operate towards the goals without interruption.
Operational Risk		
4. Product quality and safety Contamination of raw material or finished product, or unsafe counterfeit product is supplied to the market.	<ul style="list-style-type: none"> • Harm to consumers. • Damage to corporate and brand reputation. • Additional cost incurred. 	<ul style="list-style-type: none"> • Production control and total quality management throughout the value chain, from suppliers to consumers and management of change. • Adopt and continuously improve a strategy to ensure high quality standards of production in terms of integrity and safety with a documentation system, i.e. policies, procedures, manuals, for quality control, and rigorously monitor. • Certified with international safety and quality standards, including FSSC 22000 version 5, which ensure control of food safety measures throughout the supply chain. • Osotspa call center monitors consumer feedback, receives complaints and suggestions in order to cooperate with relevant departments for timely response.
5. Volatility of raw material prices Price volatility of commodities, including sugar, cullet, natural gas, affected by global supply and demand, government incentives and controls, taxes and tariffs, and overall economic conditions.	<ul style="list-style-type: none"> • Supply chain impacts. • Increase in cost of raw materials and decrease in operating margin. 	<ul style="list-style-type: none"> • Impose the policy on purchasing raw material to achieve excellent quality at competitive prices and search for alternatives to reduce shortage risk. • Centralize procurement of major raw materials to ensure economies of scale and competitive pricing. • Continued the Fit Fast Firm project which is aimed at improving cost efficiency and enhancing margin.

Risk	Potential Impact	How We Mitigate
6. Digital security threat Theft, loss and misappropriation of important digital assets.	<ul style="list-style-type: none"> Financial loss, operational disruption, and reputational damage. 	<ul style="list-style-type: none"> Implement necessary measures including IT Security Policy, Information Safeguarding Guidelines (data classification), implementation of data leak protection tools for the critical functions which handle confidential data, access controls, anti-virus programs, set-up of multiple layers of firewall, data backup and IT disaster recovery plan. Promote awareness among staff through training and various activities that convey proper use of digital technology. Audit and assessment of the Company's information technology security by an outside expert to strengthen the existing measures and comply with industrial and international standards. The Company has implemented the suggestions which are regularly monitored its progress by the IT Steering Committee.
7. Human resources management and capability Dependency on key personnel, limited capacity and/or skilled workforce, and unagile way of working for the continued success of our business.	<ul style="list-style-type: none"> Inability to achieve the Company's objectives. 	<ul style="list-style-type: none"> Identify key positions and perform the Market Talent Mapping, prepare personnel competency development, and develop a succession plan for key positions. Annual engagement survey taken across the Company to obtain employee feedback on a wide range of topics. Built-up employer branding to attract key talent from various sources via offline and online i.e. LinkedIn, Facebook and LINE. Promote a new normal working culture (co-working space, digital workplace, work from home, motivate team with agile approach) and continue to build capabilities and structures that enable us to be agile in respond to future changes.
Financial Risk		
8. Exchange rate fluctuation Foreign exchange risks on international sales revenue, raw material purchase and investments in foreign subsidiaries.	<ul style="list-style-type: none"> Fluctuation in revenue and/or cost. Balance sheet exposure from translation during consolidated financial statements preparation. 	<ul style="list-style-type: none"> The Company hedged most of our exposure to fluctuations by matching outflows and inflows denominated (natural hedging) and use forward exchange or spot contracts in addition.

Risk	Potential Impact	How We Mitigate
9. Regulatory and tax changes Changes to a variety of external financial risks relating to regulatory and tax; value-added tax, excise tax, tariff, corporate tax, etc. Inability to realize the tax benefits.	<ul style="list-style-type: none"> • Increase in the cost of doing business arising from an increased effective tax rate. • Additional tax exposures and uncertainty. 	<ul style="list-style-type: none"> • Assign responsible units for closely monitoring and following up on changes in rules and policies of the various markets the Company is exposed to, including defining action plans for any potential risks or opportunities. • Develop a preemptive strategy with R&D involving reformulation of existing products and development of new products to meet market and consumer demand while effectively managing manufacturing costs and other expenses.
Compliance Risk		
10. Compliance with laws and regulations Failure to comply with laws and regulations.	Expenses to civil and/or criminal actions leading to damages, significant financial penalty, and corporate reputation.	<ul style="list-style-type: none"> • Continuously monitor new laws relevant to our business operations and disseminate the information to the relevant functions to ensure understanding and acknowledgement of consequences and action plans. • Hire local consulting firms to help interpret local laws and provide suggestions on legal compliance. • Regarding Thai Personal Data Protection Act B.E. 2562 (2018) (PDPA), the Company organized training to employees in relevant functions with a legal advisory firm as the instructor and prepared relevant documents and policies in order to ensure that the Company complies with personal data protection requirements under PDPA which shall be fully effective in 2021.

Risk	Potential Impact	How We Mitigate
Emerging Risk		
11. Global Pandemic Outbreak of coronavirus restricting the person-to-person nature and travelling activities.	<ul style="list-style-type: none"> Production difficulties, quality control problems or shortages in raw materials and supplies in connection with the government control measures and limited resources at the Company or suppliers. 	<ul style="list-style-type: none"> Implement hygiene and safety measures at workplace, such as health checkpoint at the entrance, providing alcohol gel for hand disinfection, arranging facilities with physical distancing. Work from home (WFH) measures, allowing the WFH employee group to work at home to avoid the infection risk from public area, together with the developed systems and the adjusted work processes to facilitate the new ways of working. Find the alternative sources of raw materials and regularly analyze/plan demand and supply to secure our supply chain.
12. ESG towards sustainability and responsibility Climate change. Increasing regulatory requirements and growing societal pressure with regards to sustainability.	<ul style="list-style-type: none"> Impact of ability to source, manufacture, and market our products. Harm to future growth either directly or indirectly via reputational impact, reducing trust among consumers and other stakeholders. 	<ul style="list-style-type: none"> Key Performance Indicators (KPIs) to reduce the quantity of energy and water used in its production and CO₂ emissions. Water management policies by Reducing, Reusing, and Recycling (3Rs) and use of renewable energy such as solar power. Data as well as news on natural disasters and implemented solution outcomes are systematically monitored for effective management of those environmental sustainability plans.

THE POWER TO ENHANCE SUSTAINABLE LIVING

Sustainability Report 2020

Sustainability at Osotspa

Osotspa's Sustainability Roadmap

Sustainability Governance Structure

Value Chain

Stakeholder Engagement

Materiality Assessment



Ensuring Mutual Growth
with business partners through innovation



Making Positive Impact
for consumers, employees, and communities



Protecting Environment
at Osotspa and at Consumer Level

Sustainability Performance

About This Report

Sustainability at Osotspa

At Osotspa, sustainability is not just part of our business, it is our business. It underpins our approach to managing current and future economic, social, and environmental opportunities and risks in order to achieve long-term profitable growth. Such growth is generated by supporting the health and well-being of consumers through our quality products. Sustainability has been actively integrated into our core corporate strategy, helping set a solid foundation for resilient business growth while readying the Company for new challenges and opportunities amidst the increasingly volatile business environment.

Osotspa's sustainability objectives revolve around a 3+1 core pillars strategy that reflects our commitment to a better future for all stakeholders.

Osotspa's Sustainability Roadmap

OSP Sustainability roadmap is aligned with economic, ethical, environmental, and social practices. The roadmap is reflected in our Sustainability Strategies through ambitious, measurable goals, and a medium-term action plan.

Through Osotspa's Sustainability Roadmap, we connect people in our value chain with innovative solutions and skills, enhancing business inclusivity throughout the OSP supply chain, ensuring sustainable consumption, protecting the environment, enhancing community livelihood and cultivating a sustainability mindset in the workplace.



Our Business

We are a powerhouse for value creation in our interconnected economic chain for sustainable, mutual growth.

We ensure mutual growth by:

- Serving our customers with utmost quality
- Growing alongside our suppliers
- Gearing for the future with innovation

Our Society

We operate our business with utmost ethics & integrity, offering healthier products for all with the aim to make a positive impact on society.

We deliver positive impact:

- To Consumers through inspiring, healthier products
- To Employees through good labor practices and human capital development
- To Communities through corporate citizenship and philanthropy programs

Our Environment

We focus our resources on minimizing impact to the environment by implementing circular economy principles.

We protect the environment:

- At OSP by increasing operational eco-efficiency
- At Consumer Level by reducing environmental impact of our packaging



Our People

People is the source of power to grow Osotspa. We live by shared vision of equal opportunities, diversity and sustainability.

Prioritized Areas



5 YEAR PRIORITIZED AREAS & TARGETS



Sustainable Supply Chain

“Ensure mutual growth along supply chain through sustainable sourcing program”

OUR 2025 GOALS:

Creating economic opportunity to **800** small suppliers in cullet & herb supply

100% of Herb Ingredient will be sourced sustainably

100% of OSP supplier will be assessed on ESG



Consumer Health & Well-being

“Inspire wholesome lifestyle through healthier products across entire portfolio”

OUR 2025 GOALS:

100% of Beverage portfolio will be produced with less sugar added

50% of Heath Care and confectionary portfolio will be made with sugar free



Water Management

“Improve water efficiency through water conservation and water management initiatives”

OUR 2025 GOALS:

40% reduction in water consumption in our operations



Sustainable Packaging

“Minimize impact from packaging waste and promote circular economy through sustainable packaging program”

OUR 2030 GOALS:

100% of our product will be in recyclable, reusable, or compostable packaging



Energy & Climate Change Management

“Mitigate Climate Change impact through energy management and use of renewable energy”

OUR 2025 GOALS:

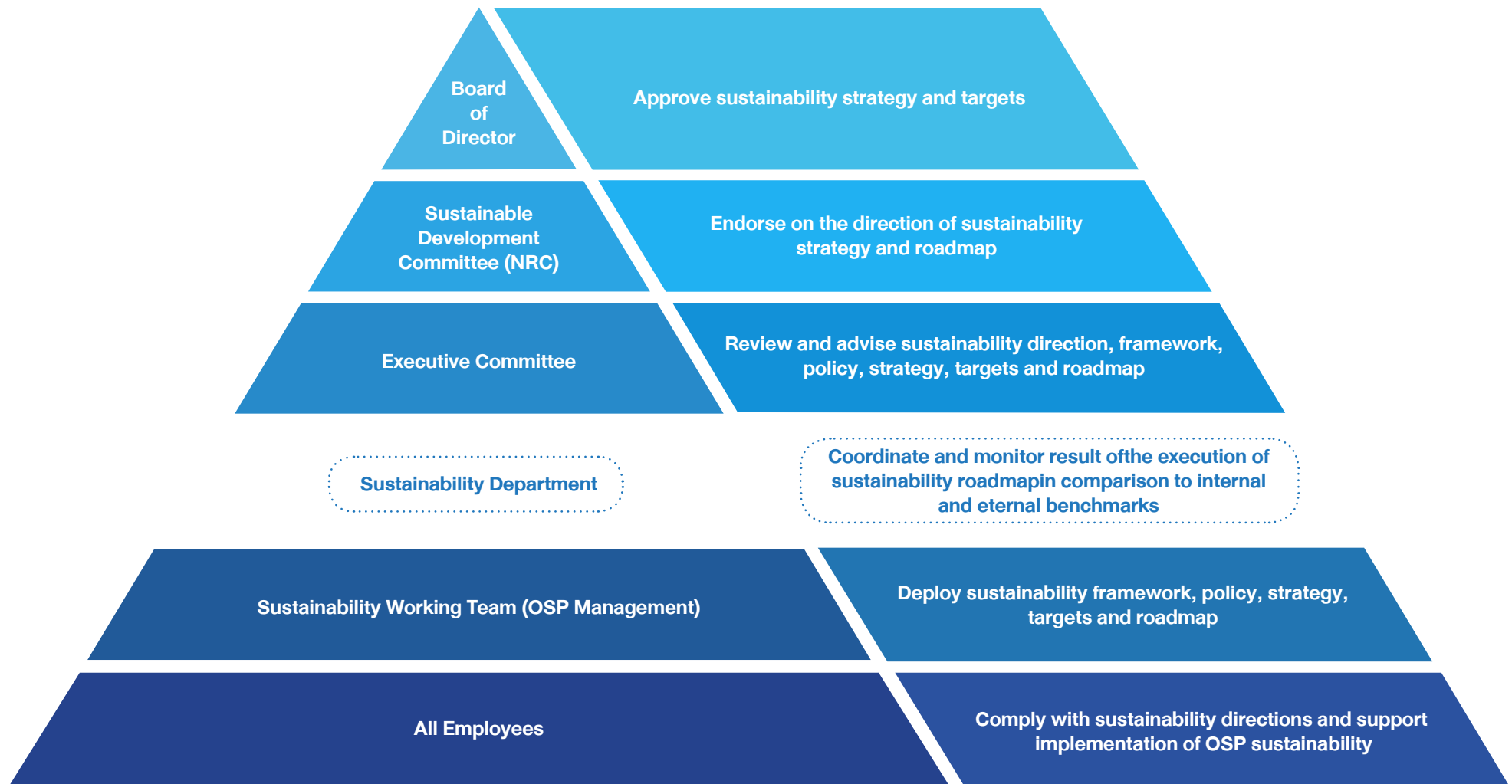
10% reduction in energy consumption across our facilities

15% reduction in Green House Gas emissions across our operations



Sustainability Governance Structure

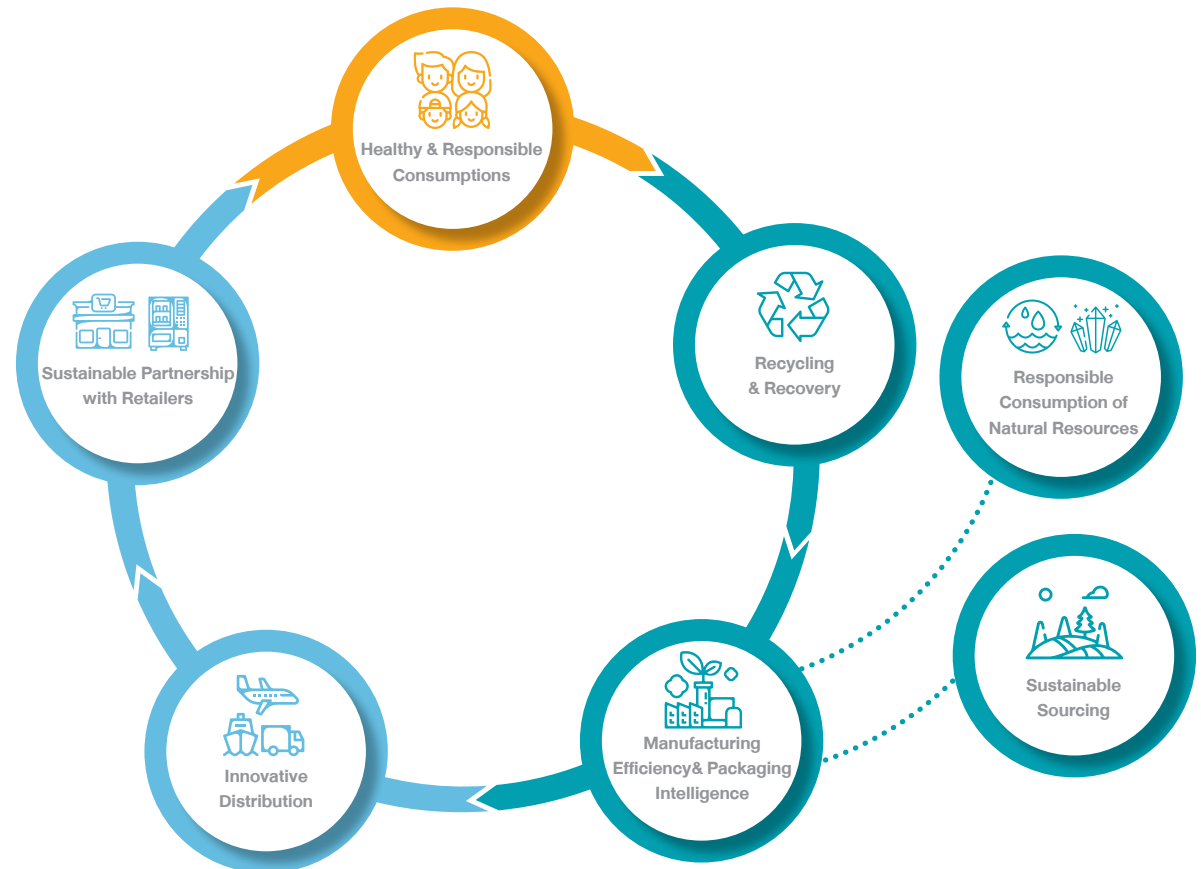
In order to ensure that sustainability is implemented across the company effectively, the Sustainability Department has been designated as the principal unit in driving the sustainable development agenda within the organization. The team works closely with each and every business function, including the board of directors and the executive committee, to ensure strategic alignment and progress along Osotspa's sustainability roadmap.





Value Chain

Osotspa's business operates in a wide context. We give thorough consideration to this context and continuously apply what we learn to manage our impacts and create shared opportunities along the value chain. The drivers of our success, both in the short and longer term, range from inputs such as raw materials, ingredients, and water, to strategic collaborations, upstream and downstream, and finally the talent and passion of our workforce. Furthermore, our business generates revenue from consumers who give us their trust and the financial resources to operate, innovate and grow. As a result, the Company has a diverse product portfolio, economic benefits such as jobs, taxes paid and community investments, ecosystem impacts and initiatives, and customer and shareowner value.



Stakeholder Engagement

The Company believes that stakeholder engagement is the foundation of building a sustainable organization. Understanding and incorporating the topics garnered from stakeholders' concerns and expectations into Osotspa's materiality assessment help improve its sustainability practices in an appropriate and fair way. We define our stakeholders as all persons or organizations that are positively and/or negatively affected by our business activities. Through an organized brainstorming session with a group of cross-functional representatives our internal and external stakeholders are identified and prioritized by our relationship with them, their attitude towards us, and their interests, impact, and potential influences on our business.

Osotspa continuously engages with its stakeholders through a variety of mechanisms at regular intervals. The frequency and channels of communication for each stakeholder group are orchestrated by taking into account practicality and the utmost benefits for each stakeholder. The following table depicts five groups of our key stakeholders along with the approaches to managing their expectations and the channels of engagement.

Stakeholders	Expectations	Approaches	Channels of Engagement
Consumers	<ul style="list-style-type: none"> Product Quality & Safety Product Value for Money Good Health & Well-being Environmentally Friendly Packaging 	<ul style="list-style-type: none"> Provide quality products and services while continuing to improve standards Disclose complete and accurate information on products and services as per legal requirements and avoid false claims 	<ul style="list-style-type: none"> Company website Annual Report (available on website) Annual survey Complaint channels
Business Partners; <ul style="list-style-type: none"> Retailers Suppliers 	<ul style="list-style-type: none"> Fair Trade Consistent Partnership Business Growth Respect of Intellectual Property and Copyrights Trustworthy Treatment of Confidential Information 	<ul style="list-style-type: none"> Do not disclose confidential customer information without consent or without legal grounds Any business relationship with business partners must not harm the Company's reputation and must be lawful Consider equality and mutual benefits when dealing with business partners Fair selection of business partners 	<ul style="list-style-type: none"> Company website Annual Report (available on website) Meetings, conferences, inspections, and factory visits Annual audits Telephone, e-mails Complaint channels
Shareholders, including Lenders	<ul style="list-style-type: none"> Business Performance Improvement Good Corporate Governance Data Transparency Equal Rights Treatment On-schedule Debt Repayment Strict Compliance with Contract Conditions 	<ul style="list-style-type: none"> Commit to corporate governance Protect the interest of the Company and shareholders Treat shareholders equally and fairly Strive to maximize shareholder satisfaction through growth in Company value Disclose information transparently and reliably Commit to the contract and follow lender's conditions on paying back loan principal, interest, and any collateral 	<ul style="list-style-type: none"> Company website ("Investor Relations") Annual Report (available on website) Annual General Meeting Quarterly financial reports Telephone, e-mails

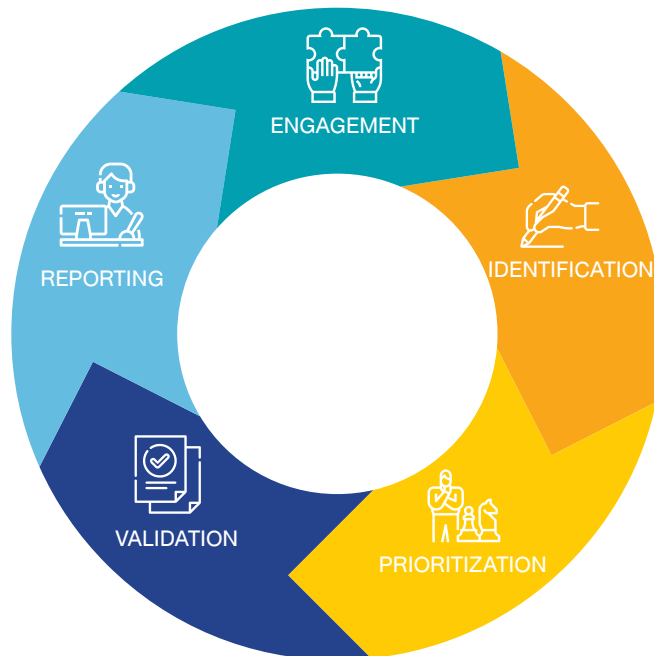
Stakeholders	Expectations	Approaches	Channels of Engagement
Employees	<ul style="list-style-type: none"> Fair Compensation Good Labor Practices Life and Property Security Knowledge Development Career Advancement Opportunity Work-life Balance 	<ul style="list-style-type: none"> Facilitate employee skills development Foster a happy, healthy and safe working environment Promote teamwork Treat employees equally in a polite manner without discrimination Respect individual rights 	<ul style="list-style-type: none"> Company website Annual Report (available on website) Quarterly Town Hall Intranet, OSP Life Mobile Application Annual performance evaluation (twice yearly) Employee Engagement Survey Employee Satisfaction Survey Welfare Committee meetings
Community	<ul style="list-style-type: none"> Responsible Business Operations Community Development to Self-sustainability Economic Improvement of Community Compliance with Laws and Regulations Participation in Public Activities 	<ul style="list-style-type: none"> Organize projects and activities for community and society development on a regular basis Support activities that benefit society at large and refrain from any violation of laws Support activities in the local community in which the Company operates by emphasizing environmental impacts Adhere to a policy to provide products and services which are environmentally-friendly and comply with environmental laws Support activities that contribute to energy and environment conservation and follow a policy to support the production and use of environmentally-friendly products 	<ul style="list-style-type: none"> Company website Annual Report (available on website) Meetings, conferences, inspections, and factory visits Annual audits Telephone, e-mails Complaint channels

Apart from regular channels of engagement for each group of stakeholders, the whistleblowing channel is also available on the Company's website for all stakeholders to freely report any suspected misconduct in good faith. The protection of the whistleblower's anonymity is guaranteed by practice throughout the investigation process. A more detailed explanation of Osotspa's approaches to Anti-corruption, Compliance, and Whistleblowing Management are depicted in [the Corporate Governance section](#) of this report.

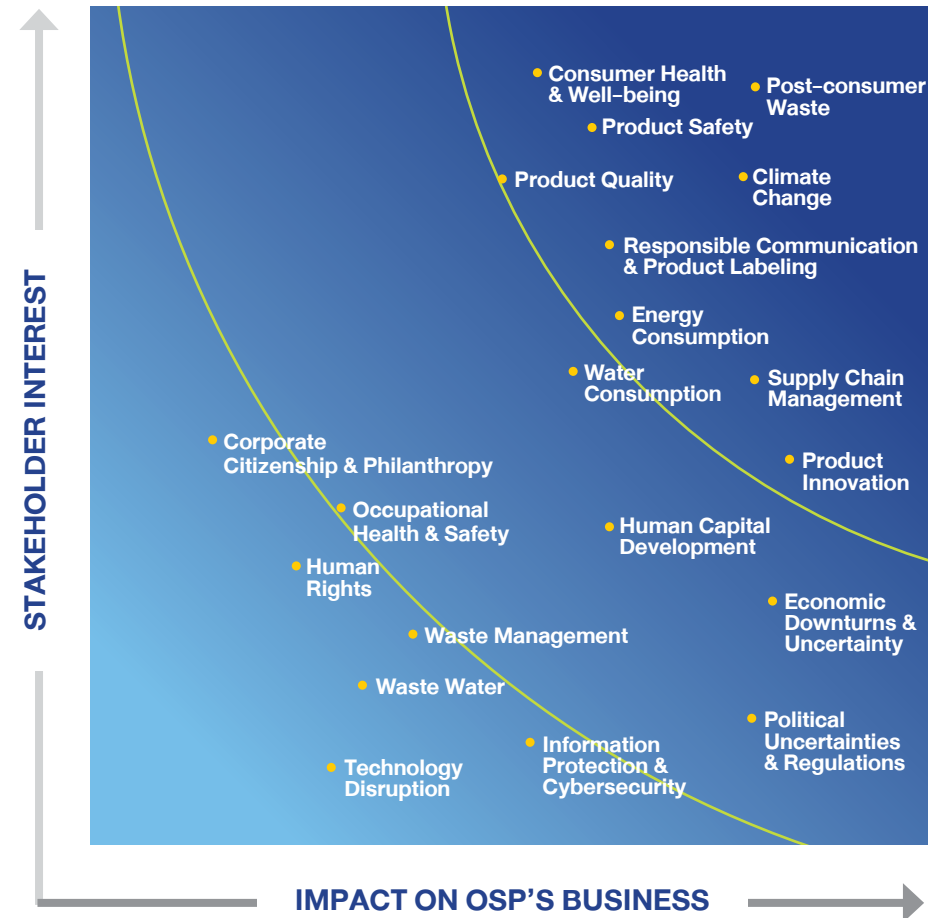
Materiality Assessment

Identifying and prioritizing the economic, social, environmental, and governance topics of interest for our company and our stakeholders, as well as associated key performance indicators (KPIs) and targets for improvement, is fundamental to shaping how we operate our business and to unlocking Osotspa's full potential.

We conduct a formal materiality assessment, in accordance with the GRI Standards guidelines, to ensure that we take into consideration changing contexts, be they economic, social, or environmental, as we continue to evolve our business sustainably. Our materiality approach includes 5 steps which are to reoccur sequentially every reporting cycle.



The results from internal and external stakeholder engagement were reviewed by the Sustainability Working Team for potential material issues along with the Company's impacts along the entire value chain under the relevant global and local sustainability context. Each material issue is assessed for its importance to Osotspa and stakeholders via a matrix based on the average score of the frequency with which the issues are identified by both internal and external sources.



The outcome of the materiality assessment, including the list of material issues, ranked by low, medium and high importance, as well as their respective boundaries, is then validated by the board-level Sustainability Committee and subsequently endorsed by the Board of Directors. The assessment also impacts how we report on our business and sustainability efforts.

Serving Our **Customers**
with Utmost **Quality**

Growing Alongside
Our **Suppliers**

Gearing for the Future
with **Innovation**

ENSURING MUTUAL GROWTH

“We are the powerhouse for value creation in our interconnected economic chain for sustainable mutual growth.”

In a context of fast-paced and ever-changing competitive landscape, sustainability at Osotspa starts from ensuring that our business remains viable and primed to grow perpetually despite unforeseen events.

Osotspa has been standing proudly side by side with Thais for more than a hundred years. Up until now and in the future, we aim to create and deliver long term values through targeting excellence in quality of products and services while empowering our business partners, especially the local and the small-scale ones to alongside us. Of equal importance, the Company considers fueling the innovation as another crucial element to make itself equipped to seize future opportunity.



Serving Our Customers with Utmost Quality

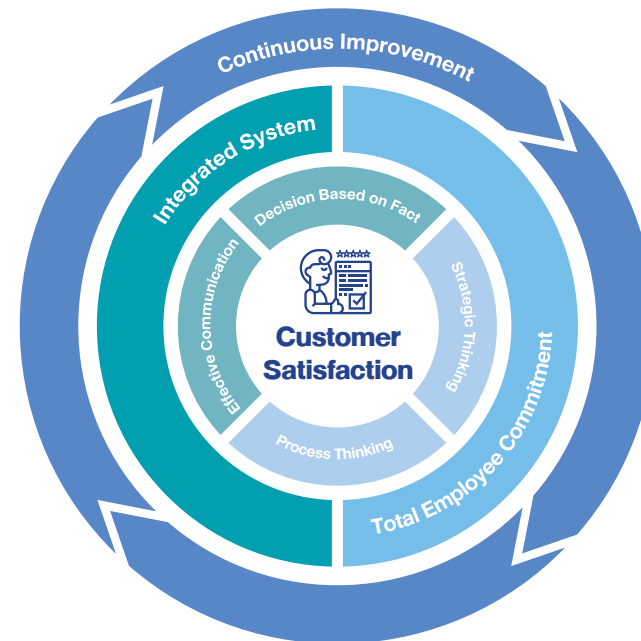
Quality has always been central to Osotspa's business. For more than a century, the Company has delivered products loved and trusted by Thai consumers for their quality and performance standards. Our commitment to develop premium, safe products which meet the needs of all consumers utilizes a holistic approach that engages all employees day in and day out, at every subsidiary, in every brand, and for every product that we make.

The Company makes a concerted effort to ensure its products reach shelves across Thailand and abroad at the right time and in the best condition. This not only maximizes sales opportunity and brand presence but also facilitates smooth operations for our customers and trade partners.

At Osotspa, ensuring that consumers get products of the very highest quality is more than just a priority. In addition to fostering a culture of outperformance among all employees and sourcing only high-quality raw materials, the manufacturing process must also target excellence to guarantee the quality of each product; this is the most essential element of the Company's Quality Management.

Our Approach

In line with our drive for operational excellence, we have set up a single structured system that is applied across all in-house and subsidiary plants and is in accordance with relevant national and international food safety and quality standards. We carry out quality controls and assurance for each of our processes and products over the course of the production cycle, from design to manufacturing and distribution. These include precise production control technologies, hazard analysis and critical control points, and regular audit and risk assessment mechanisms.



The Company's also emphasizes quality services in order to guarantee the highest level of customer satisfaction. We have a standardized complaint handling system in place and work diligently to perfect our production as well as provision of all products and services. Osotspa welcomes complaints and suggestions directly from consumers through its Call Center, Tel. +66 (0) 2351 1111 and promotes cooperation among relevant business functions to ensure a timely response.

Osotspa received the
Outstanding Consumer Call Center Awards

from Thailand's Office of the Consumer Protection Board in

2015 and **2017**

We are passionate about achieving the highest levels of product quality and safety. Indeed, the Company thrives on improving its customer and consumer complaint and product recall performance. This was evidenced in 2020 when Osotspa surpassed its target for product loss from quality issues thanks to earnest implementation of quality management and control measures across the value chain.

Zero case
of product recall
in **2020**



2020 Performance: Consumer Complaint Ratio



Amidst acceleration in the global population and the corresponding need for affordable, safe, and quality products, Osotspa has been relentless in its efforts to improve industrial and operational excellence. This is reflected through the international certifications the Company has received, including GMP (Good Manufacturing Practice), HACCP (Hazard Analysis and Critical Control Point), Halal and FSSC 22000 Food Safety System for beverage products, as well as ISO 22716, GMP - Cosmetic, GM - Hazardous, ISO 9000 and Halal for cosmetic products.

2020 HIGHLIGHT

100%

of Osotspa's beverage filling plants are certified with GMP, HACCP, and Halal

2025 TARGETS

All beverage filling plants are to be certified with

FSSC 22000

Beverage Filling Plants	Management Standards			
	GMP	HACCP	Halal	FSSC 22000
1. Beverage Filling Plant, Huamak, Bangkok	•	•	•	•
2. Beverage Filling Plant, Ayutthaya	•	•	•	In Process
3. Beverage Filling Plant, Min Buri, Bangkok	•	•	•	-
4. Siam Bev Manufacturing, Ayutthaya	•	•	•	-
5. Osotspa Myanmar	•	•	•	In Process

Personal Care Plants	Management Standards				
	GMP – Cosmetic	GMP – Hazardous	Halal	ISO 9000	ISO 22716:2007
1. Liquid Personal Care Plant, Greenville Factory, Ladkrabang, Bangkok	•	•	•	•	•
2. Powder Personal Care Plant, Greenville Factory, Ladkrabang, Bangkok	•	•	•	•	•

Growing Alongside Our Suppliers

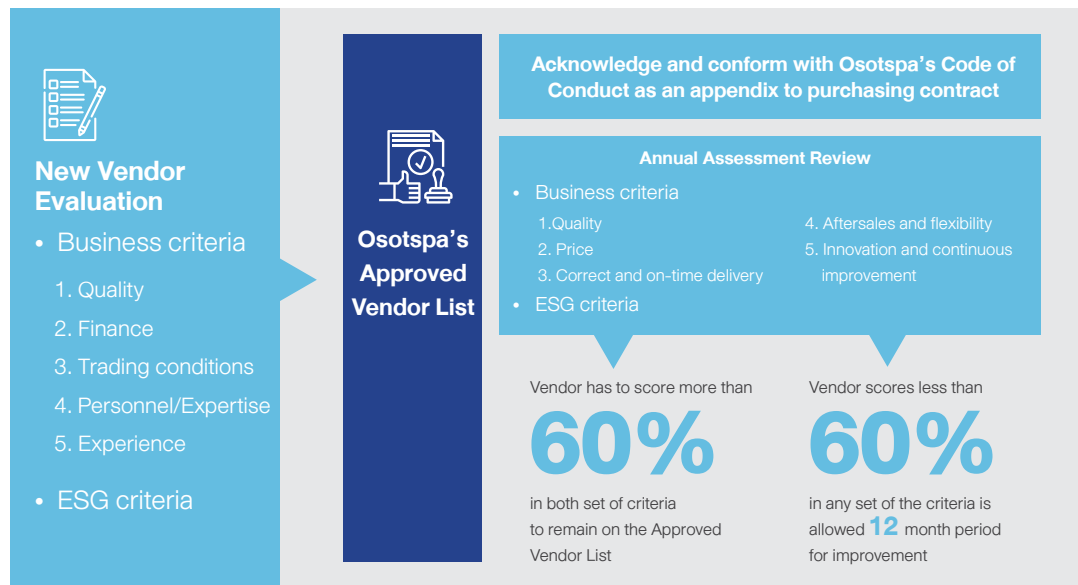
Our suppliers and service providers are some of our most important partners for enterprise development. Together, we expand our businesses and explore new ways to grow in a socially and environmentally-responsible manner. The Company and its partners share responsibility in ensuring that Osotspa's product portfolio is available at the right time, volume, and quality, and at a reasonable price for consumers in Thailand and overseas.



Our Approach

Maintaining healthy relationships with our business partners strengthens cooperation and enhances potential for new collaboration. Our Procurement Policy emphasizes transparent and responsible sourcing of raw materials, products, and services that meet business requirements, are appropriate to the date, location, and cost, and address the needs of the business unit and operational environment. The Company treats all business partners fairly and equally; this endeavor is underpinned by traceable and verifiable systematic documentation. Although building and maintaining healthy relationships with our business partners are at the heart of our supply chain management, we have no room at Osotspa for compromise when it comes to business integrity and compliance with business ethics, company regulations, and relevant laws.

The Company's Code of Conduct is included as a binding appendix in agreements and contracts to ensure that our partners acknowledge and comply with Osotspa's expectation of ethical business policies and practices. To enter and remain in our Approved Vendor List, our business partners must pass Vendor Evaluations with a score higher than 60 percent in both the business and ESG (Environmental, Social, and Governance) criteria. The assessment takes place on an annual basis for existing vendors. Those who do not pass the assessment are allowed a window of 12 months to improve their performance in accordance with a corrective action plan before re-entering the evaluation process.



The COVID-19 pandemic has amplified the urgency for businesses to engage in digital transformation. Such transformation continues to play a major role in enhancing the Company's supply chain management. For example, the Integrated Business Planning software utilized in 2019 has helped the Company leverage data and industry knowledge, leading to agile yet precise supply chain, production, and sales planning. Some of the main benefits of this digitalization, namely inventory optimization, logistics efficiency, and customer satisfaction, are reflected in profit maximization from the holistic view of supply chain management.



Sustainable Herb Farming

With a consumer goods portfolio that encompasses energy drinks and functional drinks, as well as personal care and health care products, high-quality herbs are some of Osotspa's most important ingredients. As such, we are committed to supporting the capability development and livelihood of local herb farming communities.

Because the challenges involved with sustainable agriculture cannot be overcome alone, Osotspa launched the Sustainable Herb Farming Program in 2020. The program, a collaboration with the Herbal Products Division of the Food and Drug Administration under Thailand's Ministry of Public Health, aims to

ensure efficient and environmentally-friendly procurement of quality Thai herbs. This initiative should help Osotspa mitigate its supply chain risks while supporting participating farmers via improvements in product accessibility, capacity expansion, and income sustainability.

Planned to feature

21 types of Thai herbs planting in
8 provinces in Thailand



Sustainable Cullet Sourcing

As important as the ingredients is the packaging of Osotspa's products. Presently, the majority of our sales are for beverages in sealed glass bottles. Cullet, or shattered glass, is a key raw material for these products and can help with cost optimization and mitigation of supply risks.

In 2020, Osotspa embarked on its journey to secure a sustainable source of cullet supply. In the initial stage, the Company shall collaborate with Wongpanit Group, one of the most well-known recyclable waste collector networks in Thailand. Through such collaboration, the Company aims to enhance the ability of its recycling center, reduce national waste from used glass bottles, and empower small, independent waste collectors and scavengers (Saleng) with incentives to supply cullet to Osotspa.

Further down the road, the Company shall extend the collaboration to a wider range of small to medium-scale local partners so as to achieve a circular economy whilst guaranteeing an inclusive supply chain that leaves no one behind.

More details of the Company's efforts to reduce the impact of its packaging production on the environment can be discovered in the [Environmental section](#) of this report.

In 2020,

More than **0.2** million tons of cullet were sourced directly from

117 local suppliers

Gearing for the Future with Innovation



Innovation has long been a driving force behind Osotspa's ability to grow its business sustainably and has played a direct role in securing the Company's status as one of the outstanding consumer product manufacturers in Thailand and ASEAN.

The COVID-19 situation has caused seismic shifts in almost every aspect of personal and professional life. Amid the challenges that have arisen from the pandemic, Osotspa has not deprioritized innovation. On the contrary, we believe that during times of crisis, it is more important than ever for firms to stay ahead of the industry curve. It is important here to reiterate that identifying opportunities within a crisis is much different than actually seizing upon them.

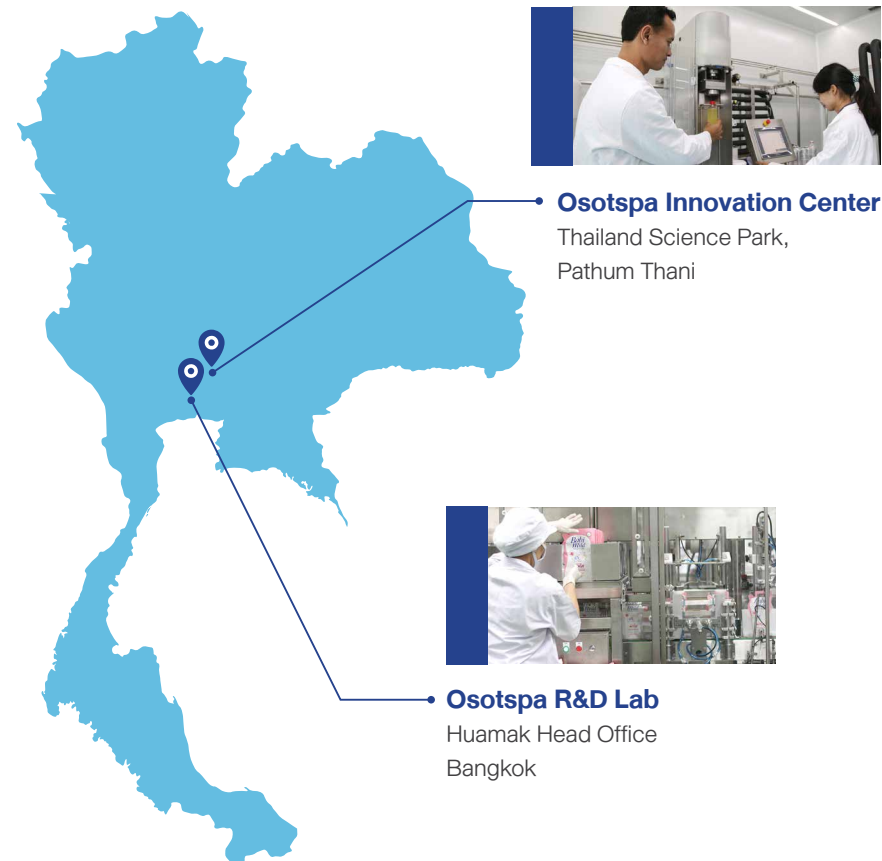
Our Approach

To widen its scope for growth, Osotspa has assembled a top-notch team dedicated to transitional innovation. Complementing this team's mission are the Company's efforts to foster an organizational culture of agility and continuous learning. Looking back over both the foreseeable and unforeseeable events of 2020, Osotspa's executives are proud of how fast our teams responded to fundamental changes in the way we do business. Some of the key elements of our approach to innovation management, specifically those which helped us stay resilient, relevant, and prepared to capture growth opportunities during the pandemic, include:

- Adapting the core business to meet shifting customer needs
- Identifying and quickly addressing new possibilities created by the changing landscape
- Re-evaluating the innovation initiative portfolio and ensuring that resources are allocated appropriately
- Building a solid foundation for post-crisis efficiency and competitiveness

Osotspa strives to go beyond simply meeting the base needs of its customers; the Company, through its extensive range of products, seeks to be an inspiration for consumers to live healthier, more sustainable lives. By leveraging a century of industry know-how, we can develop new formulations and employ new production technology that keep our brand on the cutting edge.

The Company has refined its innovation infrastructure to ensure an intertwined connection between its research and development investment and its overall business growth. Osotspa's major innovation and incubation facilities are its R&D Lab, located at the Huamak headquarters, and the Innovation Center, located in the Thailand Science Park.



The lab-scale production facilities equipped in-house allow us to comprehensively envision the journey of our new products, from lab to store shelf, whilst avoiding significant costs, interference, and delays to our usual manufacturing abilities.

To bring together the best minds on product innovation, we harness scientific expertise from within the Company and work in close collaboration with a network of researchers from the National Science and Technology Development Agency (NSTDA).

MAKING A POSITIVE IMPACT

“We operate our business with utmost ethics & integrity, offering healthier products for all with the aim to make a positive impact on society.”

To Consumers

Through inspiring, healthier products

To Employees

Through sound labor practices and human capital development

To Communities

Through corporate citizenship and philanthropy programs

In the same way a plant needs good soil to grow, a business needs good people to thrive. Osotspa’s businesses collectively employ thousands of such people and with their support, our products reach consumers all across Thailand and many other countries around the world. We pride ourselves on our direct and indirect interdependence with countless local communities. Rather than a burden, we see contribution to the societies in which we live and work as a rewarding opportunity.

Osotspa is committed to fulfilling its role as a positive global citizen while addressing the needs and enhancing the quality of life of its key stakeholders:

To Consumers

Through Inspiring, Healthier Products

Osotspa is proud of being one of Thailand's leading fast moving consumer goods manufacturers with a portfolio of brands that stay at the top of consumers' minds. It's in our team spirit to strive beyond simply meeting the demands and needs of consumers. As a company that has coexisted with Thai society for more than a century, we are passionate in helping consumers live healthier through our high-quality, safe, delicious, and high-performance products.

Our product portfolio is diverse, consisting of beverages, personal care products, healthcare products and confectioneries. In addition to improving these existing products, we are committed to developing new products that serve as healthy alternatives and respond to the needs of all consumer groups.



2025 TARGETS

100%

of new **beverage** formulations will be low sugar (less than 6%) or zero sugar

More than

50%

of our **confectionery product** portfolio will be sugar-free

More than

30%

of our **personal care product** portfolio will use natural ingredients

Our Approach

The Company gives priority consideration to consumer health risks and their diverse health needs when developing new products. Osotspa's beverages, both energy drinks and functional drinks, offer high value and enhanced benefits through the addition of functional, herbal ingredients and reduction in sugar added. These qualities contribute to a balanced diet and healthy lifestyle for consumers. Our personal care products, which range from baby care to beauty care for all genders, are likewise designed with a focus on quality, safety, and efficacy for a variety of consumer segments. More information about product quality and safety can be found in the [Economic section](#) of this report.

Besides the focus on health with beverage and personal care products, the team at Osotspa also aims for a healthier confectionery portfolio that fulfills consumer health and wellness needs. Indeed, we are committed to broadening the mix of healthy choices in this portfolio with more herbal and sugar-free products.

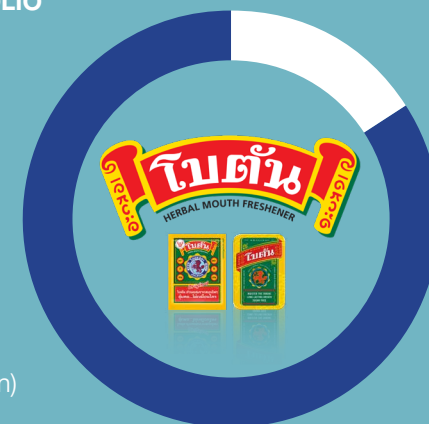
2020 BOTAN VARIATION PORTFOLIO

84%

Sugar-free herbal products

16%

High vitamin C
(a level suitable for daily consumption)





Slimma

An everyday healthy drink with functional ingredients like Fibersol, fiber equivalent to 5 green apples, L-Carnitine, and vitamin B2 was formulated to help block and burn unwanted fat, sugar, and starch in the body. Both flavor variations of Slimma are offered with no sugar added and no preservatives.



Plantstory

A skin care brand launched in 2019 with the concept of “a natural approach to beauty”. The varied plant-based and botanical ingredients in each Plantstory product are handpicked based on their restorative and skin-enhancing properties. Ancient wisdom and proven research are used in tandem to create simple but effective products that bring skin back to its ideal state.



Som In Sum

A brand of non-carbonated energy drink with Korean ginseng, honey, taurine, and vitamin B6 as the highlighted ingredients. Apart from its functional nutrition and great taste, both variations of Som In Sum energy booster feature a low sugar level of 5% w/v.



Babi Mild Healthi Plus

In just the past year, an alcohol sanitizing gel was developed under ‘Babi Mild’, a baby care brand that Thai consumers have trusted and used for over 20 years. Babi Mild Healthi Plus was launched to help Thais stay safe with an effective formulation that is also gentle and mild on the skin.

Botan

A timeless herbal candy that has been on the market for over 78 years, Botan is made from a combination of several Thai-Chinese herbs. Its original sugar-free formulation with licorice soothes dry throats and provides long-lasting fresh breath.

Responsible Communication and Product Labelling

To create value that can be sustained over the long term, the methods used to market products must be given as much importance as the products themselves. The Company believes that communication, from product labeling to advertising, must follow certain principles to help consumers exercise an informed choice and ensure that we gain and maintain consumers’ trust in our brands and our company.

This in mind, product labeling at Osotspa is strictly controlled and kept in compliance with local laws and regulations as well as applicable international standards. First and foremost, our labels are designed for clear visibility and ease of understanding. We make sure that our consumers are provided with information covering nutrition, ingredients, amount of the product, storage method, usage, manufacturing date, expiry/best before dates, manufacturer details, and relevant cautions. The labels enable consumers to make informed decisions about the products they want to purchase. Product labels also list the Company’s consumer hotline, +66 (0) 2351 1111. This helps facilitate consumer inquiries or complaints.

While effective marketing and advertisement help strengthen brand image and differentiate our products from those of competitors, the Company also strictly adheres to responsible and fair marketing practices. These include the prohibition of unethical advertising techniques, false, ambiguous, or exaggerated information, and any other type of content that could negatively impact society, either in the short or long term.

To Employees

Through sound labor practices and human capital development

Osotspa's overarching vision is "the power to enhance life for consumers and community through a culture of High Performance, Innovation and Good Governance". To support this vision, holistic People Strategies have been created to attract, engage, develop, and retain the right people for our workforce, looking to our Organization Core Values for guidance. These efforts have resulted in a highly competent workforce that delivers sustainable value for shareholders.

We work hard to ensure that employees are competent, offered a safe work environment, and respected as individuals.



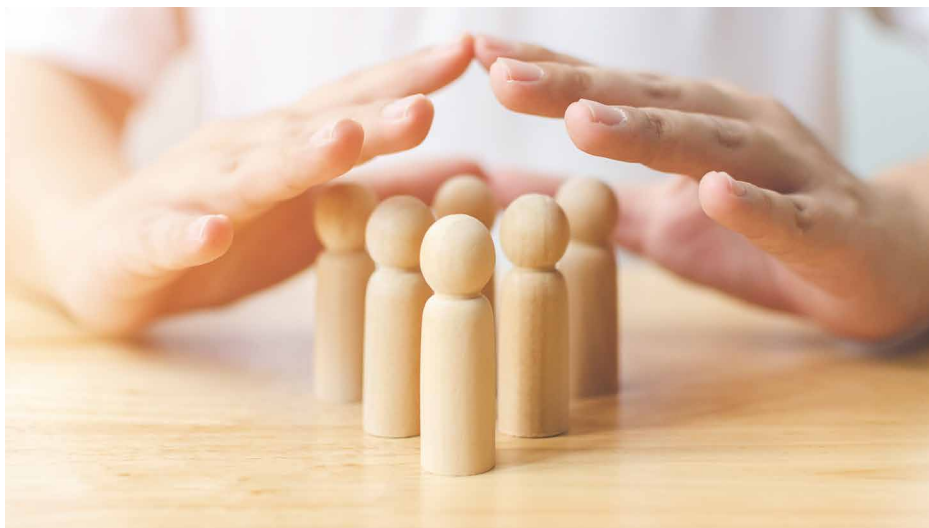
Fostering a Healthy and Safe Work Environment

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

In 2020, there were no fatalities or injuries that could lead to permanent disability

ZERO Fatalities

ZERO Accidents Resulting in Permanent Disability



Our Performance

The Company regularly monitors its overall approach to occupational health and safety in order to ensure a performance standard that is not only high but adequately measurable.

Both of the employees' injury rates slightly increased in 2020 due to an increase in number of case. We conduct a thorough investigation and apply appropriate preventive measures derived from the findings.

Total Recordable Injury – TRIR (No./Million Man Hours)			
Employee		Contractor	
2019	2020	2019	2020
2.08	2.31	2.19	0.79

Lost Time Injury Frequency – LTIFR (No./Million Man Hours)			
Employee		Contractor	
2019	2020	2019	2020
0.59	0.63	0.88	0.59

Our Approach

• Safety Training

During the COVID-19 pandemic, the Company continued to provide safety training to our employees in order to strengthen awareness and foster a culture of safety. In response to the pandemic's challenge, all safety training courses have adopted new modes of instruction while maintaining the ability to deliver appropriate information, supervision, and knowledge to all employees.



• Near-miss Report

At Osotspa, we are proactive in controlling occupational safety and health risk. To this end, near-miss reporting is used as an effective tool for improving safety performance across our operations. Every near-miss incident has been thoroughly analyzed to identify root-causes and appropriate corrective/preventive action.

• Safety Software

In 2020, Osotspa Group adopted SHE Software with the aim to increase efficiency in the SHE work process. The software provides flexible solutions for incident management & occupational health and safety reporting. SHE Software also helps us ensure company-wide compliance with applicable regulations and requirements while saving time and effort.



SHE Excellence Highlights



• Thailand Safety Excellence Award 2020

Osotspa Group received the outstanding model organization award for safety, occupational health, and workplace environment in 2020 at the national level (Gold) from the Department of Labor Protection and Welfare. The award, which recognizes excellent safety management that meets or exceeds international standards, was bestowed upon four Osotspa production facilities.



• Thailand Vision Zero Award 2020

Members of the Safety, Health, and Environment (SHE) Committees of Osotspa's subsidiaries, including Osotspa PCL., Osotspa Beverages Co., Ltd. Siam Glass Industry Co., Ltd. and Greenville Co., Ltd., received the Thailand Vision Zero Achievement Award (Level 2). The award is given by the President of the Safety and Health at Work Promotion Association (Thailand) to plants which have passed the Vision Zero assessments.



• Zero Accident Campaign

Representatives of the Safety, Health, and Environment (SHE) Committees of Osotspa's subsidiaries, including Greenville Company Limited, Siam Glass Industry Company Limited - Samut Prakan, Siam Glass Ayutthaya Company Limited and Siam Cullet Company Limited received Zero Accident Campaign 2020 plaques from the Chairman of the Executive Board of the Institute for Occupational Safety, Health and Environment for the second consecutive year.

Facilitating Staff Capability Development

Strengthening our employees' abilities is crucial to supporting business expansion, both domestically and internationally. The Company has therefore established OSP Academy to focus on Capability Building intervention and to review the abilities of our workforce that need to be re-skilled or up-skilled amid rapid industry changes and digital trends. To deliver such knowledge effectively, the Company employs a blended learning approach (70-20-10) which utilizes classrooms, e-learning, coaching, and hands-on experiences via project assignments. This approach is part of building an organization that values lifelong learning and balance between today's required skills and those needed in the future. More detailed explanation on Human Capital Development & Leadership program are available in [the Corporate Governance section](#) of this report.

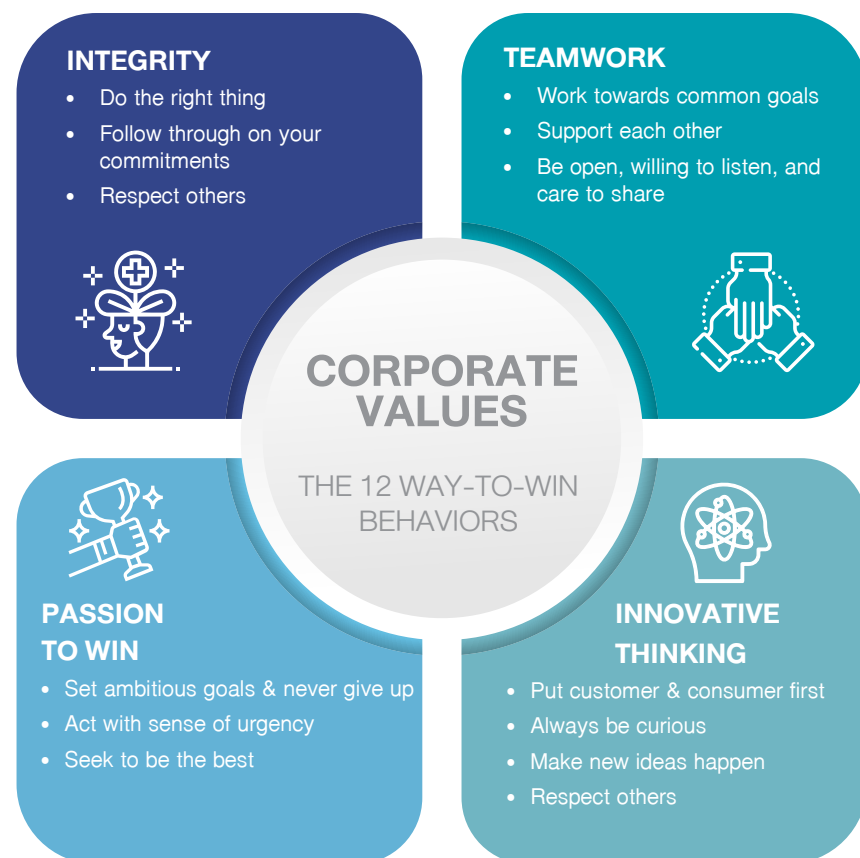
We continue to utilize a hybrid teaching methodology that combines online educational materials and interactions via the e-learning mobile application (OSP Life) with traditional classroom-based methods (Development Impact Journey). This in turn facilitates development of future leaders from within the Company. We set high performance expectations but also foster a work environment in which every employee has the opportunity to showcase and broadcast their talents and skills. Through a combination of work assignments, on-the-job experience, and focused training and education, employees acquire the necessary skills and competencies to take on increasing levels of responsibility and job complexity.

Treating Employees Equally, Politely, and Without Discrimination

• Ethical Conduct

The Company commits to conduct business in an ethical, transparent manner, using our Core Values (ITIP) and Code of Conduct (CoC) as guides to “Good Governance”.

Our Core Values represent the qualities and actions we aim to see in our employee behavior. They frame not only how we do business, but also our crucial HR processes, e.g. recruitment, promotion and individual performance management, with the end goal to create a more desirable culture.



Employees must also comply with our Code of Conduct and strive to be good role models, in line with our Core Value of “Integrity” which calls for ethics and accountability. The Code of Conduct is instilled in employees of all levels with an annual refresher that must be acknowledged. An online platform has been created for employees to refer to when they are in doubt and Functional Deep Dive Activities are given to employees to gain hands-on learning experience related to their roles and responsibilities.

• Good Labor Practice

Employees are indeed Osotspa’s most valuable assets and are the key to the Company’s success. Hence, we are committed to ensuring that our culture and work environment is healthy. We treat every employee with politeness and respect individuality and human rights in accordance with laws & regulations as well as internal standards.

In line with our Code of Conduct, all employees have equal opportunities in employment, appointment, and relocation without discrimination based on ethnicity, religion, gender, marital status, or physical disability and we ensure no forced labor.

We also have a welfare committee with employee representatives to discuss and provide suggestions with regards to employee welfare. Elected to serve a two-year term, the welfare committee is represented by each function.

• Fair Compensation

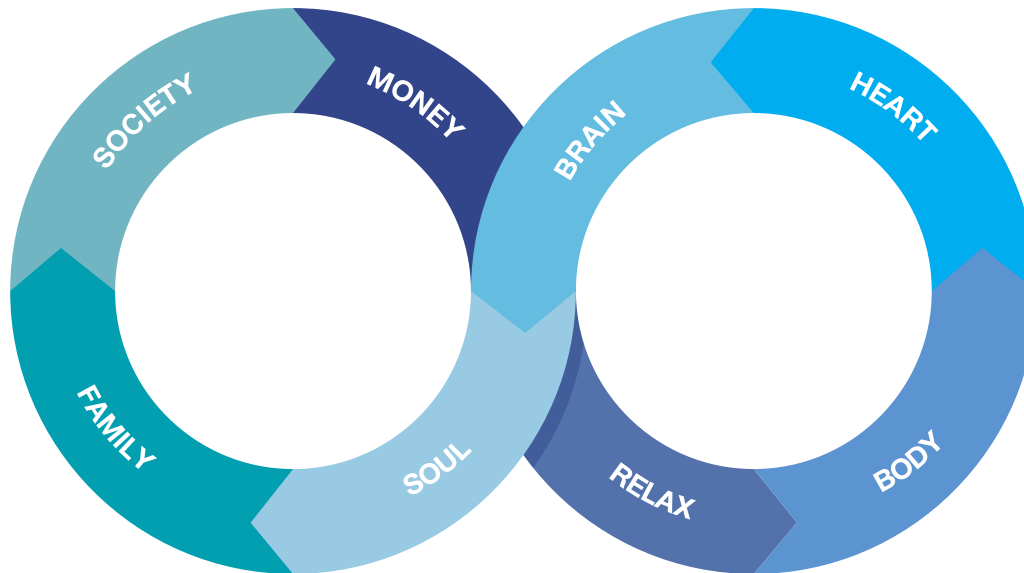
A healthy remuneration strategy has significant impact on the Company’s ability to attract and retain talent. It also directly contributes to employee effectiveness and hence the Company’s overall competitiveness. To this end, we provide employees with generous benefits and welfare programs, including salary, bonus, provident funds, healthcare, life insurance, child education aid, financial support for weddings, child delivery benefits, financial support for funerals of family members, gifts for the first-born child, etc. More detailed explanation of employee remuneration & other welfare programs is available in [the Corporate Governance section](#) of this report.

Besides providing a variety of employee benefits that are competitive vs. other leading companies, the Company distinguishes itself by providing additional benefits, as follows:

- » **Osotspa Employees Savings Cooperative Limited** - Established to promote financial savings among members and provide lending at interest rates lower than other commercial banks. Members benefit from interest savings and annual dividends from shareholding.
- » **Osotspa Employees’ Club** - Led by an elected chairman and team with two-year terms, the Club is responsible for organizing activities that are purposeful and recreational, e.g. management of sports and other recreational clubs as per employees’ interest, organization of the annual company party, and organization of cultural activities that promote unity and preserve our cultural heritage.

Building a Happy Workplace

Osotspa's "Happy Workplace" Activities align with guidelines from the Ministry of Social Development and Human Security. Employees are given tools to manage life for sustainable happiness and to promote positive thinking in the way they live.



SOCIETY

- Blood donations

FAMILY

- Summer camp for employees' children
- Breast milk facilities

BODY

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

HEART

- Employee volunteer program with special social/environmental activities

MONEY

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

RELAX

- Family Day, Family Trip

SOUL

- Religious/spiritual activities

BRAIN

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

Cultivating a Culture of Agility

Digitalization and the Workforce

The Company encourage employees to utilize "OSP Life", a Digital HR solution available on smartphones. The application is a brilliantly simple 'one stop' service that connects all employees to the Company and colleagues with crucial information such as the company profile, telephone directory and online learning platform. The tool includes a number of engagement activities as well as the Reward and Recognition menu aimed at creating a positive work culture.

Agile Workplace

The work-from-home trend which emerged in the middle of 2020 has brought both challenges and opportunities. To stay agile amid this trend, the Company applies a 'hot desk' practice when it is necessary for staff to come to the office. This allows employees more flexibility for their health and safety while promoting creativity in the workplace. In addition, several digital platforms have been introduced to support remote work productivity, e.g. MST, e-form processes, and office smart service requests.

Osotspa Winning in Crisis (OWC)

Osotspa promotes an Innovative Culture via its "OSP Winning in Crisis" Campaign. Employees are encouraged to think 'outside of the box' to come up with ideas towards cost reduction, process improvement, new products and work efficiency. Ultimately, the output from this campaign and the emphasis on work agility helped the Company successfully navigate the pandemic crisis in 2020.



To Communities

Through corporate citizenship and philanthropy programs

For more than a century, Osotspa's underlying principle has been to conduct business while contributing to society. This creed is reflected in the Company's founding name, **Teck Heng Yoo**, meaning **"to prosper by helping others"**. We believe that by investing in local communities we can encourage positive changes in the world around us, in turn promoting a more appealing environment for the business to operate and grow in.

Amplifying Osotspa's contribution to Thai society as a leading health product manufacturer, our philanthropic programs focus on enhancing quality of life, nurturing local talent, and ensuring accessibility to healthcare for all. We are determined to play an integral role in surrounding communities both economically and socially through sustainable and equal opportunities.

Quality of Life

Osotspa creates opportunities for people who had been the breadwinners of their families before becoming disabled after serious accidents or illness. The Company seeks to help such individuals regain the power to move forward with self-reliance through the "Life must go on" project. The project promotes the quality of life and well-being of the disabled by building both physical and mental strength. This is undertaken through home renovations that help with daily routine, activities which return their confidence, and support for a sustainable career.

Osotspa collaborates with local public health agencies to help the disabled regain their muscle strength and train for a profession. We provide career support in three categories: organic farming, basketwork, and wooden furniture. To this end, the Company established the first organic farm learning center for the disabled in Ubolratana District, Khon Kaen Province in 2019. This was followed by two new centers in 2020: one at Kaeng Khoi Hospital, Saraburi and one at Khon Kaen 2 Hospital. Twenty-eight disabled participants joined the project in 2020.



In addition to providing vocational training, Osotspa helps build a community for participants engaging in similar professions with development of joint branding and marketing. Products from the organic farms are sold under the “Kin Dee” brand, baskets are sold under the “Handy” brand, and the furniture is sold under the “Yoo Dee” brand. Furthermore, online shops have been developed to expand the markets of these products. At present, those who have joined the project have an average income of 2,000-5,000 Baht per month to share with their family. As the impact extends to participants’ family members, we estimate that a total of 112 people were supported by this project.



We are proud to see the participants improve their well-being and we believe the project is a worthy model for other organizations. Note that the Ministry of Social Development and Human Security bestowed Osotspa with a plaque of recognition as an organization that supports the disabled (Good Level).

Education

The Osotspa Foundation awards scholarships to students in the medical, pharmaceutical, nursing, and physical therapy fields, without any obligations. These scholarships allow recipients to support the community in their hometown, improving access to local healthcare and services in rural areas. In 2020, 16 scholarships were granted, bringing the total from the past 30 years to over 300 scholarships granted by the Company.

Public Health

To ensure that equipment for medical staff is adequate for the number of patients cared for during the pandemic, Osotspa’s engineering team has worked with hospitals and educational institutions to design and manufacture medical devices. These devices assist COVID-19 patients specifically and include 35 COVID-19 negative pressure capsules, negative pressure cabinets and COVID-19 patient filter stations, worth more than 12 million baht in total. The equipment was delivered to hospitals in 20 provinces, including Bangkok, Samut Sakhon, Samut Prakan, Phra Nakhon Si Ayutthaya, Saraburi, Chiang Mai, Chiang Rai, Mae Hong Son, Tak, Trat, Kanchanaburi, Sa Kaeo, Khon Kaen, Surin, Chonburi, Yala, Pattani, Narathiwat, Phuket and Lopburi. Our engineering team also designed and manufactured, in cooperation with AI Technology Company Limited and Rajavithi Hospital, dental tools used for COVID-19 infection protection. We delivered 10 units, worth 2 million baht in total, to Rajavithi Hospital, Det Udom Crown Prince Hospital, Chiang Khong Crown Prince Hospital, Chawang Crown Prince Hospital and the Chom Bueng Crown Prince Hospital as part of our 13th year of support of the royal prosthodontic project.

Total Philanthropic Contributions in 2020

75%

**CHARITABLE
DONATIONS**

One-off or occasional
support to worthy
causes

8%

**COMMUNITY
INVESTMENTS**

Long-term strategic
involvement
in community

17%

**COMMERCIAL
INITIATIVES**

Brand purpose activities,
Support with brand
presence

Though the COVID-19 pandemic has raised financial concerns among businesses to varying extents, we believe that the sooner society gets back on its track, the sooner businesses can rebound to their full capabilities. In this spirit, pandemic relief support and assistance from Osotspa has targeted virus spread prevention, patient treatment, and overall morale building.

Medical Equipment Made with Care to Support Fight against COVID-19

Osotspa together with the volunteers of the engineering team have applied their knowledge and mechanical expertise to invent medical equipment for COVID-19 patients with the care and skill of Thai inventors to join the battle of COVID-19 with an aim to empower, support and encourage medical personnel in front-line sacrifice in the fight against COVID-19. We have delivered 30 negative pressure cabinets, 11 patient filter stations and 34 negative pressure isolation capsules to 38 hospitals located in 20 provinces across Thailand.



Medical Personnel and Public Health Agency Support

Osotspa joined all Thais in fighting the COVID-19 pandemic through the “Osotspa for the fighting spirit of all Thais” project. The project supports the various sectors handling COVID-19 patients, especially public health agencies, via delivery of beverage products and alcohol sprays with a total value of over 20 million Baht. Such products were delivered to many hospitals nationwide every day for 3 months. The products were also delivered to the staff of other public health agencies who play an important part of infection investigation and control, including the Department of Disease Control and Department of Medical Sciences.

Product Donation to Protect Thais from COVID-19

During the year, Osotspa delivered alcohol-based hand sanitizers, body cleaning products and accessory cleaners with a total value of 14 million Baht to airports, schools, nurseries, local government offices and medical centers nationwide through the Airports of Thailand Public Company Limited, Office of the Basic Education Commission (OBEC), Department of Local Administration and the Office of Public Health, Phra Nakhon Si Ayutthaya District.



Team M (M Point) Fighting COVID-19 Campaign

Exemplifying the fighting spirit, love, and harmony among Thais, Osotspa acted as a medium to transfer encouragement from the Company's dedicated staff to all Thais through the campaign “Team M (M Point) Fighting COVID-19 : You Give Points, We Donate” campaign. M-150 provided opportunities for Thai people to express their thoughts and give support to medical personnel across the country by changing their M points to donations for hospitals. Every point donated by a member was converted into one baht and donated to hospitals. While the campaign saw a total of 1,193,150 points redeemed, Osotspa contributed additional capital and hence delivered a total donation of 2 million baht to hospitals nationwide, to be used for medical equipment to treat COVID-19 patients.

M-150 Crew's Mission to Fight against COVID-19

Osotspa sent M-150 crews to hand out beverage products with total value of over 5 million baht to officers and staff who performed their duties as part of the Big Cleaning. They also helped clean and disinfect public areas across the capital to help reduce the spread of the COVID-19 virus and boost public confidence, in partnership with the Royal Thai Army, registered volunteers, and officials from the Bangkok Metropolitan Administration. The Company also delivered beverage products and cooling tanks to recharge and encourage officers working at 19 COVID-19 screening points across Bangkok.



Special Project to Help People Affected by the Crisis

Through the "Life must go on" project, Osotspa selected people affected by the COVID-19 crisis in Bangkok, Samut Prakan, Phra Nakhon Si Ayutthaya and Saraburi to join our career support program. Within the project, there are two different career development pathways: 1) Opening a Special Drink Stand with Osotspa products, such as Lemon Honey Soda Drinks using C-Vitt Lemon, passion fruit and honey shakes using 'Black Galingale Shark,' and 2) Sale and delivery of beverages. Osotspa provides comprehensive training in this pathways, including drink recipes, sales techniques, accounting methods, Osotspa product and equipment knowledge, supplies for opening drink shops, and the supplies required for beverage sales and deliveries. Through such training, participants can begin their new careers and earn an income to support their families. This project has served over 200 participants, helping at least 800 family members during the pandemic. Moreover, 52 of these participants are caretakers of 60 disabled people.



PROTECTING THE ENVIRONMENT

“We focus our resources on minimizing impact to the environment by implementing circular economy principles.”

At OSP

By increasing operational eco-efficiency

At Consumer Level

By reducing environmental impact of our packaging

In a world of finite resources, it is crucial for businesses to manage their use of global natural resources and to minimize the environmental impact of business activities. At Osotspa, we are committed to protecting the environment by optimizing natural resource consumption and improving efficiency across our operations.

Our responsibility to the environment extends beyond operational efficiency. Indeed, we recognize the importance of offering added value to consumers through our products while protecting the planet in the best possible way. We make our best effort to ensure sustainability in our packaging.

At OSP

Increasing operational eco-efficiency

With a commitment to use natural resources in a responsible manner, we strive to make our operations more efficient by managing resource consumption and reducing emissions. To improve our performance on operational efficiency, the Company consistently explores solutions for energy & climate management, water management, and waste management.



Our 2025 GOALS:

Energy Management & Climate Action

15%

Reduction in Combined GHG Intensity (Scope 1 & 2)

10%

Reduction in Energy Intensity

Water Stewardship

40%

Reduction in Water Intensity

Waste Management

MAINTAIN ZERO LANDFILL WASTE

Energy & Climate Management

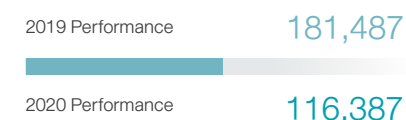
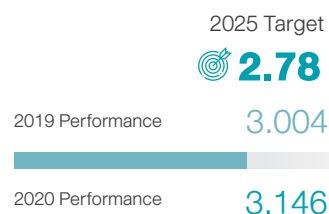
Osotspa has undertaken numerous energy saving initiatives with the objectives of reducing energy consumption, increasing use of renewable energy, and lowering greenhouse gas emissions from our business activities. Such initiatives are implemented in a manner that is in line with national strategies and international standards.



Energy Intensity

Total Energy Consumption
(GJ/Ton of production)

Total Renewable Energy
Consumption (GJ)

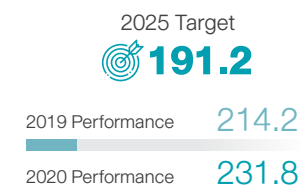
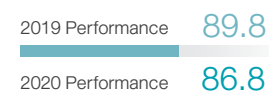


Greenhouse Gas Emissions

Direct GHG Emissions
(kg CO₂e)

Indirect GHG Emissions
(kg CO₂e)

Total GHG Emissions
(kg CO₂e)



Our Approach



Heat Recovery Project - Recover waste heat from the glass bottle production facility to produce steam that can in turn be used in the glass bottle cleaning process at the beverage production facility.

In 2020, we cut our need for natural gas by more than

49,550 GJ

equivalent to a reduction of

2,780 t CO₂ e



Biomass - Use alternative energy from biomass: palm husks left over from the agro-industry process are used to supply heat for beverage production.

In 2020, our use of

116,390 GJ

GJ of biomass energy resulted in a savings of over

9,800 t CO₂ e



Solar Energy - Explore potential opportunity to increase the use of renewable energy in our facilities.



We recently signed a contract to install solar PV systems at five Osotspa factories (3MWcombined). The PV systems are projected to lower our non-renewable power consumption by an average of

4,300 MWh

per year, equivalent to a reduction of

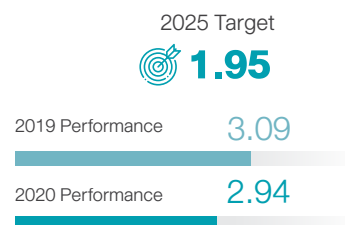
2,400 t CO₂ e



Water & Wastewater Management

More than just a major ingredient in our beverage products, water is a vital resource for the well-being of local communities. The Company hence emphasizes the importance of water efficiency, both within our facilities and the surrounding areas. Specifically, our focus is on increasing water efficiency in production and managing wastewater through our high-quality treatment unit.

Water Consumption Trends (Water Intensity) (m³/Ton of production)



Water Reuse & Recycling (m³)



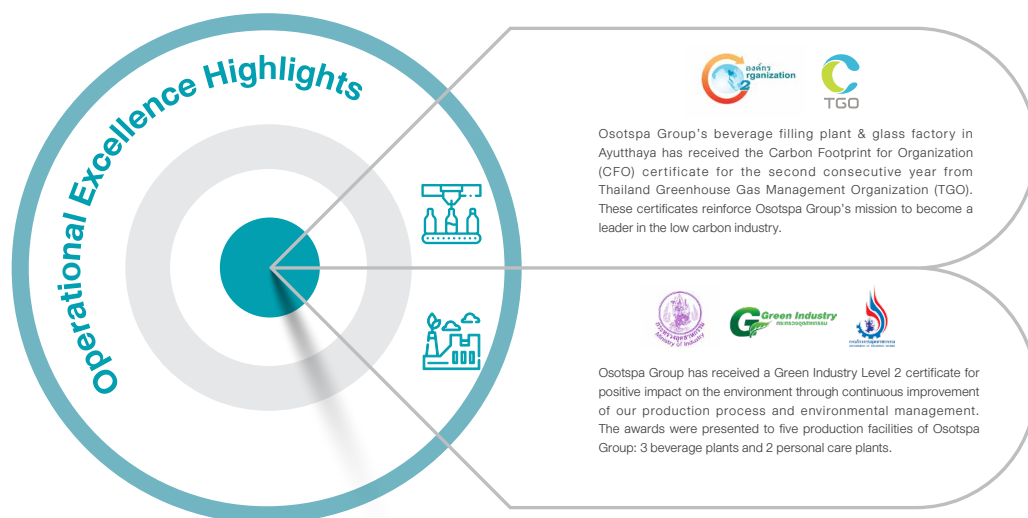
Our Approach

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




Waste Management – Zero Landfill Waste

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



ISO & Related Certifications

Our approach involves 'going beyond compliance' with applicable regulations and government approvals and license conditions. We strive to improve both our environmental and occupational health & safety performance by adopting global standards.

<div></div> <div>Plant Locations</div>	ISO & Related Certification							
	GI: Green Industry	CFO: Carbon Footprint Organization	ISO 14001: 2015	ISO 45001: 2018	ISO 50001: 2018	3Rs	3Rs+	Zero Waste Achievement
Beverage Filling Plants								
Beverage Filling Plant, Huamak, Bangkok	●							
Beverage Filling Plant, Ayutthaya		●	●					
Beverage Filling Plant, Min Buri, Bangkok	●							
Personal Care Plants								
Liquid Personal Care Plant, Greenville Factory, Ladkrabang, Bangkok	●		●			●	●	●
Powder Personal Care Plant, Greenville Factory, Ladkrabang, Bangkok	●		●					
Glass Factories								
Siam Glass Industry Factory (SGI), Samutprakarn	●		●		●			
Siam Glass Ayutthaya Factory (SGA), Rojana Industrial Park, Ayutthaya	●		●					
Siam Glass Industry Factory (AY), Ayutthaya	●	●	●		●			
Other Facilities								
Label Printing Factory, Chatuchak, Bangkok	●							

2020 HIGHLIGHTS



TARGETS

All plants to be certified with ISO 14001 & ISO 45001 by 2025

100%

of Osotspa's personal care plants are certified with ISO 14001:2015

Siam Glass Industry Factory (SGI), Samutprakarn is certified with ISO 45001

At Consumer

Sustainable Packaging

Packaging waste from the consumer products industry is a growing public concern. As one of Thailand's leading consumer product manufacturers, Osotspa is committed to supporting the UN's Sustainable Development Goal 12 : Sustainable Consumption & Production by re-designing, reducing and recycling packages as well as managing post-consumer waste in responsible ways.

In 2020, our efforts towards sustainable packaging centered on pragmatic approaches to improve design, avoid use of problematic plastics (PVC), increase use of recycled materials, and reduce the physical weight of our packaging — all while maintaining the quality our consumers expect.

OSP PACKAGING STRATEGIES & GOALS:



Our Approach



Recycle-friendly Design

Transition to fully recyclable packaging materials

- Transition from opaque to clear PET bottles
- Roll out implementation of shrink sleeves with perforated tear tabs; consumers directed to remove the sleeve at end of use to improve bottle recycling ability.
- Focus trained on packaging innovations such as redesigning multi-material films, new shrink sleeve technology, and pressure-sensitive label systems which are preferred by recycling facilities.



Weight Reduction

In 2020, we improved our glass bottles & aluminum cans with a thinner and lighter design which reduced overall material use in our packaging. We saved a combined 2,034 metric tons of material from the weight reduction project .

2,000
Tons of Glass

34
Tons of Aluminum



PVC Phase-out

Packaging materials containing PVC currently make up less than **0.03** percent of our total expenditure on packaging by weight. Nevertheless, we continue to work toward fully eliminating PVC from our packaging materials in all categories: Beverage, Personal Care, and Healthcare and Confectionery.

Health Care & Personal care

Removing **40** Tons of PVC
with shrink and cap seal

Packaging Management

Recycling to Play Bigger Role from Upstream to Downstream

Osotspa recognizes that manufacturers serve as the linchpin for responsible waste management. Hence, the Company has established an advanced packaging recycling center in Saraburi province to better-manage product end-of-life. Aimed at supporting Thailand's move towards sustainable consumption and production, our recycling center contributes to the reduction and recycling of waste by way of resource optimization. We are constantly improving the efficiency of our recycling center and increasing the amount of local cullet used in glass bottle production.

Operating since the third quarter of 2019, the recycling center has seen the segregation of 1,220 tons of glass bottles and aluminum caps. Recycled glass is sent to Osotspa glass bottle production facilities and other glass manufacturers while aluminum caps are sent to facilities which specialize in aluminum recycling.



1,030

Tons of Glass

190

Tons of Aluminum

Sustainable Packaging Partnerships

By joining forces with those around us, we can enhance lives and protect our planet. This in mind, the Company is actively working with a wide range of collaborators in the consumer industry, including business associations, academic institutions, suppliers, government agencies, and peer firms to achieve a circular economy in commercial packaging. The priority is to bring stakeholders in our value chain towards the ultimate goal of sustainable packaging and to develop solutions which bolster product recyclability. As part of our sustainable cullet sourcing program, we collaborate with cullet suppliers to encourage local scrap venture collection of cullet from the domestic waste stream and to use reverse logistics to collect and transport post-consumer glass containers. Closing the loop of glass container waste not only benefits the environment and ecosystem but also the general health of surrounding communities.

Sustainability Performance

Environmental Performance

OSP Environmental Performance					
GRI Standard	Topic	Environmental Performance	UoM	2019	2020
General	Production	Total production	Ton	1,005,175	1,044,542
		• Beverage	m ³	372,242	380,567
		• Personal care	Ton	23,805	24,881
		• Health care	Ton	-	-
		• Confectionary	Ton	-	-
		• Glass bottle	Ton	606,888	636,868
		• Label	Ton	2,240	2,226
GRI 302-1	Energy consumption	Total direct energy consumption	GJ	2,486,348	2,718,204
		Non - renewable energy	GJ	2,304,851	2,601,817
		• Fuel oil	GJ	32,458	65,107
		• Diesel	GJ	-	4,010
		• Natural gas	GJ	2,272,393	2,532,701
		Renewable energy	GJ	181,497	116,387
		• Biomass (Palm shell)	GJ	181,497	116,387
		Total indirect energy consumption	GJ	533,184	568,184
		• Electricity purchased	GJ	533,184	568,184
		• Electricity generated and consumed	GJ	0	0
GRI 302-3	Energy intensity	Energy intensity	MJ/Ton of production	3.004	3.146

OSP Environmental Performance					
GRI Standard	Topic	Environmental Performance	UoM	2019	2020
	GHG emissions	Total direct & indirect GHG emissions (Scope 1+2)	kgCO ₂ e	215,382,663	242,183,973
GRI 305-1	Scope 1 emissions	Direct GHG emissions (Scope 1)	kgCO ₂ e	125,084,983	151,458,801
GRI 305-2	Scope 2 emissions	Indirect GHG emissions (Scope 2)	kgCO ₂ e	90,297,680	90,725,172
		Direct & indirect GHG emissions intensity	kgCO ₂ e/Ton of production	214.27	231.86
GRI 303-1	Water Withdrawal	Total water withdrawal	m ³	3,109,278	3,077,228
		• Groundwater	m ³	898,493	1,358,647
		• Municipal water	m ³	2,210,786	1,718,581
		• Once through cooling water	m ³	0	0
		Water intensity	m ³ /Ton of production	3.093	2.946
GRI 303-3	Water Management	Recycled and reused water	m ³	199,394	219,498
GRI 306-1		Total water discharge	m ³	316,846	178,403
		• BOD	mg/L	5	4
		• COD	mg/L	52	53
		• TSS	mg/L	26	12
GRI 306-2	Waste Management	Solid waste	Tons	7,965	13,428
		Total hazardous waste	Tons	439	558
		Total non-hazardous waste	Tons	7,527	12,870
GRI 307-1	Compliance	Environmental non-compliance	Cases	-	-
		Environmental grievance	Cases	-	-

Human Resource & Human Capital

OSP Human Resources & Human Capital Development					
GRI Standard	Topic	Data	UoM	2019	2020
102-8	Total employee	Total employees	Person	-	3,792
		By gender			
		• Male	Person	-	2199
		• Female	Person	-	1593
		By age			
		• Baby Boom (>55)	Person	-	73
		• Gen X (40-54)	Person	-	1330
		• Gen Y (24-39)	Person	-	2225
		• Gen Z (<24)	Person	-	164
		By region			
		• Thailand	Person	-	3425
		• Overseas	Person	-	367
		By function			
		• Commercial	Person	-	685
		• Supply Chain & Manufacturing	Person	-	2,466
		• Support	Person	-	641
		Total contractors	Person	-	1,506
401-1	New employee hires	Total new employees	Person	-	406
		Total new employee hire rate	New hire rate (%)	-	12.38
	Employee turnover	Total employee turnover	Person	-	287
		Total employee turnover rate	Turnover Rate	-	8.50
404-1	Employees training	Total training hours provided to employees	hours	-	36,451

OSP Human Resources & Human Capital Development					
GRI Standard	Topic	Data	UoM	2019	2020
		Total average training hours	Hours / employee	-	11.11
	Employee engagement score	Employee engagement score	%	-	75
		By gender			
		• Male	%	-	75
		• Female	%	-	75

Occupational Health & Safety

OSP Occupational Health & Safety					
GRI Standard	Topic	Occupational Health & Safety	UoM	2019	2020
403 - 2	Total injury	Total injury rate (IR)	No/Million man-hours	2.10	1.78
		Employee	No/Million man-hours	2.08	2.31
		Contractor	No/Million man-hours	2.19	0.79
		Total number of injury	Case(s)	26	26
		Employee	Case(s)	21	22
		Contractor	Case(s)	5	4
	Near-miss Report	Total number of near miss report	Cases(s)	5	7
	Lost Time Injury Frequency	Lost Time Injury Frequency Rate (LTIFR)	No/Million man-hours	0.65	0.62
		Employee	No/Million man-hours	0.59	0.63
		Contractor	No/Million man-hours	0.88	0.59
		Total Lost Time Injury	Case(s)	8	9
		Employee	Case(s)	6	6
		Contractor	Case(s)	2	3

OSP Occupational Health & Safety					
GRI Standard	Topic	Occupational Health & Safety	UoM	2019	2020
	Occupational Illness Frequency	Occupational Illness Frequency Rate (OIFR)	No/Million man-hours	0	0
		Employee	No/Million man-hours	0	0
		Contractor	No/Million man-hours	0	0
		Total number of occupational disease cases	Case(s)	0	0
		Employee	Case(s)	0	0
		Contractor	Case(s)	0	0
	Fatalities	Total number of fatalities	Person	0	0
		Employee	Person	0	0
		Contractor	Person	0	0
	Lost Day	Lost Day Rate (LDR)	Days/Million man-hours	2.50	5.63
		Employee	Days/Million man-hours	1.68	4.42
		Contractor	Days/Million man-hours	6.14	7.90
		Total number of lost days	Man Days	31	82
		Employee	Man Days	17	42
		Contractor	Man Days	14	40

About This Report

Osotspa Public Company Limited has compiled and continued our annual Sustainability Report since 2019, to communicate our continuous commitment on economic, social, environmental and corporate governance responsibilities. This report has been prepared in accordance with the Global Reporting Initiative Standards (GRI Standards): Core option. It is our second annual Sustainability Report which discloses our performance during 2020 fiscal year (1 January 2020 to 31 December 2020).

The report adheres to the GRI Standards and also supports the United Nations' Sustainable Development Goals (SDGs). The GRI Standards set out principles for defining reporting quality. We drew on a wide range of inputs to develop a view on what matters to our internal and external stakeholders. We have taken steps to ensure that the quality of the information contained in this report is reliable. All data collected for this report is internally verified and signed off by each department's head of assurance. We expect to continue to improve the robustness and depth of our reported data over time.

Reporting Scope

Business / Company	Environmental Performance				Social Performance	
	Energy	Water	Waste	Emissions	Occupational Health & Safety	Human Resources
Osotspa Beverages Co., Ltd.	●	●	●	●	●	●
Siam Glass Industry Co., Ltd.	●	●	●	●	●	●
Siam Glass Ayutthaya Co., Ltd.	●	●	●	●	●	●
Siam Cullet Co., Ltd.	●	●	●	●	●	●
Greensville Co., Ltd.	●	●	●	●	●	●

Contact Details

We welcome your opinions, comments and suggestions on our sustainability performance and on this report. Your feedback is important to us and will help to improve our reporting. Please submit any questions or comments to our Sustainability team by calling us at +66 (0) 2351 1000, email to papitchaya.sun@osotspa.com or itchaya.pra@ostospa.com, or by post to Osotspa's Head Office.

The Mailing Address of Osotspa's Head Office:

Osotspa Public Company Limited
 External Affairs & Sustainability
 348 Ramkhamhaeng Road, Huamak, Bangkok 10240 Thailand.

Management Discussion and Analysis

Year 2020 Highlights

Managed through Crisis

In COVID-19 crisis, employee's health and safety was our top priority as well as the continuity of business operations. During the year, OSP have implemented many cost-transformation programs, adopted new simplified processes, and reshaped our portfolio. This built strong fundamental to be more resilient and better adapt to evolving trends and economic conditions post COVID-19.

Drove Profitability

OSP posted FY2020 net profit of 3,504 million Baht, +7.5% YoY with net profit margin +100 bps YoY to 13.7%. Despite flat growth in revenues from COVID-19 impact, acceleration of Fit Fast Firm projects mitigated its impact and drove profitability. Impressive gross margin expanded +40 bps YoY to 35.3% (+150 bps YoY if excluding product mix impact of C-Vitt), driven by over-achieved Fit Fast Firm targets. Full commercial run of the new Thilawa factory significantly improved gross margin of our Myanmar business. Cost optimization and efficiency improvement were contributed from all departments in the company through "Winning in Crisis" program.

Achieved All-Time-High Market Share across All Categories of Beverages and Personal Care

Focus on core brands, strengthen sales execution and fast respond to consumer preferences were key enablers driving market share gains across all major categories and achieved a record high in Q4'20. OSP posted a 2020 energy drinks market share of 54.5%, +100 bps YoY underpinned by M-150, despite the negative market growth of 7.3% YoY. Functional drinks market share expanded by 360 bps YoY to 36.3%, where C-Vitt led the growth in Vitamin C category and helped driving overall market growth of 9.0% YoY.



Geared Up for International Sales Growth

International business sales continued to show the positive recovery since the third quarter. The turnaround was more prominent in the fourth quarter when total CLMV sales reported growth of 21.3% YoY, driven by improvement in route-to-market operations despite the COVID-19 situation.

Exhibited Strong Cash Position

OSP exhibited low net debt-to-equity of 0.07 times and strong balance sheet position. OSP is well-positioned for a recovery and ready to capture right inorganic growth opportunities. Total 2020 dividend payment was 1.1 Baht per share (interim dividend of 0.45 Baht per share and final dividend of 0.65 Baht per share), equal to a 94% dividend payout ratio.

OSP Responses Towards COVID-19 Pandemic

OSP's Crisis Management Team (CMT) has been activated to work on business continuity plan (BCP) since January 2020, at the early stage before a widespread of COVID-19 was prevalent in Thailand. Several precautionary measures have been put in place to ensure the overall employee's health and safety, as top priority, as well as the continuity of business operations.

The whole supply chain has been reviewed to ensure no disruption or supply shortage. Alternative sources for key materials were identified, the same as backup plan for critical production lines, together with logistics and distribution preparation for the crisis. The sales and marketing plans have been adapted to ensure proper response to the change in lifestyle and consumer behavior. Many financial scenarios have been formed and we took a more stringent discipline on both spending and investment together with monitoring the financial health of the entire supply chain.

Osotspa continued to provide helping hands to the communities and its business partners by joining force through the Osotspa Fighting for Thai Nation campaign that provides support and assistance to various sectors in coping with the outbreak of the virus. The Company has delivered beverages and alcohol cleaning products total value of 23 million Baht to hospitals nationwide. At the same time, M-150 team have been joining the Big Cleaning Mission with the Royal Thai Army, volunteers and Bangkok officials in cleaning and disinfecting various public areas in Bangkok, and provided buckets with food and beverage products to help boost energy and encouragement for people and staffs who are fighting against COVID-19. The Company also distributed alcohol cleaning gel to the communities surrounding the factories. Moreover, OSP launched another COVID-19 support campaign "You Give Points, We Donate" for donation through M-Point, the loyalty program in LINE application platform that enables consumers to accumulate points from bottle caps to redeem for attractive merchandise or win special prizes. M-Point members could donate the points and OSP will match each donation's cash equivalent. Throughout 7-day campaign (6 - 12 April 2020), OSP and M-Point members together contributed a total of 2 million Baht donation to four regional hospitals, consisting of Nakhonping Hospital in Chiang Mai, Maharaj Nakhon Ratchasima Hospital in Nakhon Ratchasima, Chonburi Hospital in Chonburi and Yala Hospital in Yala. The donations will go towards the purchase of medical equipment and supplies to support medical professionals in the fight against COVID-19. Last but not least, OSP's engineers have been working closely

with Chaophya hospital and the Engineering Institute of Thailand to design and develop necessary medical equipments for COVID-19 treatment. This invention has been completed within a month and donated to 28 hospitals in Ayutthaya, Saraburi, Samutprakarn, Bangkok and remote areas.

In medium to long term, OSP would seek for opportunities amid the crisis to become more resilient, build strong fundamental for medium and long term growth under the new normal, through "Winning in Crisis" project, by having Fit Fast Firm as part of cost transformation program, leveraging our multi-brand portfolio to address consumer pain points, and further working on efficiency improvement in all aspects, e.g. process simplification, agility to adapt to a new normal, employee reskill/upskill.

Market and Competitive Environment

OSP outperformed the domestic energy drinks market and posted a 2020 energy drinks market share of 54.5%, +100 bps YoY, despite the negative market growth of 7.3% YoY. In addition, OSP achieved an all-time high market share at 54.9% in the fourth quarter. The outstanding performance was driven by our flagship M-150 through strong sales execution and active marketing and consumer communication via its digital M-Point loyalty platform throughout the year. As a result, M-150 reached its highest market share since IPO at 40.3% in December and was guaranteed the "Brand of the Year" award for the 4th consecutive year from the World Branding Awards.

Functional drinks market grew +9.0% YoY, the highest growth among overall non-alcoholic beverages. OSP market share in functional drink market also expanded by 360 bps YoY to 36.3%, where C-Vitt led the growth in Vitamin C category and helped driving overall market growth. As a result, C-Vitt continued its strong number 1 Vitamin C drink with market share of 31.0% (increased 590 bps YoY) in the functional drinks market. The market growth has weakened in the last quarter due to the softened demand and the gap in government's stimulus measures. Channel shift was seen towards traditional trade and e-commerce.

Focus on core brands, strengthen sales execution and fast respond to consumer preferences were key enablers driving market share gains across all major categories.

Financial Performance Summary for FY2020

Consolidated Income Statement Summary

Unit: Million Baht	2019	2020	%YoY
Total revenues	26,187	26,129	-0.2%
Total revenues from sales	25,611	25,583	-0.1%
Beverages	21,473	21,547	0.3%
Personal care	2,656	2,501	-5.8%
Others	1,482	1,535	3.7%
Total other income	576	546	-5.3%
Gross profit	8,946	9,029	0.9%
SG&A	5,688	5,711	0.4%
Selling and distribution expenses	3,902	3,967	1.7%
Administrative expenses	1,786	1,744	-2.4%
EBIT	3,999	4,090	2.3%
EBITDA	4,988	5,374	7.8%
Profit for the year	3,268	3,437	5.2%
Profit attributable to owners of the parent	3,259	3,504	7.5%
Key Ratios (%)			
Gross profit margin	34.9%	35.3%	0.4%
SG&A to sales ratio	22.2%	22.3%	0.1%
EBIT margin	15.6%	16.0%	0.4%
EBITDA margin	19.5%	21.0%	1.5%
Net profit margin for the year	12.8%	13.4%	0.6%
Net profit margin attributable to the owners of the parent	12.7%	13.7%	1.0%

OSP reported total revenue at 26,129 million Baht, flat YoY. The COVID-19 pandemic caused several challenges, including a shift in consumer channel preferences, a change in consumer behavior and contraction in consumption. To minimize the impact from market decline and softened consumption throughout the year, several proactive measures have been executed, including focusing on core brands, responding to consumer preference in terms of product launch and channel, and strengthening sales execution. As a result, OSP's core energy drinks managed to outperform the market while responding to change in demand through capacity expansion of C-Vitt and agility in the supply chain and production of Babi Mild Healthi Plus.



Beverage Segment

OSP reported total beverage revenue at 21,547 million Baht, flat YoY. Domestic beverages sales showed a resilient growth of 1.7% YoY through strong performance of C-Vitt after capacity was unlocked to capture increasing demand. While the international beverage business reported negative growth for the year due to global COVID-19 impact, the fourth quarter result showed an impressive turnaround in performance, especially in Myanmar, after implementation of the new route-to-market model to further strengthen our distribution network.

C-Vitt delivered outstanding performance after unlocking its capacity, as COVID-19 expedited the demand towards health and wellness trend. In addition to capacity expansion, C-Vitt broadened its portfolio to capture several different occasions and leveraged OSP's strong distribution network to increase product penetration coverage.

International business sales continued to show the positive recovery since the third quarter. The turnaround was more prominent in the fourth quarter when total CLMV sales reported growth of 21.3% YoY, driven by improvement in route-to-market operations despite the COVID-19 situation.



Personal Care Segment

Total personal care revenues declined 5.8% YoY to 2,501 million Baht with uneven recovery in Baby and Beauty segments. OSP responded to health and hygiene trend with the Babi Mild Healthi Plus range, offering hand sanitizer gel and hand foaming wash category by using our flexible manufacturing capability. Babi Mild has captured additional consumer segments with Babi Mild Kids and Organic Baby Fabric care ranges. OSP stepped up its online presence as consumers shifted to digital and e-commerce platforms. Government's co-pay stimulus package benefited to our personal care business, with the recovery since Q3. The Twelve Plus brand won the "Superbrands 2020" award for the 11th consecutive year, ranking among the country's 19 leading brands in a reflection of consumers' confidence and trust.



Others Segment

Overall others segment revenues increased 3.7% YoY to 1,535 million Baht, as OSP managed to turn crisis into opportunity and promptly responded to health and hygiene trend with products such as hand sanitizer, benefiting healthcare and OEM-personal care.

Gross margin impressively expanded +40 bps YoY to 35.3% (+150 bps YoY if excluding product mix impact of C-Vitt), punctuated by a record-high gross margin of 36.6% in the fourth quarter. The gross margin expansion reflected our commitment towards cost savings and efficiency improvement under the Fit Fast Firm project. In 2020, OSP surpassed its Fit Fast Firm target by delivering over 1,000 million Baht in gross savings from lower raw material and packaging costs, product formulation optimization, and additional manufacturing margin captured from full commercial run of the beverage filling facility in Myanmar. All departments across the company have contributed through "Winning in Crisis" campaign to reduce cost, improve work process efficiency and become more resilient in the new normal.

Selling and administrative expenses (SG&A) spending was at 22.3% of sales, a slight increase from the previous year. Given the COVID-19 outbreak, the overall spending was well managed and realigned for the rapidly changing business environment.

The Company reported profit for the year of 3,437 million Baht (+5.2% YoY) and the profit attributable to owners of the parent was 3,504 million Baht (+7.5% YoY).

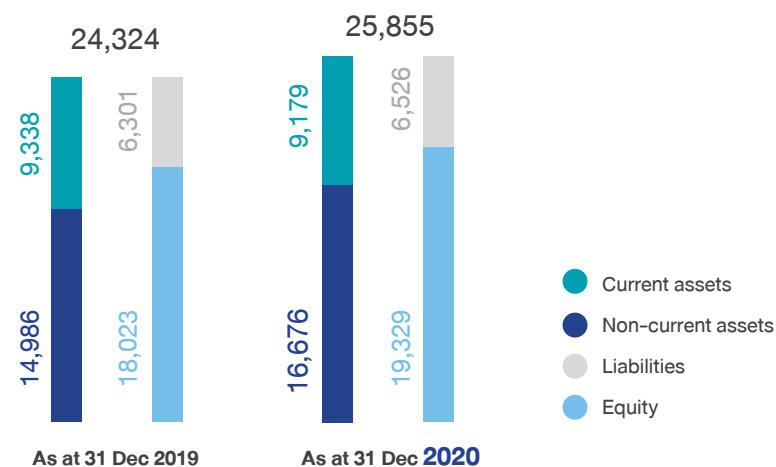
Financial Position

Balance Sheet Breakdown

ASSETS (Million Baht)	As at 31 Dec 2019	As at 31 Dec 2020
Cash and cash equivalents	2,819	2,531
Trade and other receivables	3,628	3,505
Inventories	1,523	2,077
Other current financial assets	1,299	1,000
Other current assets	69	66
Total Current Assets	9,338	9,179
Net PP&E and leasehold rights	9,226	12,358
Other non-current financial assets and long-term investments	3,887	2,782
Other assets	1,873	1,536
Total Non-Current Assets	14,986	16,676
Total Assets	24,324	25,855
LIABILITIES and EQUITY (Million Baht)	As at 31 Dec 2019	As at 31 Dec 2020
Trade and other payables	4,829	4,094
Long-term loans	121	917
Other liabilities	1,351	1,515
Total Liabilities	6,301	6,526
Issued and paid-up share capital	3,004	3,004
Share premium	11,848	11,848
Retained earnings	3,376	3,645
Surplus on business combination under common control	353	295
Other components of equity	(710)	432
Non-controlling interest	152	105
Total Equity	18,023	19,329
Total Liabilities & Equity	24,324	25,855

Balance Sheet

Unit: Million Baht



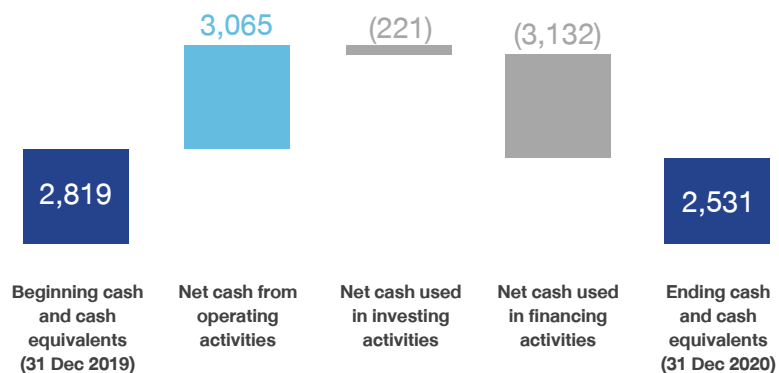
As of 31 December 2020, the Company had total assets of 25,855 million Baht, an increase of 1,531 million Baht (or +6.3%) from 31 December 2019 mainly from investment in new production facilities offsetting divestment of debt securities in private fund. Net PP&E and leasehold rights increased by 3,132 million Baht mainly from consolidation of assets from Siam Bev Manufacturing Co., Ltd. (former named Calpis Osotspa Co., Ltd.), beverage capacity expansion in Thailand and investment in a new beverage factory in Myanmar.

As of 31 December 2020, the Company had total liabilities of 6,526 million Baht, an increase of 225 million Baht (or +3.6%) from 31 December 2019 primarily from long-term loans in Myanmar Kyat currency to support beverage factory construction and operation.

As of 31 December 2020, the Company had total equity of 19,329 million Baht, an increase of 1,306 million Baht (or +7.2%) from 31 December 2019, mainly from higher retained earnings of 269 million Baht and the increase in other components of equity was due to the impact from currency translation and the adoption of TFRS 9 Financial Instruments.

Cash Flows

Unit: Million Baht



As of 31 December 2020, the Company had cash and cash equivalents of 2,531 million Baht, decreased by 288 million Baht from 31 December 2019. The Company had positive cash flows from operating activities of 3,065 million Baht. Net cash flows used in investing activities of 221 million Baht was composed of investment in both domestic and international beverage capacity expansion, together with additional overseas investments, offsetting divestment of debt securities in private fund. Cash outflows from financing activities of 3,132 million Baht was mainly from 2019 interim dividends paid to OSP shareholders in April 20 and 2020 interim dividends paid in Sep'20.

Financial Ratios

	2019	2020
Liquidity Ratios		
Current ratio (times)	1.8	2.0
Number of days of inventory	33	39
Collection period (days)	47	49
Accounts payable (days)	46	44
Profitability Ratios		
Gross profit margin (%)	34.9	35.3
EBITDA margin (%)	19.5	21.0
Net profit margin for the period (%)	12.8	13.4
Net profit margin attributable to owners of the parent (%)	12.7	13.7
Return on equity (%) - trailing	18.0	18.4
Return on assets (%) - trailing	13.7	13.7
Other Ratios		
Total debt to equity (times)	0.3	0.3

Gross margin impressively expanded +40 bps YoY to 35.3% (+150 bps YoY if excluding product mix impact of C-Vitt), reflecting continuous implementation of cost savings and efficiency improvement under Fit Fast Firm initiatives. Despite a challenging year in 2020, Osotspa has managed to deliver more than 1 billion Baht in gross savings, well ahead of the annual target of 800 million Baht. This was thanks to collaboration of employees across the company to win in a time of crisis by proposing innovative ideas and taking action to reduce cost, improve work process efficiency and become more resilient in the new normal. OSP has set a long-term cost savings target of 2,500 million Baht over 3 - 5 years (2019 - 2023).

Cash cycle (Number of days of inventory + Collection period - Accounts payable days) was 44 days, compared with 34 days in 2019. The increase was due to commencement of new beverage production operations in Myanmar and higher safety stock levels as a preventive measure to mitigate supply chain disruption. Current ratio was favorable at 2.0 times, showing strong liquidity position and financial strength. Debt to equity ratio was at 0.3 times.

Credit Term and Collection Period

Under the COVID-19 situation, OSP closely monitored its credit risk exposure. The average collection period was 49 days, slightly increase from last year. This was within the Company's established credit term ranging from 10 days to 100 days.

Dividend

OSP has a dividend payout policy to shareholders of at least 60% of consolidated net profit after deducting the legal reserve. On 24 February 2021, the Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders, to be held on 27 April 2021, approval of the total dividend payment of 1.1 Baht per share paid from the 2020 net profit (comprised of the interim dividend of 0.45 Baht per share, already paid in Sep'20, and the final dividend of 0.65 Baht per share). Hence, the proposed dividend payout ratio from the 2020 consolidated net profit is 94%.

2021 Priorities

In 2021, OSP's priorities are to maximize returns to shareholders by delivering double-digit bottom line growth, however top-line has been worked in scenarios considering the uncertainty on the pace of recovery from the impact of COVID-19.

Our growth in beverages will be driven by 1) building on the success, 2) introducing innovations with new benefits to serve different consumer groups and/or occasions, 3) expanding the distribution coverage, including introducing new channel, and 4) further strengthen our leadership in Myanmar. However, the recent coup may have short term impact on market space with civil disobedience movement affecting transportation and retail shops opening. We will continue to adjust our operation to address the situation.

The robust Fit Fast Firm project, which focuses on cost savings and efficiency improvement, will be accelerated to mitigate risk, manage uncertainty, and drive profitability. With our new factory, gross margin will be significantly improved.

Sustainability principles will be actively integrated into our corporate strategy, enabling OSP to create long-term value for all stakeholders and contribute to a sustainable society. OSP signed a memorandum of understanding with Wongpanit, a major buyer of recyclable wastes, on sustainable cullet supply to enhance the potential of OSP's recycling center. This helps reducing consumption of natural resources such as sand by 30,000 tons per year, mitigating raw material risk, and promoting small waste collector community. In addition, OSP started the solar rooftop project to install a combined 3 MW solar PV system on our five factories across Thailand, generating about 4,300 MWh of clean electricity in the first year, which is equivalent to offsetting over 2,400 tonnes of CO₂ emissions.

Last but not least, OSP is well-positioned for recovery and is ready to capture inorganic growth opportunities. Key focuses are

- 1) Growth that synergized with our businesses
- 2) Cost efficiency, and
- 3) New capabilities.

Financial Highlights

Consolidated Statement of Financial Position

Unit: Million Baht

	2018	%	2019	%	2020	%
Assets						
Current assets	12,641	53.9	9,338	38.4	9,179	35.5
Cash and cash equivalents	4,486	19.1	2,819	11.6	2,531	9.8
Trade accounts receivable	2,618	11.2	3,180	13.1	2,918	11.3
Other receivables	413	1.8	448	1.8	587	2.3
Inventories	1,557	6.6	1,523	6.3	2,077	8.0
Other current financial assets	3,500	14.9	1,299	5.3	1,000	3.9
Other current assets	67	0.3	69	0.3	66	0.3
Non-current assets	10,815	46.1	14,986	61.6	16,676	64.5
Other non-current financial assets	1,810	7.7	2,768	11.4	1,340	5.2
Investment in associates	208	0.9	319	1.3	389	1.5
Investment in joint ventures	589	2.5	800	3.3	1,052	4.1
Investment properties	642	2.7	739	3.0	690	2.7
Leasehold rights	332	1.4	301	1.2	-	-
Property, plant and equipment	6,518	27.8	8,925	36.7	12,358	47.8
Goodwill	-	-	80	0.3	80	0.3
Other intangible assets	212	0.9	229	0.9	319	1.2
Deferred tax assets	160	0.7	193	0.8	128	0.5
Other non-current assets	344	1.5	632	2.6	320	1.2
Total assets	23,456	100.0	24,324	100.0	25,855	100.0

Unit: Million Baht

	2018	%	2019	%	2020	%
Liabilities and equity						
Current liabilities	4,601	19.6	5,256	21.6	4,557	17.6
Trade accounts payable	1,981	8.4	2,244	9.2	1,815	7.0
Other payables	2,150	9.2	2,585	10.6	2,279	8.8
Current portion of long-term loan from financial institution	-	-	-	-	66	0.3
Current portion of lease liabilities	32	0.1	97	0.4	125	0.5
Income tax payable	435	1.9	323	1.3	240	0.9
Other current liabilities	3	0.0	7	0.0	32	0.1
Non-current liabilities	552	2.4	1,045	4.3	1,969	7.6
Long-term loan from financial institution	-	-	121	0.5	850	3.3
Lease liabilities	110	0.5	285	1.2	292	1.1
Provisions for employee benefits	441	1.9	629	2.6	673	2.6
Deferred tax liabilities	-	-	9	0.0	153	0.6
Other non-current liabilities	1	0.0	1	0.0	1	0.0
Total liabilities	5,153	22.0	6,301	25.9	6,526	25.2

Unit: Million Baht

	2018	%	2019	%	2020	%
Equity	18,303	78.0	18,023	74.1	19,329	74.8
Share capital						
Authorised share capital	3,004	12.8	3,004	12.3	3,004	11.6
Issued and paid-up share capital	3,004	12.8	3,004	12.3	3,004	11.6
Share premium	11,848	50.5	11,848	48.7	11,848	45.8
Retained earnings						
Appropriated to legal reserve	265	1.1	300	1.2	300	1.2
Unappropriated	3,033	12.9	3,076	12.6	3,345	12.9
Surplus on business combination under common control	353	1.5	353	1.5	295	1.1
Other components of equity	(415)	(1.8)	(710)	(2.9)	432	1.7
Equity attributable to owners of the parent	18,088	77.1	17,871	73.5	19,224	74.4
Non-controlling interests	215	0.9	152	0.6	105	0.4
Total liabilities and equity	23,456	100.0	24,324	100.0	25,855	100.0

Consolidated Statement of Income

Unit: Million Baht

	2018	%	2019	%	2020	%
Revenue	24,971	102.8	26,187	102.2	26,129	102.1
Revenues from sales	24,297	100.0	25,611	100.0	25,583	100.0
Investment income	43	0.2	216	0.8	188	0.7
Gain on disposal of investments	158	0.7	35	0.1	30	0.1
Other income	473	1.9	325	1.3	328	1.3
Expenses	21,361	87.9	22,352	87.3	22,265	87.0
Cost of sales of goods	16,414	67.6	16,664	65.1	16,554	64.7
Selling and distribution expenses	3,498	14.4	3,902	15.2	3,967	15.5
Administrative expenses	1,449	6.0	1,786	7.0	1,744	6.8
Profit from operating activities	3,610	14.9	3,834	15.0	3,864	15.1
Finance costs	(81)	(0.3)	(13)	(0.0)	(65)	(0.3)
Share of profit of associates and joint ventures accounted for using equity method	193	0.8	164	0.6	225	0.9
Profit before income tax expense from continuing operations	3,722	15.3	3,986	15.6	4,024	15.7
Tax expense	(686)	(2.8)	(718)	(2.8)	(587)	(2.3)
Profit for the year from continuing operations	3,036	12.5	3,268	12.8	3,437	13.4
Profit for the year from discontinued operation, net of tax	27	0.1	-	-	-	-
Profit for the year	3,062	12.6	3,268	12.8	3,437	13.4
Profit attributable to:						
Owners of the parent	3,005	12.4	3,259	12.7	3,504	13.7
Non-controlling interests	57	0.2	9	0.1	(67)	(0.3)
Profit for the year	3,062	12.6	3,268	12.8	3,437	13.4
Basic earnings per share (in Baht)						
Profit from continuing operations	1.47		1.08		1.17	
Profit from discontinued operation	0.01		-		-	

Consolidated Statement of Comprehensive Income

Unit: Million Baht

	2018	2019	2020
Profit for the year	3,062	3,268	3,437
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(153)	(53)	159
Gain (Loss) on measurement of financial assets	0	23	(35)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(0)	(0)	11
Income tax relating to items that will be reclassified	(0)	(5)	7
Total items that will be reclassified subsequently to profit or loss	(153)	(36)	142
Items that will not be reclassified to profit or loss			
Gain (Loss) on remeasurements of defined benefit plans	1	(72)	1
Income tax relating to items that will not be reclassified	(0)	15	(0)
Total items that will not be reclassified to profit or loss	1	(57)	1
Other comprehensive income for the year, net of tax	(152)	(93)	143
Total comprehensive income for the year	2,910	3,175	3,580
Total comprehensive income attributable to:			
Owners of the parent	2,879	3,159	3,627
Non-controlling interests	31	16	(47)
Total comprehensive income for the year	2,910	3,175	3,580

Consolidated Statement of Cash Flows

Unit: Million Baht

	2018	2019	2020
Cash flows from operating activities			
Profit for the year	3,062	3,268	3,437
Adjustments to reconcile profit to cash receipts (payments)			
Tax expense	694	718	587
Finance costs	81	13	65
Depreciation	1,046	958	1,244
Amortisation of other intangible assets	28	32	40
Employee benefit expenses	71	215	118
Reversal of impairment losses on investments in associates	(29)	-	-
Reversal of impairment losses on investment properties	(8)	-	-
(Reversal of) Impairment losses on property, plant and equipment	(16)	12	(3)
Unrealised (gain) loss on exchange rate	(1)	4	(2)
Exchange differences on translating foreign operation	(124)	(48)	50
Share of profit of associates and joint ventures accounted for using equity method	(188)	(164)	(225)
(Reversal of) Loss for expected credit loss	(3)	9	(2)
Losses on inventories devaluation	140	115	96
Gain recognised as a result of remeasuring to fair value of the previously held interest	-	-	(36)
Gain on bargain purchase	-	-	(53)
Gain on disposal of investment	(158)	(35)	(30)
Gain on disposal of investment properties	(26)	(54)	-
Gain on disposal of property, plant and equipment	(140)	(29)	(20)

Unit: Million Baht

	2018	2019	2020
Loss on write off of property, plant and equipment	19	-	17
Dividends income	-	(61)	(135)
Interest income	(36)	(148)	(48)
	4,412	4,805	5,100
Changes in operating assets and liabilities			
Trade accounts receivable	(110)	(582)	319
Other receivables	(33)	8	(108)
Inventories	46	(69)	(643)
Other current assets	69	(2)	13
Other non-current assets	1	7	(8)
Trade accounts payable	113	253	(464)
Other payables	(283)	212	(331)
Other current liabilities	(5)	4	25
Employee benefit obligations paid	(91)	(99)	(75)
Net cash generated from operating	4,119	4,537	3,828
Tax paid	(507)	(885)	(763)
Net cash from operating activities	3,612	3,652	3,065
Cash flows from investing activities			
Acquisition of interest in associates	(208)	(40)	(78)
Advance payment for purchasing of investment in associates	(94)	-	-
Acquisition of interest in joint ventures	-	(98)	(137)

Unit: Million Baht

	2018	2019	2020
Acquisition of a subsidiary, net of cash acquired	-	(16)	(15)
Proceeds from sale of interest in associates	741	-	-
Proceeds from disposal of subsidiaries, net of cash disposed	715	-	-
Proceeds from sale of equity securities	3	9	-
Proceeds from sale of investment properties	29	67	-
Proceeds from sale of property, plant and equipment	216	68	30
Acquisition of property, plant and equipment	(1,254)	(3,497)	(3,230)
Proceeds from sale of other intangible assets	-	1	-
Acquisition of other intangible assets	(36)	(61)	(120)
Acquisition of leasehold rights	(364)	-	-
(Increase) Decrease in short-term deposit at financial institution	(1)	8	(1,000)
(Increase) Decrease in debt securities (in private fund)	(5,192)	1,234	4,020
Cash outflow on short-term loans	(45)	(5)	-
Proceeds from repayment of short-term loans	45	5	-
Dividend received	139	135	250
Interest received	19	138	59
Net cash used in investing activities	(5,287)	(2,052)	(221)
Cash flows from financing activities			
Decrease in short-term loans from financial institutions	(6,033)	(84)	(231)
Repayment of short-term loans	-	(56)	-
Proceeds from long-term loans from financial institution	-	121	784

Unit: Million Baht

	2018	2019	2020
Repayment of long-term loans from financial institution	(62)	-	-
Payment of lease liabilities	(31)	(49)	(116)
Proceeds from issue of ordinary shares	14,935	-	-
Payment of expenses relating to the share offering	(391)	-	-
Proceeds from issue of shares for non-controlling interests in a subsidiary	179	43	-
Acquisition of non-controlling interest	-	(50)	(200)
Dividends paid to owners of the Company	(2,742)	(3,124)	(3,304)
Dividends paid to non-controlling interests	(67)	(55)	-
Interest paid	(85)	(13)	(65)
Net cash from (used in) financing activities	5,703	(3,267)	(3,132)
Net increase (decrease) in cash and cash equivalents	4,028	(1,667)	(288)
Cash and cash equivalents at 1 January	376	4,486	2,819
Cash and cash equivalents classified as non-current asset held for sales	82	-	-
Cash and cash equivalents at 31 December	4,486	2,819	2,531
Non-cash transactions			
Purchase of assets under lease agreements	63	46	64
Outstanding payable from purchases of property, plant and equipment and other intangible assets	178	257	416
Advance payment for purchasing of property, plant and equipment and other intangible assets	222	577	247
Outstanding payable from purchases of debt securities (in private fund)	56	-	-
Outstanding payable from acquisition of non-controlling interest	-	200	-

Financial ratios

		Consolidated financial statements		
		2018	2019	2020
Liquidity ratios				
Current ratio	times	2.7	1.8	2.0
Average sale (inventory) period	days	36	33	39
Average collection period	days	45	47	49
Average payment period	days	43	46	44
Profitability ratios				
Gross profit margin	%	32.4	34.9	35.3
EBITDA margin	%	20.1	19.5	21.0
Net profit margin for the year	%	12.6	12.8	13.4
Net profit margin attributable to owners of the parent	%	12.4	12.7	13.7
Return on equity	%	28.2	18.0	18.4
Return on assets	%	15.8	13.7	13.7
Financial policy ratio				
Total debt to equity	times	0.3	0.3	0.3

Financial Ratio Formula

Liquidity Ratios

Current ratio (times)	=	Total current assets / Total current liabilities
Average sales (inventory) period	=	Average inventory / (Cost of sales of goods / Number of days in the period ¹)
Average collection period (days)	=	Average trade account receivables before allowance for doubtful account / (Total revenue from sales / Number of days in the period ¹)
Average payment period (days)	=	Average account payables / (Cost of sales of goods / Number of days in the period ¹)

Profitability Ratios

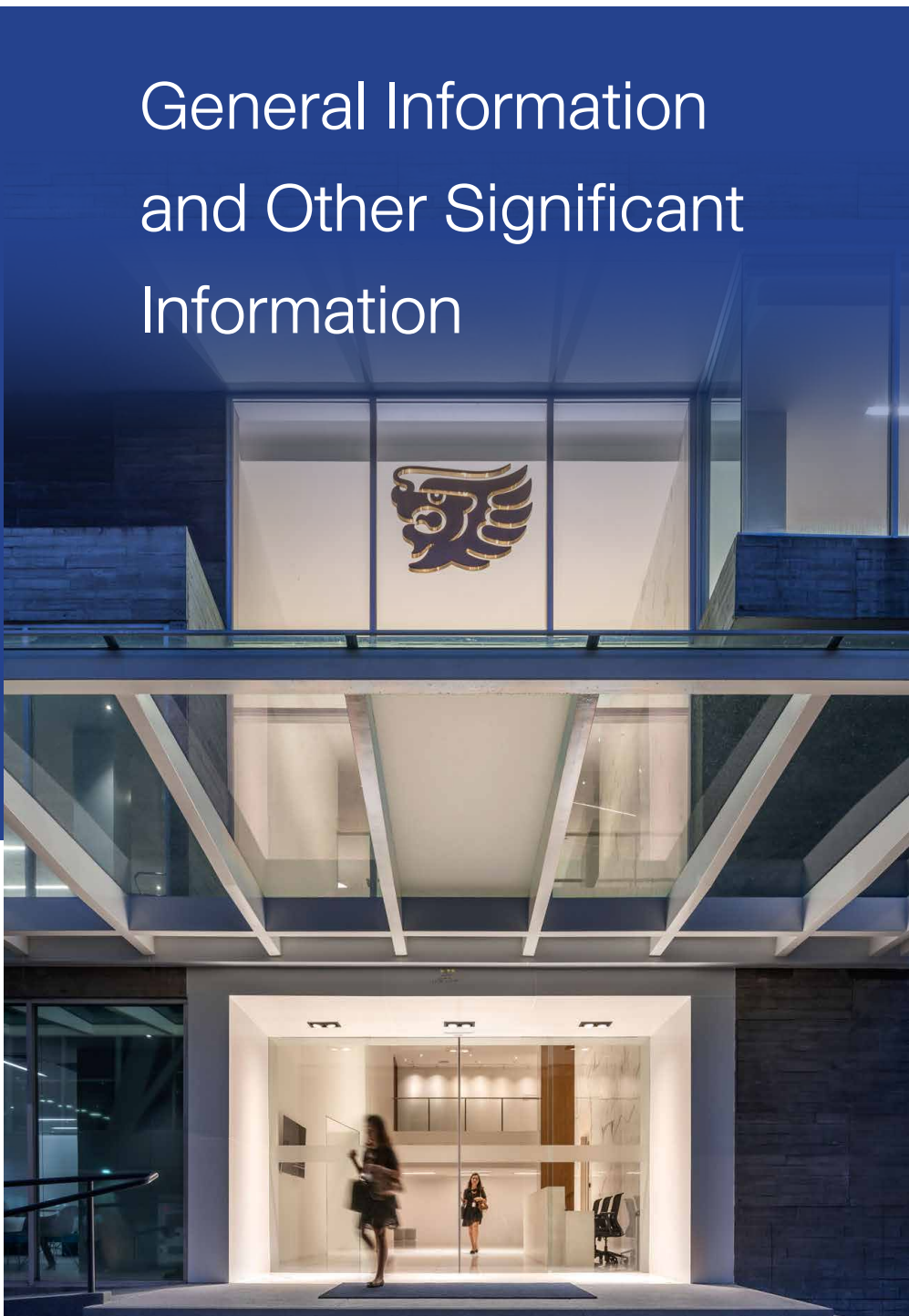
Gross profit margin (%)	=	(Total revenues from sales - Total cost of sales of goods) / Total revenues from sales
SG&A to sales ratio (%)	=	(Selling and distribution expenses + Administrative expenses) / Total revenues from sales
EBIT margin (%)	=	(Profit before income tax expense + Finance Cost) / Total revenues from sales
EBITDA margin (%)	=	(Profit before income tax expense + Finance Cost + Depreciation and Amortization) / Total revenues from sales
Net profit margin for the period (%)	=	Net Profit for the period / Total revenues from sales
Net profit margin attributable to the owners of the parent (%)	=	Net Profit attributable to owners of the parent / Total revenues from sales
Return on equity (%)	=	Profit for the period / Average total equity
Return on assets (%)	=	Profit for the period / Average total assets

Other Ratios

Debt to equity (times)	=	Total liabilities / Total equity
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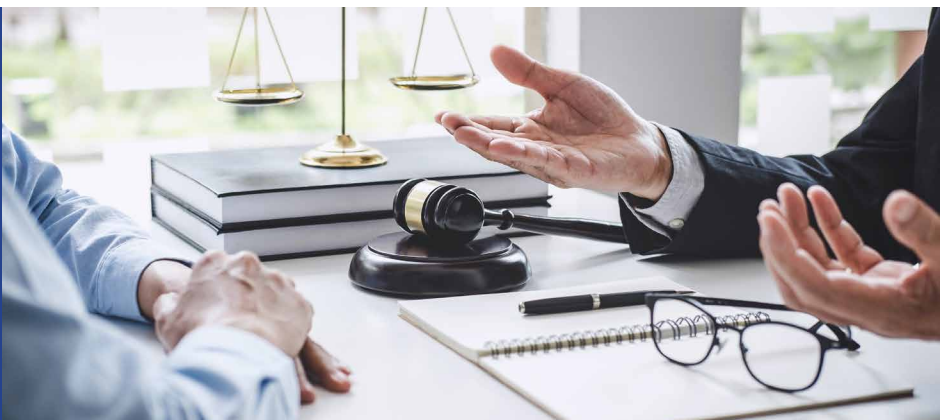
¹ Number of days in the period is defined to have 360 days in a year. For example, 90 days and 180 days should be used for quarterly and half-year ratio analysis.

General Information and Other Significant Information



Name	Osotspa Public Company Limited
Ticker Symbol	OSP (Listed in Stock Exchange of Thailand)
Business Overview	Produces and distributes consumer products with a focus on core products such as beverages, personal care, and other businesses, including healthcare, confectionery, and the provision of product and packaging manufacturing
Registration Number	0107561000081
Head Office	348 Ramkhamhaeng Road, Huamak, Bangkapi, Bangkok 10240
Telephone	+66 (0) 2351 1000
Corporate Website	www.osotspa.com
Registered Capital	3,003,750,000 Baht
Issued and Paid-up Capital	3,003,750,000 Baht comprising ordinary shares of 3,003,750,000 shares at par value of 1.0 Baht per share
Preferred Share	None
First Trade Date	17 October 2018
Company Secretary	Telephone: +66 (0) 2351 2098 E-mail: corpsec@osotspa.com
Investor Relations	Telephone: +66 (0) 63 206 0173 / +66 (0) 65 984 5379 E-mail: ir@osotspa.com
Other Reference	
Registrar	Thailand Securities Depository Company Limited Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Telephone: +66 (0) 2009 9999 Fax: +66 (0) 2009 9991
Auditor	KPMG Phoomchai Audit Ltd. 50 th - 51 st Floor, Empire Tower 1 South Sathorn Road Yannawa, Sathorn Telephone: +66 (0) 2677 2000 Fax: +66 (0) 2677 2222

Legal Dispute



The Company might occasionally involve in legal action or be the party in lawsuit related to business operation in normal trade of the Company, and from nature of business which the Company operated. As of 31 December 2020, the Company or Subsidiaries had no cases or disputes under legally process which might negatively affect the Company's and Subsidiaries' assets in the amount exceeding 5 percent of total shareholders of the Company's latest year ended consolidated financial statement or might essentially affect business operation, financial position, performance result and business opportunities of the Company or Subsidiaries in the way that could not calculate the affect in figures or the incident did not occur from the normal operation of the Company or Subsidiaries, excluded the followings cases;

Legal Dispute in Civil Case

In August 2018, a business operator (the "Plaintiff") filed the plaint against the Company (the "Defendant") to the civil court, requiring the Defendant to take liability for breach of agent appointment contract, tort, and claimed damage, with the amount in dispute of 228,680,000 Baht. The Plaintiff cited that it had contractual right to distribute the energy drink under the Defendant's

brands in Thailand. The Plaintiff has ever purchased the goods from M-150 Limited and Union Drink Company Limited. By submitting this plaint, the Plaintiff, therefore, requested the court to render judgement requiring the Defendant to appoint the Plaintiff as the sole distributor for the Defendant's goods in the Plaintiff's area; requiring the Defendant to cease the distribution of the Defendant's energy drink to other business operators in some areas of Thailand; requiring the Defendant to cancel the grant of distribution right for the Defendant's energy drink to other business operators in some areas of Thailand, by requiring the Defendant to sell the goods only to the Plaintiff for further distribution; and requiring the Defendant to compensate for damage to the Plaintiff on basis of tort and breach of contract in the amount of 2 million Baht per month, from June 2018 onwards. In case the Defendant is unable to perform the action as required, the Defendant shall be required to compensate for damage in the amount of 228,680,000 Baht.

For this case, the court already had the appointment for the mediation. It appeared that, the Plaintiff did not wish to mediate. Therefore, the court determined the point in dispute, and fixed the hearing of evidence on the Plaintiff at 3-6 September 2019, made appointment for hearing of evidence on the Defendant at 11-13 September 2019, and made appointment for listening to judgment at 12 December 2019.

The Court of First Instance had judgment dismissing the Plaintiff's plaint. The Plaintiff requested for extending the period of appeal (2nd time). The court permitted for extending the period of appeal until 11 March 2020.

On 9 March 2020, the Plaintiff submitted the appeal, and the Company already submitted the answer of the appeal on 7 May 2020. The court made appointment for listening to judgment of the Court of Appeal on 1 December 2020. However, the court postpones the appointment for listening to judgment of the Court of Appeal to be at 7 May 2021.

Legal Dispute in the Republic of Kenya

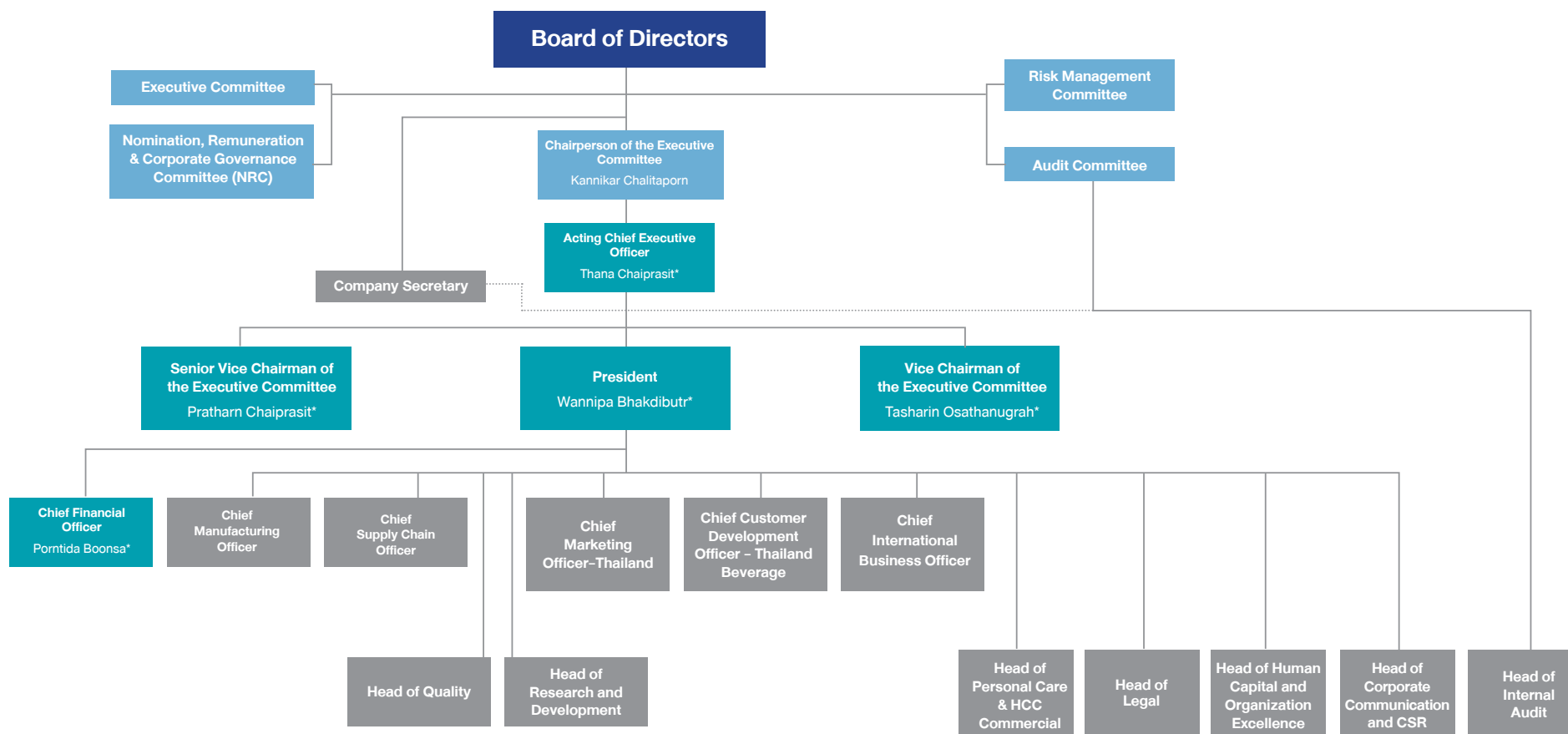
In July 2017, Ocean Foods Limited (“Ocean”), our former distributor of Shark beverage products in Kenya, filed a lawsuit before the High Court of Kenya against the Company and one of our European subsidiaries, Osotspa Europe Limited (“Osotspa Europe”), for certain alleged breaches of contract. Ocean has claimed damages in the amount of USD 1.5 million together with costs estimated at USD 50,000 and interest, and alleged that the Company and Osotspa Europe had supplied beverage products to another distributor in Kenya, Extropica Foods Limited (“Extropica”), and had ceased supplying Shark beverage products to Ocean in breach of our contractual obligations. Ocean also requested the High Court of Kenya to issue a provisional injunction prohibiting the Company, Osotspa Europe and Extropica from distributing beverage products in Kenya. the Company and Osotspa Europe argued that Ocean had breached its own contractual obligations when it failed to pay approximately EUR 1.6 million for beverage products the Company had sold them; in addition, the Company and Osotspa Europe further claimed that Ocean had confused and misled consumers by distributing its own energy drinks in a packaging that was identical or similar to that of our Shark beverage products.

In October 2017, the High Court of Kenya issued an order to dismiss Ocean’s request for a provisional injunction against us and Osotspa Europe. The Court also issued an injunction against Ocean ordering it to remove from the market its energy drinks packaged in cans and other packaging identical or similar to that of our Shark beverage products. The Court, however, has still to decide on Ocean’s claim and our counterclaim relating to breach of contract. However, the Company’s Management evaluated the risk of the aforementioned litigation in accordance with the current situation and adjusted the estimated liability remaining 22 million Baht.



Management Structure

As of 31 December 2020, the management structure of the Company was as follows;



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

The Board of Directors and Sub-Committees

The Board of Directors

As of December 31, 2020, the Board of Directors was comprised of 15 members (including five women) as follows:

1	Mr. Surin Osathanugrah	Chairman of the Board of Directors
2	Mrs. Kannikar Chalitaporn	Vice Chairperson of the Board of Directors, and Chairperson of the Executive Committee
3	Mr. Somprasong Boonyachai	Independent Director, Vice Chairman of the Board of Directors, and Chairman of the Nomination, Remuneration, and Corporate Governance Committee
4	Mr. Petch Osathanugrah	Vice Chairman of the Board of Directors
5	Mr. Ratch Osathanugrah	Vice Chairman of the Board of Directors
6	Mr. Thana Chaiprasit	Director, Member of the Executive Committee, and Acting Chief Executive Officer
7	Mr. Pratharn Chaiprasit	Director and Senior Vice Chairman of the Executive Committee
8	Mr. Tasharin Osathanugrah	Director and Vice Chairman of the Executive Committee
9	Mr. Niti Osathanugrah	Director, Member of the Executive Committee, and Member of the Nomination, Remuneration, and Corporate Governance Committee
10	Mrs. Wannipa Bhakdibutr	Director, Member of the Executive Committee, Member of the Risk Management Committee, and President
11	Mr. Salin Pinkayan	Independent Director, Chairman of the Risk Management Committee, and Member of the Nomination, Remuneration, and Corporate Governance Committee
12	Ms. Penchun Jarikasem	Independent Director and Chairperson of the Audit Committee
13	Mr. Kirk Vanikkul	Independent Director and Member of the Audit Committee
14	Mrs. Sinee Thienprasiddhi	Independent Director and Member of the Audit Committee
15	Mrs. Porntida Boonsa	Director, Member of the Executive Committee, Member of the Risk Management Committee, and Chief Financial Officer

Hence, the Independent Directors have completed qualification in the Board of Directors Charter of the Company and related regulation and announcement. Details about the Board of Directors are provided in the “Details of the Board of Directors, Executives and Company Secretary” section.

Authorities, Duties and Responsibilities of the Board of Directors

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

- (1) The Board of Directors has authorities, duties, and responsibilities in the management and business operations of the Company and in the supervision of the business operations of the Company's subsidiaries to ensure they comply with applicable laws, objectives, and Articles of Association together with the resolutions of shareholders with honesty and prudence in order to protect the interests of the Company and shareholders. This includes monitoring the Company's operations so that they are conducted in accordance with laws applicable to the business conduct of the Company and its subsidiaries, which also include laws relating to bribery or corruption.
- (2) To determine the Company's vision, mission, targets, policies, strategies, directions, business plans, and annual budgets, including managing and supervising the business performance of the Management team to be in line with these criteria, in an efficient manner and in the best interests of the Company and its shareholders.
- (3) To continuously monitor the business performance of the Company and its subsidiaries to be in line with their respective operational plans and budgets.
- (4) To arrange for the Company and its subsidiaries to put in place proper and efficient systems for accounting, financial reporting, and auditing, including the accurate disclosure of important information within a reasonable period of time and in full compliance with applicable regulations and standards. In addition, the Board of Directors shall arrange for the Company to have proper and adequate systems for internal controls, internal audit, and storage of material documents so that all data can be examined or verified at any later date.
- (5) To consider agreeing with the selection and engagement of auditors as well as their remuneration as previously proposed for consideration by the Audit Committee. Such auditors as well as their remuneration will subsequently be submitted to the Annual General Meeting of shareholders for approval.
- (6) To consider establishing policies for risk management to cover all ranges of activities within the Company and to set up systems or processes for risk management, through proper, sufficient, and efficient contingency measures and control methods to lessen the potential impact on the Company's business operations.
- (7) To put in place, and abide by, a written policy on good corporate governance as per the principles of good corporate governance and apply this policy in an efficient and responsible manner towards all people with a concern for fairness.
- (8) To determine the management and administrative structure governing the Company's subsidiaries and associated companies such that the Board of Directors can then efficiently supervise them and be responsible for their business operations.
- (9) To appoint sub-committees and determine their scope of duties so that such sub-committees can assist and support the Board of Directors in performing their responsibilities
- (10) To put in place performance assessment arrangements and suitable mechanisms for setting remuneration for top Executives.
- (11) To consider selecting and changing the authorized Directors of the Company in accordance with the Articles of Association of the Company.

- (12) To consider and propose the remuneration of Directors including the Board of Directors and sub-committees (as recommended by the Nomination, Remuneration, and Corporate Governance Committee) to the Annual General Meeting of shareholders for approval. In considering such remuneration, such factors as (but not limited to) the Company's business operations and operational results, market conditions, industry practices, and existing economic conditions, as well as scopes of duties and responsibilities of the Directors, shall also be taken into account.
- (13) To consider and appoint the Company Secretary.
- (14) To consider and approve transactions on assets acquisitions and dispositions, and investments in new businesses, as well as to perform any other activities as required by applicable laws, notifications, and regulations.
- (15) To consider and/or give opinions on connected transactions and/or any other transactions entered into by the Company and its subsidiaries (if the value of such transactions does not require consideration and approval from the Annual General Meeting of shareholders) pursuant to applicable laws, notifications, and regulations.
- (16) To monitor, control, and prevent any conflict of interest between the Company's stakeholders and its subsidiaries.
- (17) To arrange for the proper disclosure of information on those persons who have conflicts of interest, on stakeholders, and on related persons in an accurate, complete, proper, and timely manner, and in accordance with applicable laws, notifications, and regulations.
- (18) To prepare annual reports as well as to prepare and disclose financial statements which represent the financial condition and business operation of the Company during the previous year, and to present same to the Annual General Meeting of shareholders for approval.
- (19) The Board of Directors may authorize any Director or any other persons to act on its behalf as deemed appropriate and/or within the period of time specified, provided that such authorization may be canceled, revoked, changed, or amended by the Board.

In so doing, such authorization shall not be in the nature of a power of attorney or sub-power of attorney that allows such authorized person(s) to have the authority to consider or approve transactions in which they or any third party may have a conflict of interest, have a vested interest in, or have any other sorts of conflicts of interest with the Company or the Company's subsidiaries (if any), except where it is the approval of transactions within the scope of policies and principles already contemplated and approved by the meetings of the Board of Directors or shareholders.
- (20) To seek opinions from external professional advisors as deemed necessary for proper decision-making on related matters.
- (21) Each Director has a duty to report their own vested interest or of those persons related to them who have a vested interest in the management and administration of the business affairs of the Company or its subsidiaries. Each Director also has a duty to report to the Company any transaction to be entered into with the Company, or with its subsidiaries or associated companies, which could give rise to a conflict of interest.
- (22) Every Director, including their respective spouses and children, shall not use any inside information of the Company, or of its subsidiaries or associated companies, for their own benefit or for the benefit of other persons, whether directly or indirectly, and regardless of whether or not they gain a benefit or earn something as a result.

- (23) To regularly examine/review the Board of Directors Charter at least once a year.
- (24) To consider and review on a regular basis, at least once a year, the suitability of the Corporate Governance Policy so as to ensure that it is in line with the Corporate Governance Code and to record it as part of the resolution of the meeting of the Board of Directors. In this regard, each annual report and Form 56-1 shall disclose the outcome of such a review with a statement certifying that the Board has already considered and reviewed the application of the Corporate Governance Code in a context relevant to the business of the Company.

Directors Authorized to Sign for the Company with Binding Effect

The Directors authorized to sign for the Company with binding effect are;

Mr. Surin Osathanugrah, or Mr. Niti Osathanugrah, or Mr. Petch Osathanugrah, or Mr. Ratch Osathanugrah, one of these four jointly sign with Mr. Pratharn Chaiprasit, or Mr. Thana Chaiprasit, or Mr. Tasharin Osathanugrah, or Mrs. Wannipa Bhakdibutr, consisting of two persons and the Company's seal duly affixed, or;

Mr. Pratharn Chaiprasit, or Mr. Tasharin Osathanugrah, or Mrs. Wannipa Bhakdibutr, two of these three jointly sign with the Company's seal duly affixed, or;

Mr. Thana Chaiprasit, or Mr. Tasharin Osathanugrah, or Mrs. Wannipa Bhakdibutr, two of these three jointly sign with the Company's seal duly affixed.

The Audit Committee

As of December 31, 2020, the Audit Committee was comprised of the following three Independent Directors who qualified as prescribed in the Charter of the Audit Committee and related regulations and announcement:

Name	Position
1. Ms. Penchun Jarikasem	Independent Director and Chairperson of the Audit Committee
2. Mr. Krirk Vanikkul	Independent Director and Member of the Audit Committee
3. Mrs. Sinee Thienprasiddhi	Independent Director and Member of the Audit Committee

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

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

Authorities, Duties and Responsibilities of the Audit Committee

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

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

Reports of the Audit Committee

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

Self-evaluation of the Audit Committee

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

The Risk Management Committee

As of December 31, 2020, the Risk Management Committee comprised of four members who qualified as prescribed in the Charter of the Risk Management Committee:

Name	Position
1. Mr. Salin Pinkayan*	Independent Director and Chairman of the Risk Management Committee
2. Mrs. Wannipa Bhakdibutr	Member of the Risk Management Committee
3. Mrs. Porntida Boonsa	Member of the Risk Management Committee
4. Mr. Nukit Chonlacoop	Member of the Risk Management Committee

Remark: * Mr. Salin Pinkayan was appointed to be Chairman of the Risk Management Committee in place of Mrs. Kannikar Chalitaporn by the Board of Directors Meeting No. 2/0202 effective date July 22, 2020

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

Authorities, Duties and Responsibilities of the Risk Management Committee

The resolutions of the Board of Directors' Meeting No. 2/2020 on February 26, 2020, specified the authorities, duties, and responsibilities of the Risk Management Committee as follows:

- (1) To consider and identify key risks of the Company's business operations, such as strategic risks, financial risks, operational risks, legal risks, regulatory risks, marketing risks, and all other risks that may affect the Company's reputation, including suggestions on any protections and risk management measures. In this regard, such matters shall be set as part of the policies together with guidance on how to manage or allocate such risks in a proper and efficient manner, including advising the Board of Directors and the Management team on risk management.
- (2) To consider and identify the risk of the Company's business operations and other effect to the Company including risk management plans and processes for the Company before proposing to the Board of Director for approval.
- (3) To supervise and support risk management measures so that risks can be managed successfully by way of evaluating all risk factors for appropriate decision making. The Risk Management Committee has the duty to follow and assess the Company's compliance with the risk management framework. In addition, it shall also review the sufficiency of the risk management policies and systems and improve operational procedures with a view to continually minimizing risks to suit the business conditions of the Company.
- (4) To communicate with the Audit Committee on significant risks in order to evaluate the adequacy of the Company's internal control systems.
- (5) To regularly report on the outcome of risk assessments and performance, with acknowledgement by the Board of Directors. Any significant occurrence or issue that may have a material impact on the financial status and results of the Company's performance must promptly be reported to the Board of Directors for consideration.
- (6) To perform any other acts as assigned by the Board of Directors.
- (7) To seek an independent opinion(s) from any professional advisor(s) at the expense of the Company.
- (8) To request data from other units of the Company and its subsidiaries as supporting information for further consideration on related issues.
- (9) The Risk Management Committee shall have a duty to report the operational results and other issue which needed to be reported to the Board of Directors at least twice a year. This Charter will be reviewed on a regular basis at least once a year.

The Nomination, Remuneration, and Corporate Governance Committee

As of December 31, 2020, the Nomination, Remuneration, and Corporate Governance Committee was comprised of the following three Directors who qualified as prescribed in the Charter of the Nomination, Remuneration, and Corporate Governance Committee:

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

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

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

The resolutions of the Board of Directors' Meeting No. 10/2020 on September 16, 2020, specified the authorities, duties, and responsibilities of the Nomination, Remuneration, and Corporate Governance Committee as follows:

1. Nomination
 - (1) To consider the structure and composition of the Board of Directors and sub-committees to be appropriate to the business organization and surrounding circumstances;
 - (2) To define the procedure and criteria in the nomination, including the qualifications of persons to be nominated as directors in sub-committees and/or Executive;
 - (3) To consider, selecting and screening any person who is suitably qualified to be directors, in sub-committees and/or Executive and to propose them to the meetings of the Board of Directors and/or the shareholders for approval.
2. Remuneration
 - (1) To determine policies and criteria on remuneration, whether in monetary or non-monetary terms, of the Board of Directors and directors in sub-committees including the structure of remuneration of Executive of the Company to be proper and fair, then further recommend to the meetings of the Board of Directors and/or shareholders for approval;
 - (2) To conduct any other activities as assigned by the Board of Directors which are concerned with the nomination and remuneration matters.

3. Corporate Governance

- (1) To determine policies on good corporate governance in the conduct of business of the Company as well as policies on corporate social responsibility and to present the same to the meetings of the Board of Directors and/or shareholders for approval;
 - (2) To offer a practice guideline and suggestion on good corporate governance to the Board of Directors;
 - (3) To foster the organizational culture of ethics and good corporate governance and to monitor compliance by the personnel of the Company with good corporate governance, as per the principles of good corporate governance and ethics of the Company;
 - (4) To review and improve the suitability of the policy on good corporate governance and present the same to the Board of Directors;
 - (5) To conduct any other activities as assigned by the Board of Directors which are concerned with the nomination and remuneration matters
4. The Committee is authorized to seek independent opinion from any other professional advisors as deemed necessary at the expense of the Company.
5. The Committee is empowered to request data from other divisions of the Company and those of the Company's subsidiaries as supporting information for further consideration on any related matters.

The Executive Committee

As of December 31, 2020, the Executive Committee was comprised of the following seven members who qualified as prescribed in the Charter of the Executive Committee:

Name	Position
1. Mrs. Kannikar Chalitaporn ⁽¹⁾	Chairperson of the Executive Committee
2. Mr. Pratharn Chaiprasit ⁽²⁾	Senior Vice Chairman of the Executive Committee
3. Mr. Tasharin Osathanugrah ⁽³⁾	Vice Chairman of the Executive Committee
4. Mr. Thana Chaiprasit ⁽⁴⁾	Member of the Executive Committee
5. Mr. Niti Osathanugrah ⁽⁵⁾	Member of the Executive Committee
6. Mrs. Wannipa Bhakdibutr	Member of the Executive Committee
7. Mrs. Porntida Boonsa	Member of the Executive Committee

Remark:

⁽¹⁾ Mrs.Kannikar Chalitaporn was appointed to be Chairperson of the Executive Committee from the Board of Directors Meeting No. 8/2020 in place of Mr. Petch Osathanugrah who resigned from the position of Chairman of the Executive Committee and CEO effective date July 22, 2020.

⁽²⁾ Mr. Pratharn Chaiprasit was appointed to be Senior Vice Chairman of the Executive Committee from the Board of Directors Meeting No. 10/2020 effective date September 16, 2020.

⁽³⁾ Mr. Tasharin Osathanugrah was appointed to be Vice Chairman of the Executive Committee from the Board of Directors Meeting No. 8/2020 in place of Mr. Thana Chairprasit effective date July 22, 2020.

⁽⁴⁾ Mr. Thana Chaiprasit ended the position of Vice Chairman of the Executive Committee, but still remained the position of Member of the Executive Committee resolved from the Board of Directors Meeting No. 8/2020 effective date July 22, 2020.

⁽⁵⁾ Mr. Niti Osathanugrah was appointed to be Member of the Executive Committee from the Board of Directors Meeting No. 2/2020 effective date February 27, 2020.

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

Authorities, Duties and Responsibilities of the Executive Committee

The resolutions of the Board of Directors' Meeting No. 10/2020 on September 16, 2020 specified the authorities, duties, and responsibilities of the Executive Committee as follows:

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

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

- (9) To consider and give opinion on issues which are required to be approved by the Board of Directors, except where such issues are otherwise authorized by the Board of Directors to be handled by any sub-committees;
- (10) To have power and authority to seek independent opinion from any other professional advisors at the expense of the Company;
- (11) To have power to invite and solicit the management team or any person related to the Company for opinion, meeting attendance or information, as well as to request data from other divisions of the Company and those of the Company's subsidiaries as supporting information for further consideration;
- (12) To perform any other duties as assigned by the Board of Directors;
- (13) The Executive Committee shall have a duty to report on every meetings result or other issue which needed to be reported to the Board of Directors regularly. This Charter will be reviewed on a regular basis at least once a year.

Board of Directors and Sub-Committees Meetings

The Company has scheduled the Board of Directors' Meetings for the whole year. As per the Company's policy, the Board of Directors' Meeting shall be convened at least once in each quarter. The meeting should be held no less than six (6) times per one fiscal year. Such meeting schedule was informed to the Directors in advance including fixed crucial agenda for the Board of Directors Meeting. In convening any meeting of the Board of Directors, the Chairman of the Board of Directors shall send an invitation letter to all directors of no less than seven (7) days in advance of the date of meeting. In the case of necessity with insufficient information or urgency, the meeting can be convened by any other means or be convened with a shorter advance notice. The sub-committees' Meetings would be in accordance with the charter of each committee. Furthermore, the agenda items of the Board of Directors' Meeting and sub-committees' Meeting shall be allocated via E-mail and Application Software to facilitate the fast information to the Board of Directors and sub-committees and to reduce the process, timeframe and paper usage for the whole year.

Key agenda items of the Board of Directors' Meeting shown as follows;

Month	Regular Agenda Items
January	1) To Acknowledge the Year Company's Performance and KPIs Results 2) To Set the Annual KPIs of Executives
February	1) To Call AGM and Consider the Agenda Items for AGM, details as follows; <ul style="list-style-type: none"> The Year Ended Financial Statement The Allocation of the legal reserve Dividend Payment The Election of Directors to Replace those Retired by Rotation and the Remuneration of the Directors The Appointment of Auditor and Auditor's Fee 2) To Evaluate the Company Internal Control Adequacy Assessment 3) To Acknowledge the Report of the Year Risk Dashboard and Site Incident and to Set the Year Risk Identification 4) To Acknowledge the Self-Assessment Results of the Board of Directors and Sub-Committees
March	To Approve Annual Registration Statement (56-1) and Annual Report (56-2)
April	To Consider the Company's Operational Performance
May	To Consider Financial Statements of Quarter 1 and the Company's Operational Performance
June	To Consider the Company's Operational Performance
July	To Consider the Company's Operational Performance
August	1) To Consider Financial Statements of Quarter 2 2) To Consider Interim Dividend Payment (if any) 3) To Acknowledge the Risk Dashboard and Site Incident for the first-half year
September	To Consider the Company's Operational Performance
October	To Consider the Company's Operational Performance
November	1) To Consider Financial Statements of Quarter 3 2) To Consider Annual Plan for the Next Year
December	To Consider the Company's Operational Performance

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

In 2020, the Company convened a total of 13 Board of Directors' Meetings, with an attendance ratio of 88.99%. The meeting and attendance details for sub-committees' Meetings that the Company also convened are listed below:

Name	No. of attended Meetings/Total Meetings							
	AGM 2020 (1 Time)	BOD (13 Times)	AC (9 Times)	NRC (11 Times)	RMC (4 Times)	EXCOM (12 Times)	NED (1 Times)	AC&RMC (2 Times)
1. Mr. Surin Osathanugrah	0/1	9/13	-	-	-	-	0/1	-
2. Mr. Ratch Osathanugrah	0/1	9/13	-	-	-	-	0/1	-
3. Mr. Somprasong Boonyachai	1/1	13/13	-	11/11	-	-	1/1	-
4. Mrs. Kannikar Chalitaporn ⁽¹⁾	1/1	12/13	-	-	3/3	5/5	1/1	-
5. Mr. Petch Osathanugrah ⁽²⁾	0/1	10/13	-	-	-	7/7	-	-
6. Mr. Thana Chaiprasit ⁽³⁾	1/1	13/13	-	-	-	12/12	-	-
7. Mr. Pratharn Chaiprasit ⁽⁴⁾	1/1	13/13	-	-	-	12/12	-	-
8. Mr. Tasharin Osathanugrah ⁽⁵⁾	1/1	11/13	-	-	-	10/12	-	-
9. Mr. Niti Osathanugrah ⁽⁶⁾	1/1	12/13	-	11/11	-	8/10	-	-
10. Mrs. Wannipa Bhakdibutr	1/1	13/13	-	-	4/4	12/12	-	2/2
11. Mr. Salin Pinkayan ⁽⁷⁾	1/1	10/13	-	11/11	4/4	-	1/1	2/2
12. Ms. Penchun Jarikasem	1/1	13/13	9/9	-	-	-	1/1	2/2
13. Mr. Krirk Vanikkul	1/1	12/13	9/9	-	-	-	1/1	2/2
14. Mrs. Sinee Thienprasiddhi	1/1	12/13	9/9	-	-	-	1/1	2/2
15. Mrs. Porntida Boonsa ⁽⁸⁾	-	3/3	-	-	4/4	12/12	-	2/2

Name	No. of attended Meetings/Total Meetings							
	AGM 2020 (1 Time)	BOD (13 Times)	AC (9 Times)	NRC (11 Times)	RMC (4 Times)	EXCOM (12 Times)	NED (1 Times)	AC&RMC (2 Times)
The Director who Resigned during the Year 2020								
1. Mr. Sethaput Suthiwartnarueput ⁽⁹⁾	1/1	7/9	-	-	-	2/6	-	-

Definition:

AGM 2020 = the 2020 Annual General Meeting of Shareholders, BOD = the Board of Directors, AC = the Audit Committee, NRC = the Nomination, Remuneration and Corporate Governance Committee, RMC = the Risk Management Committee, EXCOM = the Executive Committee, NED = the Non-Executive Director Committee, AC&RMC = the Audit Committee and the Risk Management Committee, Symbol - = Non-Director

Remark:

⁽¹⁾ Mrs. Kannikar Chalitaporn was appointed as Chairperson of the Executive in place of Mr. Petch Osathanugrah who resigned from the position Chairman of the Executive Committee and CEO resolved from the Board of Directors' Meeting No. 8/2020 effective date July 22, 2020

⁽²⁾ Mr. Petch Osathanugrah resigned from the position Chairman of the Executive Committee and CEO and was appointed as Vice Chairman of the Board of Directors from the Board of Directors' Meeting No. 8/2020 effective date July 22, 2020.

⁽³⁾ Mr. Thana Chaiprasit was appointed as Acting Chief Executive Officer and ended the position of Vice Chairman of the Executive Committee, but remained as Member of the Executive Committee resolved from the Board of Directors' Meeting No. 8/2020 effective date July 22, 2020.

⁽⁴⁾ Mr. Pratham Chaiprasit was appointed as Senior Vice Chairman of the Executive Committee from the Board of Directors' Meeting No. 8/2020 effective date September 16, 2020.

⁽⁵⁾ Mr. Tasharin Osathanugrah was appointed as Vice Chairman of the Executive Committee in place of Mr. Thana Chaiprasit from the Board of Directors' Meeting No. 8/2020 effective date July 22, 2020.

⁽⁶⁾ Mr. Niti Osathanugrah was appointed as Member of the Executive Committee from the Board of Directors' Meeting No. 2/2020 effective date February 27, 2020.

⁽⁷⁾ Mr. Salin Pinkayan was appointed as Chairman of the Risk Management Committee in place of Mrs. Kannikar Chalitaporn resolved from the Board of Directors' Meeting No. 8/2020 effective date July 22, 2020.

⁽⁸⁾ Mrs. Porntida Boonsa was appointed as Director in place of Mr. Sethaput Suthiwartnarueput who resigned from the position resolved from the Board of Directors' Meeting No. 10/2020 effective date September 17, 2020 which was after the 2020 Annual General Meeting of Shareholders.

⁽⁹⁾ Mr. Sethaput Suthiwartnarueput was appointed as Member of the Executive Committee effective date May 27, 2020 and resigned from the position effective date August 25, 2020.

Non-Executive Directors Committee Meeting (NED)

According to Corporate Governance Policy, indicated that the Company shall have the NED meeting at least once a year to discuss various issue without the attendance of Management team. The Meeting result shall be reported to Chairperson of the Executive Committee, Chief Executive Officer and Present. For the year 2020, there was 1 NED Meeting.

Joint Meeting of the Audit Committee and the Risk Management Committee

In the year 2020, there were 2 joint meetings of the Audit Committee and the Risk Management Committee to acknowledge the result of the year Internal Audit in accordance with Risk Dashboard and planned for operational collaboration for the next year.

Executives

As of December 31, 2020, Mrs. Kannikar Chalitaporn is the leader of Executives in the position of Chairperson of the Executive Committee. There are five Executives namely as follows;

Name	Position
1. Mr. Thana Chaiprasit	Acting Chief Executive Officer
2. Mr. Pratharn Chaiprasit	Senior Vice Chairman of the Executive Committee
3. Mr. Tasharin Osathanugrah	Vice Chairman of the Executive Committee
4. Mrs. Wannipa Bhakdibutr	President
5. Mrs. Porntida Boonsa	Chief Financial Officer

“Executives” is defined according to the definition of the Notification of the Securities and Exchange Commission (SEC) No. KorChor.17/2551 Re: Determination of Definitions in Notifications relating to the Issuance and Offer for Sale of Securities (as amended). The information of Executives are shown in the “Information of the Board of Directors, Executives and Company Secretary” section.

Company Secretary

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

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

- (1) Preparing and keeping the following documents
 - a) A register of Directors;
 - b) A notice calling the Board of Directors meeting and minutes of the meeting of the Board of Directors;
 - c) A notice calling the Shareholders meeting and minutes of the Shareholders meeting;
 - d) Annual report of the Company.

- 2) Keeping a report on areas of interest of the Directors and the Executives and submitting a copy of the report under section 89/14 of the Securities and Exchange Act to the Chairman of the Board of Directors and the Chairperson of the Audit Committee within seven (7) business days from the date on which the Company has received such a report.
- (3) Convening the Board of Directors meeting and the Shareholders meeting.
- (4) Advising on rules and regulations to the Board of Directors and Executives
- (5) Arranging training sessions and orientations and providing the necessary information for being a Director to current and new Directors.
- (6) Coordinating and ensuring the Company is complying with all laws, objectives, Articles of Association of the Company, and the resolutions of the Board of Directors and the Shareholders meetings including the Corporate Governance Policy.
- (7) Performing any other acts as specified by the Board of Directors or in notifications of the Capital Market Supervisory Board

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

Remuneration of Directors and Executives

Monetary Remuneration

Director's Remuneration

The 2020 Annual General Meeting of Shareholders held on August 3, 2020, approved the remuneration of the Board of Directors and sub-committees for 2020 as follows:

A. Attendance Fee

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

B. Monthly Remuneration

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

The Board of Directors

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

The Audit Committee

Chairman	20,000 Baht/month
Vice Chairman	15,000 Baht/month

The Nomination, Remuneration, and Corporate Governance Committee

Chairman	20,000 Baht/month
Director	-

The Risk Management Committee

Chairman	20,000 Baht/month
Director	-

The Risk Management Committee

Chairman	20,000 Baht/month
Director	-

The Executive Committee

Chairman	-
Vice Chairman	-
Director	-

Chief Advisor to the Executive Committee	360,000 Baht/month
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Gratuity of Directors for Year 2019

The gratuity was paid to all Directors who were not the Company employee or the Company advisor. The payment was made in accordance of the position term in 2019, in the rate not exceeding 0.5 times of the total remuneration of Board of Directors and Sub-Committees for the year 2019.

The total remuneration of the Board of Directors and Sub-Committees for the year 2019 was 16.46 million Baht, the remuneration rate was in accordance with regulation which was approved in the 2020 Annual General Meeting of Shareholders. Therefore, the gratuity payment for the year 2019 paid in March 2020 was the total of not exceeding 8.23 million Baht which was not exceeding 0.5 times of the total remuneration of Bord of Directors and Sub-Committees for the year 2019. The Nomination, Remuneration, and Corporate Governance Committee considered and allocated the Directors gratuity for the year 2019 appropriately.

In 2020, the Company paid remuneration and gratuity of 2019 totalling 22,280,000 Baht as follows:

Director	Remuneration (Baht)							Total
	The Board of Directors	The Audit Committee	The Nomination, Remuneration, and Corporate Governance Committee	The Risk Management Committee	The Executive Committee	Chief Advisor to the Executive Committee	Gratuity for Year 2019	
1. Mr. Surin Osathanugrah ⁽¹⁾	510,000	-	-	-	-	-	823,000	1,333,000
2. Mr. Ratch Osathanugrah	690,000	-	-	-	-	-	823,000	1,513,000
3. Mr. Somprasong Boonyachai	940,000	-	790,000	-	-	-	823,000	2,553,000
4. Mrs. Kannikar Chalitaporn	540,000	-	-	240,000	-	2,520,000	823,000	4,123,000
5. Mr. Petch Osathanugrah ⁽²⁾	250,000	-	-	-	-	-	-	250,000
6. Mr. Thana Chaiprasit ⁽³⁾	-	-	-	-	-	-	-	-
7. Mr. Pratharn Chaiprasit ⁽³⁾	-	-	-	-	-	-	-	-
8. Mr. Tasharin Osathanugrah ⁽³⁾	-	-	-	-	-	-	-	-
9. Mr. Niti Osathanugrah ⁽¹⁾	380,000	-	150,000	-	-	-	823,000	1,353,000
10. Mr. Salin Pinkayan	730,000	-	550,000	400,000	-	-	823,000	2,503,000
11. Ms. Penchun Jarikasem	880,000	790,000	-	-	-	-	823,000	2,493,000
12. Mr. Krirk Vanikkul	830,000	730,000	-	-	-	-	823,000	2,383,000
13. Mrs. Sinee Thienprasiddhi	830,000	730,000	-	-	-	-	823,000	2,383,000
14. Mrs. Wannipa Bhakdibutr ⁽³⁾	-	-	-	-	-	-	-	-
15. Mrs. Porntida Boonsa ⁽³⁾	-	-	-	-	-	-	-	-

Director	Remuneration (Baht)							
	The Board of Directors	The Audit Committee	The Nomination, Remuneration, and Corporate Governance Committee	The Risk Management Committee	The Executive Committee	Chief Advisor to the Executive Committee	Gratuity for Year 2019	Total
The Director who Resigned during the Year 2020								
1. Mr. Sethaput Suthiwartnarueput	470,000	-	-	-	100,000	-	823,000	1,393,000
Total	7,050,000	2,250,000	1,490,000	640,000	100,000	2,520,000	8,230,000	22,280,000

Remark:

⁽¹⁾ Mr. Surin Osathanugrah and Mr. Niti Osathanugrah informed not receiving Attendance Fee of the Board of Directors and Sub-Committees which both positioning in the duration of March 2020 - December 2020.

⁽²⁾ Mr. Petch Osathanugrah resigned from the position of Chairman of the Executive Committee and CEO in which the position was employee effective date July 22, 2020. Therefore, Mr. Petch Osathanugrah shall receive Monthly Remuneration and Attendance Fee since August 2020 onward.

⁽³⁾ The Director received a Monthly Salary but did not receive remuneration and gratuity as a Director.

Non-monetary Remuneration

-None-

Executives Remuneration

For the financial years ended December 31, 2020, the total remuneration paid to the Executives, including salary, annual bonus, and other considerations such as provident fund contributions, details compared with previous year as follows;

Year	Amount (Baht)
2019	241,052,574
2020	204,527,575

As of 2020, the deducted Executives Remuneration was from the re-structuring of Management Structure in July 2020. Hence, the total Executives were 6 persons (In 2019, the Executives were 12 persons).

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

Other Remuneration

- Employee Joint Investment Program (“EJIP”)

The Board of Directors’ Meeting No. 7/2019 convened on July 17, 2019, passed the resolution of the approval of the EJIP as one of the employees’ remunerations of the Company and Subsidiaries. Such program was considered as long-term incentives for working with the Company. The Company’s EJIP Program started from April 1, 2020 to March 31, 2025, the total duration of 5 years.

The Executives who was qualified to join EJIP Program (Excluded the Executives in Osathanugrah's family) must have good performance results and must be approved by the Executive Committee (However, the Executives' voluntary shall be considered as well). Throughout the period of contributions to the program, the Company shall transfer money to all participants as follows;

1. Employee Investment: The Company shall deduct the salary of participants in the amount of 2 to 20 percent of total salary until reaching full reserved amount. The reserved amount of the program shall not exceed 50 percent of the annual performance bonus (The Company's operational performance bonus of the past year);
2. Employer Contribution: The Company shall contribute in the amount of 100 to 125 percent of the deducted salary of the participants each month to the representative (Tisco Securities Limited) to buy the Company's share at ATO price (At the open price) in the next day after employee received the salary from the Company.

In the first year (Started from April 2020 to March 2021), there were 2 Executives participated in the program. The proportion which the Executives was received 19.5 percent of the total shares. The Company contributed in the total amount of 6,803,472 Baht.

- Provident Fund

The Company established Provident Fund for the Executives, contributed in the amount of 5 percent of the salary. In 2020, the Company contributed the Provident Fund to 12 Executives (The number of Executives was as of 2020 before and after the re-structuring of Management Structure in July 2020) in th total amount of 3,735,972 Baht.

Human Resources

Number of Employees

As of December 31, 2020, the Company had a total workforce of 5,298.

Main Business	Thailand
Commercial	425
Supply Chain and Manufacturing	2,393
Support	607
Overseas	367
Total	3,792
Contractor	1,506
Grand Total	5,298

The Company's employee turnover rate (calculating from full-time employees in Thailand excluding Siam Bevergaes Manufacturing Company Limited and Asia Vending Machine Company Limited) for 2020 was 8.5 percent.

Employee Remuneration

In 2020, the remuneration to the employees (monthly salary, bonus and other benefits) of the Company and its subsidiaries totaled 2,686 million Baht

Provident Fund

The Company established a Provident Fund program under the management of Tisco Securities Limited under the name “Registered Employees Provident Fund of Osotspa Public Company Limited”. The Company shall contributed in the amount of 5 percent of the salary under the management of Tisco Securities Limited who was the professional and constantly had better performance compared to other vendors.

Other Welfare

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

Human Resources Development Policy

The Company is committing to strengthen our employees' capabilities to support business expansion domestically and internationally. The Company believe in lifelong learning development and well balance between today's required skills with skills of future need. The Company is reviewing what we capabilities that need to be re-skill or up-skill in order cope with rapid changes of business environment and digital trend. And to deliver learning effectively, the Company emphasize on blended learning approach where we not only focus on class room, but also utilize e-Learning, coaching, and through hands-on experience from project assignments. The Company created Learning Model to enhance employees' capabilities in four dimensions:

1. “Mandatory Program” to improve skill and knowledge in accordance with a good Corporate Governance Policy via employees' orientation, quality control training, safety, health & environment programs. The Company commits to create organization culture under good Corporate Governance practices i.e. transparency, honesty, integrity and equality. The Company provides “Code of Conduct” training to all employees every year as well as conducts Deep Drive Activity by function to strengthen our governance policy for sustainable growth of the Company;
2. “Knowing the Business Program” to ensure our employees understand how we run the business and linkage of their work towards company goal;
3. “Functional Programs” to focuses on specific functional knowledge that required to perform work well;
4. “Leadership Program” to develop leadership capabilities which is key enablers for employees to work effectively and help them to reach their potential.

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

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

In 2020, the Company had training for employees details* as follows;

Training	2020
Face to Face Training	27,035 Hours
Digital Online Learning	9,416 Hours
Total Average Training (F2F+Online)	11.11 Hours/Employee

Remark: *Data only from companies in Thailand excluding Siam Bevergaes Manufacturing Company Limited and Asia Vending Machine Company Limited

Corporate Governance

Corporate Governance Policy

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

Principle 1

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

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

Principle 2

Define Key Business Objectives and Targets for a Sustainable Business:

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

Principle 3

Structure, Composition, and Qualifications of Directors:

- The Board of Directors has the duties and responsibilities to establish and review its structure in terms of composition, qualifications, expertise, experience, and appropriate number of Directors for the business, and the proportion of Independent Directors that is appropriate and necessary to accomplish the established objectives and key targets. Details relevant to these duties and responsibilities are described in the Board of Directors' Charter;
- The Board of Directors shall select a suitable person to be the Chairman of the Board of Directors, and ensure that the Board of Directors' member composition and operation facilitate the exercising of discretion in making independent decisions;
- The Board of Directors shall supervise and ensure that the process of Director nominations for each committee is transparent and clear and that the qualifications of each member of the Board of Directors and sub-committees meet the specified criteria;
- The shareholders' meetings have authority to approve remuneration of Directors. Therefore, in proposing the remuneration of Directors to the shareholders' meetings, the Board of Directors shall consider a remuneration structure and rate that are suitable for the responsibilities and serve as an incentive for the Board of Directors to lead the organization to reach short-term and long-term goals;
- The Board of Directors shall supervise to ensure that each Director is responsible for their own duties and allows sufficient time to fulfil such duties;
- The Board of Directors has provided the framework and mechanism for regulating policies and operation of subsidiaries and associated companies which fit in with their respective businesses, as well as to ensure that subsidiaries and associated companies have the same understanding;
- The Board of Directors has a policy to conduct an annual performance evaluation of the Board of Directors, subcommittees and each individual Director. The evaluation result will be used in improving their performance;
- The Board of Directors shall supervise and ensure that each Director has knowledge and understanding of their roles and duties, manner of business operation, and laws relating to the business operation, as well as support every Director to constantly develop the skills and knowledge required for their performance of duties;
- The Board of Directors shall supervise and ensure that its operation is smooth and they can gain access to necessary information, and have a Company Secretary who has the appropriate knowledge and experience necessary to support the Board of Directors' operation.

Principle 4

Nomination and Development of Top Executives and Human Resources Management:

- The Board of Directors shall ensure that the Chairman of the Executive Committee, CEO, and top Executives, who possess the knowledge, skills, experience, and attributes required to drive the Company to achieve its targets, have been nominated and advanced;
- The Board of Directors shall supervise the development of a proper remuneration structure and evaluation processes;

- The Board of Directors has a policy to understand the shareholding structure and relationships that may affect the management of the Company and their authority to control the operations of the business. This understanding will help avoid any obstacles to the Board of Directors performance of its duties. The Board of Directors shall ensure that all information that may affect the management of the business is properly disclosed;
- The Board of Directors shall monitor human resource management and development to ensure appropriate staffing levels, and that personnel are motivated and equipped with the proper knowledge, skills, and experience.

Principle 5

Nurturing Innovation and Responsible Business Operations:

- The Board of Directors strongly supports innovation to add business value together with generating benefits for all relevant stakeholders, and to be socially and environmentally responsible;
- The Board of Directors shall supervise and ensure that Management operates the business in a socially and environmentally-responsible way. These priorities will be integrated into the Company's operational plans to allow every division in the organization to operate according to the Company's objectives, key targets, and business strategies. The Board of Directors shall establish a mechanism to ensure that the operations of the Company are ethical, socially and environmentally responsible, and do not infringe on the rights of stakeholders. In this regard, the Board of Directors has established guidelines on how to treat stakeholders as part of the Code of Conduct and will disclose all relevant and necessary information to stakeholders in an adequate, reliable, and timely manner;
- The Board of Directors shall supervise and ensure that Management efficiently and effectively allocates resources with regard to the impact on, and development of, resources throughout the value chain, so that the Company's objectives and key targets can be achieved in a sustainable way;
- The Board of Directors shall establish an organizational framework to regulate and manage information technology in order that it is consistent with the requirements of the Company, and ensure that information technology is utilized to increase business opportunities and operational developments as well as improve risk management, so that the Company can achieve its objectives and key targets.

Principle 6

Appropriate Risk Management and Internal Control Systems:

- The Board of Directors shall supervise and ensure that the Company has put in place risk management and internal control systems in order to achieve its objectives in an efficient manner and in compliance with all laws and relevant standards;
- The Board of Directors has appointed an Audit Committee, which shall be free to perform its duties efficiently and independently;
- The Board of Directors shall monitor and manage any potential conflicts of interest between the Company, Management, Board of Directors, and shareholders, as well as prevent any misuse of the Company's assets, data, opportunities, and transactions with persons related to the Company in an undue manner;

- The Board of Directors has a clear anti-corruption policy outlined in the Code of Conduct. The anti-corruption policy shall be communicated and distributed to employees at all levels as well as third parties, in order that it be implemented and put into practice accordingly. The Board of Directors shall develop an anti-corruption program or guidelines and support activities that encourage employees to comply with all laws and regulations with respect to anti-corruption;
- The Board of Directors shall ensure the efficient and proper handling of complaints and whistleblowers. The guidelines for all employees to follow is explicitly outlined in the Whistleblowing Policy, which includes: (i) the scope of complaints and whistleblowing; (ii) guidelines for making complaints and whistleblowing; (iii) protective measures afforded to employees who make complaints or are whistleblowers, as well as witnesses and any related persons; and (iv) appropriate channels for making complaints and whistleblowing, which must be available through more than one channel at a minimum. In this regard, the channels for making complaints and whistleblowing shall be disclosed on the Company's website or in the annual report.

Principle 7

Maintaining Financial Credibility and Information Disclosure:

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

Principle 8

Ensure Engagement and Communications with Shareholders:

The Company appreciates and emphasizes the rights of shareholders, such as the right to trade or transfer shares; to share in profits from the business; to receive adequate and complete news and information about the Company; to attend meetings and independently and equally exercise voting rights at shareholders meetings; to participate in major decisions that impact the Company (e.g. appointing/ removing Directors, determining the remuneration of Directors, appointing/removing the auditor, determining the auditor's remuneration, dividend allocation, establishing and amending the

Articles of Association and Memorandum of Association, capital reductions or increases, approving special transactions as required by law, and so on). Shareholders meetings are one of the important channels for the Company's shareholders to exercise their rights. Furthermore, the Company adheres to the principle of the equitable treatment of all shareholders;

The Board of Directors has guidelines when organizing the Company's shareholders meetings that encourage and facilitate shareholders to exercise their rights, and respects the principle of the equal treatment of all shareholders as follows:

- The Board of Directors shall supervise and ensure that shareholders are involved in the Company's major decision-making;
- The Board of Directors shall supervise and ensure that each shareholders meeting is carried out in a smooth, transparent, and efficient manner, and is conducive to shareholders exercising their rights;
- The Board of Directors shall supervise and ensure that the disclosure of resolutions from shareholders meetings and the preparation of the minutes are precise and complete.

Directors' Structure

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

The Board of Directors

Composition

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

Each Independent Director shall be free from any undue influence by Executives and major shareholders, and shall have no involvement or interest in financial matters or business management. Furthermore, they shall be fully qualified as required by applicable regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), and other relevant laws.

The Board of Directors shall consist of the members of the Audit Committee of no less than three (3) persons. In this regard, the members of the Audit Committee shall be fully qualified with duties and responsibilities as required by applicable rules of the Securities and Exchange Commission (SEC), the Office of the SEC, the Stock Exchange of Thailand (SET), and other relevant laws.

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

Qualifications of the Board of Directors

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

Qualifications of Independent Directors

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

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

a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, or the use of an asset as collateral against debt; and other similar actions which result in the Company or the party to the contract having a debt to be repaid to another party for an amount greater than three (3%) of net tangible assets (NTA) of the Company, or greater than twenty (20) million baht, whichever is lower. This amount is determined by the calculation of Related Transaction value as per the announcement of the Securities and Exchange Commission (SEC). It includes debt(s) arising within one year prior to the day of the business relationship with the same party.

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

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

Tenure and Election of Members of the Board of Directors

- (1) The election of directors shall be made in accordance with the Company's Articles of Association and applicable laws. In so electing, the structure, size, and composition of the Board of Directors, together with the current demands and future development plans of the Company, shall be taken into consideration. The composition of the Board of Directors shall be appropriate and correspond with the Company's demands in terms of expertise, capacity, diversity, gender, and age.
- (2) In each annual general meeting of shareholders, one-third (1/3) of the Directors shall retire from the office. If the number of Directors is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire from the office.
- (3) Each Director who retires by the end of their tenure is eligible for re-election.

- (4) In addition to retiring by the end of their tenure, each Director shall retire in the following cases:
- (a) Death;
 - (b) Resignation;
 - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
 - (d) Removal by a resolution of the shareholders' meeting with a vote of not less than three-fourths (3/4) of the total number of shareholders present in such meeting and having the right to vote, provided that the total number of shares held by those shareholders is in aggregate not less than half of the total number of shares held among them;
 - (e) Removal by a court order.
- (5) If any Director of the Board of Directors wishes to resign from their position, they shall submit a written resignation letter to Chairman of Board of Directors. Such resignation shall be effective from the time the resignation letter reaches the Company.

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

The Audit Committee

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

Composition

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

Qualifications

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

Tenure and Election of Members of the Audit Committee

- (1) Each member of the Audit Committee shall have their terms of service equal to the tenure of their Directorship of the Company. Each member who retires by the end of their tenure is eligible for re-appointment. In addition to retiring by the end of their tenure as described above, each member shall retire in the following cases:
 - (a) Death;
 - (b) Resignation;
 - (c) Lack of required qualifications or having characteristics prohibited by the laws on public limited companies and/or securities and exchange;
 - (d) Removal by a resolution of the Board of Directors;
 - (e) Removal by a court order;
 - (f) Retiring from being a Director of the Company.
- (2) If any member of the Audit Committee to resign from their position, they shall submit a resignation letter one month in advance to the Chairman of the Audit Committee, together with the reason(s) for this resignation, in which case the Chairman of the Audit Committee will propose such resignation to the Board of Directors for consideration and approval, as well as submit such resignation letter to the Stock Exchange of Thailand (SET). It is for the Board of Directors to consider appointing any other fully-qualified person as a substitute for the resigning member.
- (3) In the case where any member of the Audit Committee resigns or retires before their respective terms of service, the Company shall promptly report the same to the Stock Exchange of Thailand (SET). The resigning or retiring member of the Audit Committee can explain the reasons for such resignation or retirement to the Office of the Securities and Exchange Commission (SEC).

- (4) In the case where all members of the Audit Committee retire as a group from their terms of service, all such members shall continue as acting members of the Audit Committee and carry on with their duties until the new Audit Committee is put in place.
- (5) In the case where any position in the Audit Committee becomes vacant due to reasons other than retirement by the end of a member's tenure, which results in the number of members of the Audit Committee falling below three (3) persons, the Board of Directors will appoint any qualified person as recommended by the Nomination, Remuneration, and Corporate Governance Committee to assume such position within three months following the date on which the number of members falls below the minimum number, so that the Audit Committee shall maintain the number of members as required by law.
- (6) In the event of a necessary increase of, or reduction in, the number of members of the Audit Committee, such increase or reduction shall be in accordance with a resolution of the Board of Directors.

The Executive Committee

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

Composition

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

Qualifications

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

Tenure and Election of Members of the Executive Committee

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

Risk Management Committee

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

Composition

- (1) The Risk Management Committee shall be composed of Directors and Executives and have at least three (3) members with at least 1 Independent Director.
- (2) The Board of Directors is empowered to appoint one member of the Risk Management Committee who is not Executives to be the Chairman of the Risk Management Committee.
- (3) The President, Chief Financial Officer, and Chief Manufacturing Officer are ex-officio members of the Risk Management Committee.
- (4) The Head of Risk Management and Internal Control or any other person holding an equivalent position shall act as the Secretary of the Risk Management Committee unless the Risk Management Committee instructs otherwise.

Qualifications

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

Tenure and Election of Members of the Risk Management Committee

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

The Nomination, Remuneration, and Corporate Governance Committee

The Nomination, Remuneration, and Corporate Governance Committee is appointed by the Board of Directors with responsibilities to determine a policy on the nomination and screening of any appropriated person to be a director, sub-committees and/or executive prior to proposing such person to the meeting of the Board of Directors and/or the shareholders for appointment. The Committee is responsible for setting up the criteria on the amount of remuneration for directors, sub-committees and executives bases on benefit to the Company by comparing with the remuneration survey of other leading companies in the same business or considers the remuneration from other listed companies with similar market capital at the level which is proper and reflects their performance. The Committee will also play an important role in making a policy on corporate governance and in monitoring the compliance of business operation to be in line with good corporate governance of the Company.

Composition

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

Qualifications

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

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

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

The Nomination and Appointment of Directors and Executives

In order to nominate Company Directors and Executives, the Nomination, Remuneration, and Corporate Governance Committee drafts policies to seek appropriate Directors and/or Executives before proposing their nominations at Board of Directors and/or shareholders meetings in compliance with the Company's related charters, Articles of Association, regulations or related laws, and Corporate Governance Policy. Furthermore, the nomination of qualified director must be considered the Board of Directors' structure by using Board skill matrix which consists of knowledge, expertise, skill which are important to the Company's business such as business strategy, production and distribution of consumer products, glass bottle and aluminum industries, human resource management, finance and accounting, economy, domestic and international marketing and sales, research and development, innovation, technology and digital, legal, sustainable development and social and environment responsibility, opportunity initiative and business initiative, and etc. including conflict of interest which might happen.

In order to protect minority shareholders, the Nomination, Remuneration, and Corporate Governance Committee encourage the right for shareholders to nominate qualified candidate to be elected as director in advance. The Company indicate for vote casting for appointment of director individually, the shareholders shall cast the vote to each nominated directors individually.

Chairman of the Executive Committee, Chief Executive Officer and President

The Board of Directors shall select suitable persons to be Chairperson of the Executive Committee, Chief Executive Officer and President. The Board of Directors assigns the Nomination, Remuneration, and Corporate Governance Committee to conduct the procedure and nominate appropriate persons to be position as Executives such as Chairperson of the Executive Committee, Chief Executive Officer and President.

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

(1) Roles and Duties of Chairperson of the Executive Committee

- a) To be the leader of the Management, to be Chairperson and to conduct the Executive Committee meeting including to encourage the collaboration as well as to dedicatedly work with Executive Committee and Executive for sustainability achievement of the organization;
- b) To monitor, audit, and control performance of the Company, its subsidiaries, and/or associated companies to ensure good performance according to the targets, and report the same to the Board of Directors on a quarterly basis in order to enhance and improve business performance;
- c) To focus on any transactions with conflict of interest by following the process with Arm-length Basis and to make sure that such transactions is taken care in accordance with related regulation bases on the best interest of the Company;
- d) To allocate sufficient time for the Management to propose agendas and for the Directors to discuss essential issues thoroughly including to encourage the Directors to exercise prudent
- e) To report the Executive Committee's meeting result to the Board of Directors regularly;
- f) To set the self-assessment process for the Executive Committee and to regularly improve the Executive's potential with the collaboration of Directors, Executive Committee and Executive.

(2) Roles and Duties of Chief Executive Officer

- a) To directly report to Chairperson of the Executive Committee by working with the Executive Committee in setting and reviewing strategies, missions, financial targets, business plans and annual budgets before proposing to the Board of Directors for consideration and approval;
- b) To manage, supervise and perform regular work according to normal business for the interest of the Company, and in accordance with the key objectives and targets, visions, missions, strategies, business plans, and budgets as assigned and/or approved by the Board of Directors and/or shareholders' meetings;
- c) To issue orders, rules and notifications relating to the Company's operation to ensure consistency with the Company's policies and for the purpose of the Company's efficient management;
- d) To develop the organization to ensure good operation and business performance, and regularly and continuously improve for sustainable growth of the Company;
- e) Has the authority to execute, operate and manage any actions under the Company's Schedule of Authority;

- f) To sub-authorize and/or delegate any other persons or group of persons to perform certain specified tasks on behalf of the Chairman of the Executive Committee and Chief Executive Officer, in this regard such sub-authorization and/or delegation must be under the scope of authority specified in the Power of Attorney, rules, procedures, or resolutions of the Board of Directors' meetings. However, the above delegation cannot be made if it would allow the Chairman of the Executive Committee and Chief Executive Officer or any authorized attorney who has a conflict of interest or a personal conflict with the Company to approve such transaction. In this case, the Chairman of the Executive Committee and Chief Executive Officer shall have no authority to approve such transaction and must propose such transaction to the Board of Directors' and/or shareholders' meetings (as the case may be) for consideration and approval, except for the case that such transaction is an ordinary transaction and of arm's length nature in compliance with the principles already approved by the Board of Directors;
- g) To perform any other operations as assigned and authorized by the Board of Directors and the Executive Committee.

(3) Roles and Duties of President

- a) To report directly to Chief Executive Officer and to have a duty to oversee the Company's business operation and/or daily management, and to support Chief Executive Officer's performance to prepare policies, strategies, missions, financial targets, business plans and annual budgets to be proposed to the Executive Committee and/or the Board of Directors for consideration and approval;
- b) To manage and operate business to ensure that business performance is aligned with policies, strategies, missions, financial targets, business plans and annual budgets as approved by the Board of Directors and/or the Executive Board, and has the authority to manage and undertake actions as permitted within the scope of the "Schedule of Authority";
- c) To issue appropriate orders, regulations, rules, procedures, and practices, and supervise personnel in various divisions to operate according to the strategic plans and targets of each division efficiently and effectively, including to keep developing personnel continuously;
- d) To develop organization to ensure good business performance and results, and regularly and constantly improve them for the sake of sustainable growth of the organization;
- e) To monitor, inspect and control to ensure good business performance according to the targets, and report overall business performance of the Company, its subsidiaries, and/or associated companies to Chief Executive Officer on a regular basis, and report to the Board of Directors on a quarterly basis, as well as find opportunities to improve or develop business performance;
- f) To evaluate investment opportunities in new projects by conducting technical and financial studies carefully and prudently to support decision making;
- g) To perform any other tasks as assigned and authorized by the Board of Directors and/or the Executive Committee, and/or the Chairman of the Executive Committee and/or Chief Executive Officer;
- h) To sub-authorize and/or delegate any other individuals or group of individuals to perform tasks on behalf of the President and such delegate must be under the scope of authority specified in the Power of Attorney and/or resolutions of Board of Director's meetings. However, the above delegation must not be made if it would allow the President or any authorized attorney who has a conflict of interest with the Company to approve such transaction. In this case, the President shall have no authority to approve such transaction, except for the case that such transaction is an ordinary transaction and of arm's length nature in compliance with the principles already approved by the Board of Directors.

Performance Evaluation of the Board of Directors

According to the good Corporate Governance, the Board of Directors and Directors of Sub-Committees will evaluate the performance at least once a year. The Nomination, Remuneration and Corporate Governance Committee considers and approves self-evaluation of the Board of Directors and Directors of Sub-Committees in order to review the performance and obstacle in the past year. The results will be analyzed and concluded as development plan. The total score is 4 point, the results of each subject are as follows; 1) Structure and Qualification of Directors is 3.67 point (equal to 91.75%) ; 2) Roles and Responsibilities of Directors is 3.71 point (equal to 92.75%); 3) Board of Directors' Meetings is 3.76 point (equal to 94%). As for individual self-evaluation, considering from 4) Duties of Directors is 3.70 point (equal to 92.50%).

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

Performance Evaluation of the Chairperson of Executive Committee, Chief Executive Officer and Present

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

Training and Development Program of Directors and Executives

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

In 2020, there were 2 Directors attended institution to develop skills and capabilities as follows;

- 1) Mrs. Penchun Jarikasem attended IOD program of IT Governance and Cyber Resilience Program (ITG) 15/2020 and
- 2) Mr. Salin Pinkayan attended IOD program of Risk Management Program for Corporate Leaders (RCL) 21/2020

Subsidiaries and Associated Companies' Governance

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

(1) Management Structure of Subsidiaries and Associated Companies

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

1.1 Nomination of Individuals as Directors of Subsidiaries and Associated Companies

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

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

Directors of subsidiaries have the duty to comply with business operations policies that support the Group to achieve long-term objectives and targets, and must exercise discretion in managing subsidiaries in the interests of both the subsidiaries and the Group as a whole. They will also present reports on the business performance of the subsidiaries and associated companies to the Executive Committee or Board of Directors on a regular basis.

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

(2) Disclosing Information about Subsidiaries

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

(3) Using Inside Information of Subsidiaries

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

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

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

(5) Financial Control of Subsidiaries

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

Schedule of Authority

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

Code of Conduct

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

In 2020, the Company launched mandatory program of Code of Conduct through e-Learning system so that Executives and employees can access for self-learning and acknowledge the Code of Conduct annually. The result showed that Executives and employees access the e-Learning and acknowledge the Code of Conduct in the rate of 100% of all Executives and employees. The Board of Directors signed Code of Conduct on the form that the Company provided and the Company Secretary collected the original document.

Whistleblowing

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

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

1. Report to responsible supervisor directly
2. Hotline +66 (0) 2351 1234
3. Call Center of Osotspa +66 (0) 2351 1000 ext. 1234
4. Letter to complaint box of the Company and its affiliates
5. E-mail to hotline@osotspa.com or write to complaint box at www.osotspa.com
6. Contact Head of Internal Audit at Osotspa Public Company Limited, 132 Klongchan Post Office, Klongchan, Bangkok 10240
7. Letter to Chairperson of Audit Committee or Directors at Osotspa Public Company Limited, 348, Ramkhamhaeng Road, Huamak, Bangkok 10240

Policy on the Prevention of Insider Trading

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

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

For the above purposes:

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

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

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

Report of the Company's Securities Holding of Directors and Executives

(including spouse, person who lives together as husband and wife, minor child and juristic persons which hold shares more than 30% of total eligible vote and have shares proportion more than mentioned juristic persons) details as of December 31, 2020

Directors	No. of Share(s)		
	As of December 31, 2019	As of December 31, 2020	Increase/ (Decrease) During the Year
1. Mr. Surin Osathanugrah Chairman of the Board of Directors	-	20,080,600	20,080,600
2. Mr. Somprasong Boonyachai Vice Chairman of the Board of Directors and Independent Director	-	-	-
3. Mrs. Kannikar Chalitaporn Vice Chairperson of the Board of Directors	792,500	792,500	-
4. Mr. Thana Chaiprasit Director	51,188,500	51,188,500	-
5. Orizon Group (Acting in Concert)	929,639,000	792,796,700	(136,842,300)
5.1 Mr. Ratch Osathanugrah Vice Chairman of the Board of Directors	122,916,200	111,373,800	(11,542,400)
5.2 Mr. Petch Osathanugrah Vice Chairman of the Board of Directors	149,735,700	120,298,950	(29,436,750)
5.3 Mr. Katha Osathanugrah	30,037,500	13,809,500	(16,228,000)
5.4 Mr. Natee Osathanugrah	30,037,500	25,193,500	(4,844,000)
5.5 Mr. Purat Osathanugrah	29,726,000	-	(29,726,000)
5.6 Mr. Puree Osathanugrah	30,037,500	-	(30,037,500)
5.7 Orizon Limited	537,148,600	522,120,950	(15,027,650)
6. Mr. Pratharn Chaiprasit Director	-	-	-
7. Mr. Tasharin Osathanugrah Director	82,448,000	76,892,500	(5,555,500)
8. Mr. Niti Osathanugrah Director	489,081,300	500,030,000	10,948,700
9. Mr. Salin Pinkayan Independent Director	-	-	-

Directors	No. of Share(s)		
	As of December 31,2019	As of December 31,2020	Increase/ (Decrease) During the Year
10. Ms. Penchun Jarikasem Independent Director	-	-	-
11. Mr. Krirk Vanikkul Independent Director	-	-	-
12. Mrs. Sinee Thienprasiddhi Independent Director	100,000	100,000	-
13. Mrs. Wannipa Bhakdibutr Director and President	703,500	955,634	252,134
14. Mrs. Porntida Boonsa Director and Chief Financial Officer	340,000	562,458	222,458

Policy on the Prevention of Conflict of Interest

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

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

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

- (5) Directors and Executives have the duty to report the holding of securities issued by the Company that belong to them, their respective spouses, cohabitation partner, or children. In addition, they shall have the duty to report holding of securities issued by any juristic person in which such Directors or Executives, their spouses, cohabitation partner, or children have a combined shareholding of more than 30% of all eligible voting shares and hold the largest shareholding proportion in such juristic person. This report shall be made to The Office of the SEC within seven (7) working days from the date of purchase, sell, transfer, or acquisition of securities (only in the case where the names of such Directors or Executives do not yet appear in the database of The Office of the SEC, except if the Company has already provided the names of such Directors and Executives to The Office of the SEC), or within three (3) working days from the date of purchase, sale, transfer, or acquisition of securities (only in the case where the names of such Directors and Executives are already recorded in the database of The Office of the SEC). This is for the purpose of compliance with Section 59 of The Securities and Exchange Act, B.E. 2535 (1992) (as amended).
- (6) In regulating the use of insider information, the Company forbids Directors, Executives, or employees from exploiting or publishing the Company's insider information which has not yet been publicly disclosed for illegitimate benefits. Further, the Company also forbids Directors, Executives, or employees in the unit that receives inside information from exploiting such information to trade on the Company's securities during a period of one month prior to the public disclosure of the Company's financial statements and for a period of 24 hours after the time of such disclosure to the public.

Fair Business Practices

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

Anti-Corruption

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

1. Employees are prohibited from accepting gifts, entertainment, and any benefits from distributors, business partners, and suppliers to ensure business dealings or decisions are not influenced by such actions. Non-compliance or alleged misconduct shall be investigated, and the confirmed cases shall be subject to disciplinary actions as per the Company's regulations.
2. The Company manages procurement activities through a systematic approach with required authorization levels clearly defined in the Schedule of Authority. Procurement procedures outline transactions requiring competitive bidding or quotation comparisons, including fair and transparent selection and the basis for awarding contracts.

3. The Company has an Internal Audit function to perform business unit audits. Internal Audit also has a dedicated investigator who examines and investigates any irregularities, working closely with the Human Resources and Legal functions.
4. The Company has established well-defined and transparent procurement guidelines. High-value transactions require a review by the Procurement Committee, including a review by the external auditor.

Specific Policy and Guideline on Anti-Corruption

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

Anti-Corruption Guidelines

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

1. Adhere to the Anti-corruption Policy, Code of Conduct, and the Company's rules and regulations, and not engage in any form of corruption directly or indirectly.
2. Do not act dishonestly or with the intent to corrupt, nor give or accept bribes to/from stakeholders to achieve business assignments or objectives for the Company, oneself, or others.
3. Do not neglect or ignore any acts which may involve the Company in any corruption. It is the duty of employees to report such acts to their supervisors or to a responsible person, and to fully cooperate in any investigation.
4. Be cautious with activities that may be sensitive or create a risk involving corruption.
5. Do not accept or demand gifts, both monetary and nonmonetary, from business counterparts or other related parties, which could affect decision making in performing job duties
 - Giving or accepting gifts, entertainment, and donations must not have the intent as a bribe, kickback, support for a political movement, or facilitating or exchanging for an illegitimate benefit or advantage. The Gifts, Entertainment and Donations Policy announced by the Company's Chairman of the Executive Committee and CEO, which provides practical guidance, must be observed.
 - Donations to charities must be made under the name of the Company to organizations operating for social benefit and wellness, and which are well-recognized. The donation must be transparent, made through an established process, legal and monitored, and checked that it is not used for bribery. Contributions, in the form of money, company products, or assets provided to any events or activities, must be conducted under the name of the Company, with the aim of promoting the Company's business and image. Again, the process must be transparent, legal, and follow the Company's operating procedures.

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

Measures and Compliance Program

1. The Company supports and encourages employees at all levels to recognize the importance of and to have a mindset to combat corruption. We have a system of internal controls in place to prevent corruption and bribery in all forms, including to risk-assess business processes that may be vulnerable to corruption or fraud.
2. The compliance program also extends to human resource management processes including recruitment, promotion, training, performance appraisals, and compensation administration. Supervisors have a responsibility to communicate and make sure that their subordinates have an understanding of the program and to monitor their compliance in ongoing works.
3. The Company will fairly treat and protect employees or persons who report clues or evidence involving corruption related to the Company and its affiliates, including employees who refuse corruption, by using protection measures for those who report and/or cooperate in reporting incidents as specified in the Whistleblowing Policy.
4. Engaging in corruption is considered a guilt according to personnel administration regulations. Employees involved in acts of corruption are subject to disciplinary actions as well as legal penalties, if such action is against the law.
5. The Company will review the guidelines and compliance program on a regular basis to keep them in line with changes in laws, regulations, and our operating conditions.

Disclosure of Information and Transparency

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

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

Investor Relations

Osotspa places a high value on professionalism in investor relations (IR) functions. Objectives are to create and maintain healthy channels of communication with related parties, including existing and potential shareholders and investors. The IR unit has set up a yearly plan and updated to the Executive Committee and the Board of Directors on a regular basis. Osotspa maintained active in investor activities with existing and potential shareholders as well as analysts at brokerage community.

Information disclosed on the website www.osotspa.com includes Management Discussion and Analysis and financial statements filed with the SET, One Report (Form 56-1), notices to shareholders' meetings, minutes of shareholders' meetings, Investor Relations calendar (IR events and calendar), press releases and presentations. Normally, OSP sets a silent period of 14 days to abstain from communicating its quarterly and annual performance results to analysts and investors to avoid unfair release of information.

In addition, Osotspa regularly presents information to analysts, investors, and related stakeholders at analyst meetings, roadshows, conference calls, and conferences organized by various entities where senior executives regularly make time to join investor meetings and activities to explain about the Company's policies and business directions. Relevant persons can make appointments for company visits and meet OSP executives for updates on the business. The Company held quarterly earnings review conferences within 3 business days of the release of financial statements and documentation was made available on the Company's website within 24 hours of the meeting date. Osotspa was also active with SET Opportunity Day, participating at least twice a year to increase exposure to retail investors and arranging company visits regularly to ensure shareholders and investors received the most accurate, up-to-date information. Moreover, OSP has established a system to collect investor satisfaction on every meeting to improve the process of works of the Investor Relations Department to be more excellent and effective. Such meetings conducted during the year are summarized below:

Investor Relations Key Statistics	FY2020 (times)
Company visits and conference calls	47
Domestic roadshows	7
International roadshows	1
Site visits	0
Analyst meetings	4
Opportunity day	2

Investor Relations Contact Information

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

Head of Investor Relations: Naruporn Ananpongsuk
 Telephone: +66 (0) 2351 1152
 Website: www.osotspa.com
 E-mail: ir@osotspa.com
 Address: 348 Ramkhamhaeng Road, Hua Mak, Bang Kapi, Bangkok 10240
 Shareholder Registrar: Thailand Securities Depository Company Limited
 Telephone: +66 (0) 2009 9999

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

Respect and Non-Violation of Human Rights

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

Fair Labor Treatment

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

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

Additional Guideline for Executives and Employees

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

Remuneration of Auditor

Audit Fee

In 2020, the Company and its subsidiaries paid audit fees totaling 14.0 million Baht to the audit firm, which engaged the auditor.

Non-Audit Fee

In 2020, the Company and its subsidiaries obtained other non-audit services from the audit firm and other related parties of the audit firm that employed the auditor, totaling 1.1 million Baht. This included auditing compliance with the conditions of the BOI Promotion Certificate, observation on stock destruction, tax consultancy, and consultation for registration of dissolution of overseas subsidiaries.

Audit Committee Report

Dear Shareholders,

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

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

In Y2020, the Audit Committee held nine (9) meetings which was discussed with the management, internal auditors and auditors. In addition, there were two (2) joint meeting between the Risk Management Committee and the Audit Committee to discuss and determine coherently the direction of risk management and internal auditing. All the Audit Committee attended in every meeting.

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

Review of Financial Report

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

In addition, the Audit Committee discussed exclusively with the external auditor about the audit plans, risk and internal control as well as independence to fulfill its responsibilities and its opinions. For the Y2020 the external auditors did not make any significant observations and did not find the suspicious circumstance. Then, the Audit Committee has the opinion that the Company has a proper financial reporting process to disclose its financial information without information that is in conflict with the material facts and prepared in accordance with Thai Financial Reporting Standards.

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

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

Review of Risk Management

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

Review of Internal Control System

The Audit Committee valued the forming of awareness among the management and employees of corporate governance, risk management, internal control, and compliance (GRC). Every quarter the Audit Committee reviewed OSP's internal control system with the external auditor by reviewing operations; resource consumption; stewardship of properties; prevention or reduction of errors or corrupt practices; credibility of financial reports; compliance with laws and relevant regulations. The external auditor agreed that no significant problems or material shortcomings had been detected.

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

Review of Good Corporate Governance (Whistle Blowing Policy)

Y2020 the Audit Committee focused on the management policy in support of systematic corporate governance and supported application of the IT system in conducting corporate governance and audit for greater job efficiency and effectiveness, while preventing non-compliance with the law or OSP's regulations, including minimization of the probability of corruption and encouraging to create the positive attitude for the Internal Control Mindset. The Audit Committee also reviewed compliance with relevant laws and regulations of Securities and Stock Exchange of Thailand as well as related laws to conduct the business strictly. Finally, the committee reviewed the process of complaint-handling and whistleblowing and provided recommendations on process improvement to raise efficiency and effectiveness and ensure alignment with OSP's corporate governance and business philosophy. These included careful consideration of complaints for fairness to all parties, equipped with suitable protection of complainants and whistleblowers. The Audit Committee has opinion that the Company has closely supervision and inspection of the performance for all departments in order to comply with the rule and regulation related.

Oversight of Internal Auditing

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

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

Appointment of the External Auditors Y2020

The Audit Committee considered the nomination of auditors by taking into account their independence, skills, knowledge, capabilities and experiences including the rotation of the auditor in accordance with the relevant Notifications of the Capital Market Advisory Board. The Audit Committee recommended the appointment one of the following auditors, namely 1) Mr. Ekkasit Chuthamsatid, CPA License No. 4195 or 2) Miss Nittaya Chetchotiros, CPA Licence no. 4439 or 3) Mrs. Vipavan Pattavanvivek, CPA Licence no. 4795 from KPMG Phoomchai Audit Ltd. as the approved auditor by the Securities and Exchange Commission for the Company's financial statements including the audit fee for the year 2020.

Quality Assurance of The Audit Committee

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

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

For and on behalf of the Audit Committee of
Osotspa Public Company Limited



(Ms. Penchun Jarikasem)
Chairman of the Audit Committee

Risk Management Committee Report

Dear Shareholders,

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

The Risk Management Committee is chartered with duties and a scope of responsibilities in line with the principles prescribed in the corporate governance guidelines of the Security Exchange Commission (SEC). The chartered duties and responsibilities include identification of risks that may impact the Company, assessing the likelihood and potential severity or impact of risks, determining plans or actions to control and mitigate risks, and providing advice and suggestions for managing risks effectively.

In July 2020, the Board of Directors resolved to appoint Mr. Salin Pinkayan as Chairperson of the Risk Management Committee in place of Mrs. Kannikar Chalitaporn, who resigned from the Risk Management Committee since she was appointed to the position of Chairperson of the Executive Committee of the Company. Currently, the Risk Management Committee is comprised of four members, including an Independent Director, Executive Directors and senior Executive officers, all of whom are knowledgeable, competent, highly experienced and qualified as specified in the Risk Management Committee Charter. Committee members are as follows:

- | | |
|----------------------------|---|
| 1. Mr. Salin Pinkayan | Chairperson of the Risk Management Committee,
Independent Director |
| 2. Mrs. Wannipa Bhakdibutr | Member, Director, President |
| 3. Mrs. Porntida Boonsa | Member, Director, Chief Financial Officer |
| 4. Mr. Nukit Chonlacoop | Member, Chief Manufacturing Officer |

In 2020, the Risk Management Committee held four meetings, and all members of the Risk Management Committee attended every meeting, plus two meetings with the Audit Committee, as part of its duties and responsibilities. The Committee reported the results of reviews and progress made to the Board of Directors biannually. The Risk Management Committee's duties over the year are summarized as follows:

1. Reviewed and concurred with the Risk Management Committee Charter, which was subsequently approved by the Board of Directors and formally implemented by the Company. The Charter lays the scope, authority, duties and responsibilities of the Company's Risk Management Committee. The objective is to ensure the Risk Management Committee serves as an efficient mechanism for the Board of Directors in supervising the Company's risk management. The Charter is also in keeping with the best practices of corporate governance.
2. Reviewed and concurred with the Personal Data Protection Policy of the Company and its subsidiaries, which was subsequently approved by the Board of Directors. Additionally, the Committee also reviewed and monitored the progress of the management's actions to ensure the compliance of the applicable laws and regulations and to maintain the security and privacy of personal data of personnel and related individuals.

3. Reviewed and advised the measures and the crisis management plans relevant to the COVID-19 situation that emphasize the importance of safety and health of employees, contractors and their families, social responsibility and protecting the business for its continuity by managing and responding to the challenging conditions proactively, efficiently and effectively in order to reduce the chance of incidents and the impact of the outbreak situation that occurred in the past year.
4. Reviewed and oversaw the appropriateness and effectiveness of the Company's risk management including monitoring the progress made in managing key risks identified as having significant impact on the business. The Committee ensured the methods and mitigation tactics deployed were adequate and then followed up and advised on the mitigation of risks, including strategic, operating, financial, and other risks, considering both external and internal factors.
5. Reviewed IT security measures to further strengthen security controls against cybersecurity threats and reviewed and advised the relevant measures undergoing in responding to the new emerging risks that may happen, such as a political gathering/ protest.
6. Reviewed the results of the Company's campaigns for work safety and social and environmental responsibility. The Committee advised management on additional improvements which could help instill a safety mindset in the corporate culture. In line with environmental responsibility and being a good corporate citizen, the Committee closely supervised and monitored quality indicators of water effluent, atmospheric emissions, especially PM 2.5 and landfill waste ratio. The results reflected continuous improvement and compliance with legal requirements. In 2020, the Company achieved an impressive safety and environmental record with recognition and awards, including Thailand Zero Accident (2nd consecutive year), ISO 45001 certificate for management systems of occupational health and safety, ISO 14001 certificates for environmental management system, Carbon Footprint Organization and Green Industry.

7. Conducted self-performance assessment, as an individual and group assessment, according to the SET guidelines. The result showed that the Committee has performed its duties and responsibilities, according to the Risk Management Committee Charter.

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



(Mr. Salin Pinkayan)

On Behalf of the Risk Management Committee

Nomination, Remuneration, and Corporate Governance Committee Report for Year 2020

Dear Shareholders,

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

1. To review the structure and composition of the Company’s Board of Directors, Sub-Committees’ Members including the suitable number of Directors given the nature of the Company’s business, and determine the rules and procedures for recruitment and qualifications of, and identify, suitable candidates for the roles of Directors, Sub-Committees’ Members and Executives, before endorsing to the Board of Directors’ Meeting and/or proposing to the Shareholders’ Meeting for consideration and approval.
2. To formulate the policies for reviewing the rules for determining Monetary Remuneration and Non-Monetary Remuneration for the Directors, Committees’ Members, as well as the compensation structure for Executives to ensure that they are appropriate and fair, before endorsing to the Board of Directors’ Meeting and/or proposing to the Shareholders’ Meeting for consideration and approval.
3. To formulate and introduce the policies, guidelines, and recommendations to ensure good governance of the Company’s businesses, determine corporate social responsibility policies, encourage ethical organization culture and follow the corporate governance policy and the Company’s code of conduct including review and revise the corporate governance policy and the Company’s code of conduct as appropriate, before proposing to the Board of Directors’ Meeting for consideration.

In 2020, the Committee held eleven meetings, which were attended by all members of the Committee. The Company Secretary, as Secretary to the Committee, also attended all agenda of the meetings as well (excluded confidential agenda). Matters transacted at those meetings can be summarized as follows:

1. Nominate the persons who will replace the Directors retiring by rotation. Appoint the persons in place of Director who resigns before his/her term. Appoint Committees’ Members and Executives by working profiles, achievement including suitable qualification and characteristics for the positions including conflict of interests (if any). Guidance the preparation for Succession Plan of the Company onward.
2. Review and determine the rules for fixing remunerations for the Directors, Committees’ Members and Executives before endorsing to Board of Directors’ Meeting and Shareholders’ Meeting for consideration and approval. The rules for fixing remunerations are as follows:
 - 2.1 Review and determine the rules for fixing the remunerations for the Directors and Committees’ Members as appropriate for their added roles and commensurate based on the data provided in the results of a survey on the compensation of Directors of the listed companies in the same sector with similar Market Capitalization, and in line with corporate governance requirements for disclosure of the policy and rules applicable to fixing Directors’ remunerations that reflect each Director’s roles and responsibilities.
 - 2.2 Review and determine the rules for fixing the structure and the remunerations for Executives based on their performances and achievements as measured by Key Performance Indicators (KPIs), taking into account their assigned roles and responsibilities, the size of the business, and the overall economic situation.

3. Review the proposals of the KPIs and target setting for Executives.
4. Review capability and knowledge development plan for Directors, Executives, and Employees to encourage everyone in the Company to enroll any trainings on online and/or offline platforms in appropriated courses with role and duty for each person. Develop reskills and upskills including management perspectives for sustainability business excellence, keeping up with the rapid changed situation including develop and strengthen the Company's employees in compliance with good corporate governance and code of conduct.
5. Follow up the Sustainability Development Roadmap of the Company and comment to Corporate Social Responsibility activities and related plan to define the Company's identity and to truly give benefits back and contribute the society, community and environment under worthy budget and appropriated timeframe. The Sustainability Development Roadmap is a part to pursuit sustainability growth.
6. Promote and follow up compliance with the Company's Corporate Governance Policy and code of conduct in the performance of the Company's activities and for the roles of the Company's Directors, Executives, and Employees.
7. Review and set performance evaluation forms of the Board of Directors and Sub-Committees for evaluating performance of the Board of Directors and Sub-Committees in 2020 until further revision.
8. Give right to shareholders to propose the agenda for the 2021 Annual General Meeting of Shareholders and to nominate the candidate for the election to be the Director in advance during 1 November 2020 - 30 December 2020 and thoroughly consider every aspects to avoid any condition which may cause discrimination issue.

9. For Good Corporate Governance Policy, Non-Executive Directors Committee (NED) was held in order to discuss the problems and freely comment on the Company management without Executives in the meeting. In 2020, NED held one meeting in which the meeting results were reported by NRC to Chairman of Executive Committee, CEO and President for the improvement of the Company internal management including strengthen the cooperation between Directors and Executives.

In 2020, the Committee reviewed the Corporate Governance Policy two times and reported the outcomes of its meetings to the Board of Directors regularly. The Committee performed their roles under the Charter to the best of their ability and exercised prudence when giving their independent, useful advice to the Board of Directors, the shareholders, and all stakeholders, as appropriate.

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



(Mr. Somprasong Boonyachai)

**Chairman of the Nomination, Remuneration,
and Corporate Governance Committee**

Internal Control and Connected Transactions



Internal Control System

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

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



1. Control Environment

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

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

The duties of the Board of Directors are separate from those of management. The Company has an organizational structure appropriate for operating the business that considers various factors, with critical roles appropriately segregated in accordance with good control concepts; lines of supervision and reporting defined; and roles and responsibilities for individual positions documented in job descriptions. Approval authority and review levels of Company's personnel are systematically defined and documented in the Schedule of Authority (SOA).

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



2. Risk Assessment

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

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



3. Control Activities

The Company defines control measures in operating guidelines and procedures. Examples include determining approval authority limits; segregation of duties among approval, recording/accounting, and asset custodianship for the purpose of checks and balances; and establishing both preventive and detective control measures. The Company sets control measures on information system security through its Information Technology Policy and its operations are audited by the IT Audit Unit to improve internal control activities of the information systems.

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

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



4. Information and Communication

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

The Company established an Investor Relations Function to co-ordinate and communicate with our investors and shareholders. We have a customer service hotline at +66 (2) 351 1111 as a channel for the public to get information about our products. In addition, the Company provides channels for insiders and outsiders to lodge complaints or communicate about other matters by e-mail (hotline@osotspa.com), through our website (www.osotspa.com), or by writing directly to the Chairman of the Audit Committee, the Board of Directors, or the Head of Internal Audit.



5. Monitoring Activities

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

The audit findings and results are reported to respective functional management including the President and Osotspa Leadership Team (OLT), with the summary presented and reviewed with the Audit Committee meetings. The functional management has direct responsibility in addressing the identified control gaps / weaknesses with support from Internal Control Unit. Control gap closure is monitored and tracked by Internal Audit regularly, with overall progress and status of open gaps periodically reviewed with OLT for ensuring timely and appropriate corrective actions. The Audit Committee has meetings scheduled in the year for reviewing matters as chartered by the Board including the review of summary

of audit results and effectiveness of management actions in follow up for correction of control gaps or weaknesses with Internal Audit, review of integrity of the Company's financial reporting, and information disclosure adequacy with the management.

At meeting number 02/2021 on 24 February 2021, the Board of Directors evaluated the adequacy of the Company's internal controls. The concluded opinion was consistent with that of the Audit Committee, which was that the internal controls in place were adequate, appropriate for the size and complexity of the business and current conditions of the Company, and that there were no significant control weaknesses that would have material impacts on the Company's operations. However, the Board of Directors encourages management to continue enhancing the standards of the internal control system. The Company believes that a sound internal control system will help to increase confidence in our corporate governance practices, which will enable sustainable business growth and, in turn, create value for stakeholders and shareholders over the long term.



Connected Transactions

Below is a list of connected transactions that the Company and/or our subsidiaries have entered into with persons/companies who may have a conflict of interest, for the year ended 31 December 2020.

Connected Person/Company	Relationship	Transaction	Value (Baht)	Necessity and rationale of the transaction
Mr. Ratch Osathanugrah	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors Shareholder of the Company and one of the beneficiaries of Orizon Limited, which holds a majority share in the Company 	<ul style="list-style-type: none"> Land and building rental expense 	10,800,000	<ul style="list-style-type: none"> The Company entered into a lease agreement with Mr. Ratch Osathanugrah in order to lease 9 Rai 51 square meters (14,604 square meters, excluding the front plot of land [30 m. x 30 m.]) and the building located at No. 15/3 Moo 2, Vibhavadi-Rangsit Road, Lat Yao Sub-district, Chatuchak District, Bangkok to be used for a publishing and packaging factory. The Company executed the lease contract on 30 August 2016 for a term of three years from 1 August 2016 to 31 July 2019. Under the contract, the rental fee is 800,000 Baht per month. Subsequently, the Company renewed the lease contract for another three years from 1 August 2019 to 31 July 2022. Under the new contract, the rental rate is 800,000 Baht per month for 1 August - 30 November 2019 with a new rate of 900,000 Baht per month applied from 1 December 2019. Rental rates and rental conditions are as agreed between the parties and the rental rates and conditions are consistent with nearby land and building rental rates.
Mr. Thana Chaiprasit	<ul style="list-style-type: none"> Director, CEO (Acting) and Vice Chairman of the Executive Committee 	<ul style="list-style-type: none"> Revenue from sales of goods 	17,245	<ul style="list-style-type: none"> Greensville Co., Ltd., a subsidiary of the Company, sold personal care products (gel/spay hand sanitizer) to Mr. Thana Chaiprasit in response to impact from the coronavirus pandemic at a sales price determined by cost plus a margin. The sales price and trade terms are on an arm's length basis for non-related persons.
Bell Pepper Co., Ltd. (Business Consultant)	<ul style="list-style-type: none"> Mr. Viwat Krisdhasima, a key member of management, is the Director of Bell Pepper Co., Ltd. Mr. Viwat Krisdhasima, a key member of management, and his related persons hold a total of 100.00% of the shares in Bell Pepper Co., Ltd. 	<ul style="list-style-type: none"> Consultant expense 	1,968,000	<ul style="list-style-type: none"> The Company engaged Bell Pepper Co., Ltd. to advise and suggest on the efficiency of our procurement work processes. The Company paid the consulting fee as per the contract with consideration given to Bell Pepper Co.'s long experience in procurement management and understanding of the nature of our business.

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Connected Person/Company	Relationship	Transaction	Value (Baht)	Necessity and rationale of the transaction
Chaengwattana Avenue Co., Ltd. (Food and Beverages)	Common directors are as follows: - Mr. Thana Chaiprasit - Mr. Pratharn Chaiprasit • Mr. Thana Chaiprasit, Director, CEO (Acting) and Vice Chairman of the Executive Committee holds 49.98% of the shares in Chaengwattana Avenue Co., Ltd. • Mr. Pratharn Chaiprasit, Director and Vice Chairman of the Executive Committee, holds 30.00% of the shares in Chaengwattana Avenue Co., Ltd.	• Other expenses • Other payables	64,700 69,229	• The Company purchased food and beverages from Chaengwattana Avenue Co., Ltd, for the Retired Employee and Long Service Award Recognition Ceremony for our valued employees. This event was arranged as per the Company's well-being policy. Chaengwattana Avenue Co., Ltd, is a professional catering service provider that offered a reasonable price and complied with our selection and engagement procedures.
Index Living Mall Public Company Limited (Furniture and home furnishing retail business)	• Mrs. Kannikar Chalitaporn, Vice Chairperson of the Board of Director and Chairperson of the Executive Committee, is the Chairman of the Board of Director of Index Living Mall Public Company Limited	• Other expense	330,430	• The Company and a subsidiary purchased office chairs for employees to support the work from home policy in response to the coronavirus pandemic. Price and trade terms are on an arm's length basis for non-related persons.

Connected Transaction Policies

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

Should any connected transaction require approval by a meeting of the Board of Directors or a meeting of shareholders of the Company, the Company will arrange for the Audit Committee to hold a meeting to consider and approve such transaction based on necessity and reasonableness, and the opinion of the Audit Committee on such transaction will be proposed at the meeting of the Board of Directors or the meeting of shareholders of the Company, as the case may be, in order to ensure that the entry into such transaction is in the best interest of the Company and its shareholders.

Future related party transactions

The Company's policy on connected transactions satisfies good corporate governance by prescribing conditions in compliance with normal characteristics of business operations and market prices that are on an arm's length basis for non-related persons. Furthermore, such transactions shall be proposed to the Audit Committee for consideration of the suitability of the price and reasonableness of the transaction.

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

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

Report of the Board of Directors' Responsibilities for the Financial Reports

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

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

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

The Board of Directors considers that the internal control system and the internal audit of the Company provide credibility to the consolidated financial statements of the Company and its subsidiaries including the separated financial statements of the Company for the year ended 31 December 2020 are adequately disclosed the financial position, financial results and cash flows are fairly presented in all material respects with the financial reporting standards.



(Mr. Surin Osathanugrah)

Chairman of the Board of Directors



(Mrs. Wannipa Bhakdibutr)

Director and President

Independent Auditor's Report

To the Shareholders of Osotspa Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Osotspa Public Company Limited and its subsidiaries (the “Group”) and of Osotspa Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of inventories	
Refer to Notes 4 (g) and 10 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Group and the Company's inventories are consumer products which have short lives and their sales and selling prices are subject to the market situation. Consequently, long-outstanding inventories may result. The Group's and the Company's inventories are stated at the lower of cost and net realisable value which involves management's judgment. This is an area of focus in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry of the management to obtain an understanding of policy in relation to setting provision for net realisable value of inventories and reviewing the compliance with this policy; - Evaluating the design and implementation and also testing of operating effectiveness of internal controls relating to inventory management and attending inventory counts and observing the condition of inventories; - Testing the accuracy of inventory aging by checking samples of relevant supporting documents; - Assessing the appropriateness of the provision for realisable value for obsolete inventory by challenging the assumptions, category of inventory, comparing with historical experience and testing calculation; - Testing the valuation of inventories by comparing their costs against their expected realisable values less relevant selling expenses, and checking samples of relevant supporting documents; and - Considering the adequacy of disclosure in accordance with the financial reporting standard.
Accrued trade discounts	
Refer to Notes 4 and 19 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
There is high competition in the market for energy drink and personal care product. The Group and the Company offers several types of promotional offers to several groups of customers such as traditional trade customers, modern trade customers and end-consumers. As a result, the completeness of accrued trade discounts, which has differences in types of promotional offers, is an area of focus in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry of the management to obtain an understanding of types and terms of trade discounts, policy in relation to accrued trade discounts and also reviewing the compliance with this policy; - Evaluating the design and implementation and also testing of operating effectiveness of internal controls relating to the sales process and accrued trade discounts; - Testing on samples of accrued trade discounts at the end of reporting period by checking relevant supporting documents and payment in subsequent period and testing computation of trade discounts; - Testing on samples of accrued trade discounts for completeness by checking outstanding approved trade discounts at the end of reporting period; - Testing on samples of trade discounts during the years by checking relevant supporting documents; - Testing on samples of trade discounts in subsequent period by checking relevant supporting document; and - Considering the adequacy of disclosure in accordance with the financial reporting standard.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2021

Statement of financial position

Osotspa Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
(in Baht)					
Current assets					
Cash and cash equivalents	8	2,530,563,747	2,819,462,172	1,473,205,041	1,235,199,756
Trade accounts receivable	29	2,918,132,272	3,180,134,048	2,011,898,941	2,099,303,447
Other receivables		587,166,061	447,562,791	265,481,657	291,659,921
Short-term loans to related parties	7	-	-	1,378,071,906	1,029,332,837
Inventories	10	2,076,601,749	1,523,165,575	1,031,647,609	942,721,947
Other current financial assets	9	1,000,000,000	1,299,385,580	1,000,000,000	1,299,385,580
Other current assets		66,824,439	68,314,596	45,290,820	65,146,039
Total current assets		9,179,288,268	9,338,024,762	7,205,595,974	6,962,749,527
Non-current assets					
Other non-current financial assets	9	1,340,277,415	2,767,916,433	1,340,277,415	2,767,916,433
Investments in associates	11	389,098,837	319,059,025	-	-
Investments in joint ventures	11	1,052,160,552	799,750,949	108,828,769	139,961,326
Investments in subsidiaries	12	-	-	7,393,693,566	6,187,577,696
Investment properties	13	690,254,085	738,961,617	815,575,840	816,097,858
Leasehold rights		-	301,054,511	-	-
Property, plant and equipment	14	12,358,061,410	8,925,066,024	5,740,651,331	4,111,569,361
Goodwill	6	80,143,997	80,143,997	-	-
Other intangible assets	16	318,523,254	229,066,446	284,984,965	210,120,172
Deferred tax assets	27	127,793,425	192,692,763	-	110,033,221
Other non-current assets		319,883,503	632,129,611	16,820,851	364,388,405
Total non-current assets		16,676,196,478	14,985,841,376	15,700,832,737	14,707,664,472
Total assets		25,855,484,746	24,323,866,138	22,906,428,711	21,670,413,999

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Trade accounts payable	18	1,815,201,217	2,243,813,930	1,451,074,957	1,480,767,847
Other payables	19	2,279,071,252	2,585,293,597	1,312,491,068	1,468,936,971
Short-term loans from related parties	7, 17	-	-	1,092,050,942	893,829,832
Current portion of long-term loan					
from financial institution	17	66,176,514	-	-	-
Current portion of lease liabilities	17	125,253,811	96,643,672	27,999,222	10,850,407
Income tax payable		240,184,211	323,465,493	81,838,578	164,226,955
Other current liabilities		31,415,389	6,616,561	24,970,896	6,412,164
Total current liabilities		4,557,302,394	5,255,833,253	3,990,425,663	4,025,024,176
Non-current liabilities					
Long-term loan from financial institution	17	850,512,884	120,864,696	-	-
Lease liabilities	17	291,654,688	284,693,552	64,260,911	28,859,151
Provisions for employee benefits	20	673,246,504	629,364,895	428,644,341	397,999,699
Deferred tax liabilities	27	152,505,972	8,780,353	147,715,204	-
Other non-current liabilities		1,184,735	1,184,735	5,066,172	4,928,525
Total non-current liabilities		1,969,104,783	1,044,888,231	645,686,628	431,787,375
Total liabilities		6,526,407,177	6,300,721,484	4,636,112,291	4,456,811,551
Equity					
Share capital:	21				
Authorised share capital					
(3,003,750,000 ordinary shares,					
par value at Baht 1 per share)		3,003,750,000	3,003,750,000	3,003,750,000	3,003,750,000
Issued and paid-up share capital					
(3,003,750,000 ordinary shares,					
par value at Baht 1 per share)		3,003,750,000	3,003,750,000	3,003,750,000	3,003,750,000
Share premium	21	11,847,802,049	11,847,802,049	11,847,802,049	11,847,802,049
Retained earnings					
Appropriated to legal reserve	22	300,375,000	300,375,000	300,375,000	300,375,000
Unappropriated		3,345,023,657	3,075,754,748	2,023,728,954	1,959,920,987
Surplus on business combination					
under common control	22	295,201,858	353,101,177	73,950,400	73,950,400
Other components of equity	22	431,948,627	(709,477,102)	1,020,710,017	27,804,012
Equity attributable to owners of the parent		19,224,101,191	17,871,305,872	18,270,316,420	17,213,602,448
Non-controlling interests		104,976,378	151,838,782	-	-
Total equity		19,329,077,569	18,023,144,654	18,270,316,420	17,213,602,448
Total liabilities and equity		25,855,484,746	24,323,866,138	22,906,428,711	21,670,413,999

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

Statement of income

Osotspa Public Company Limited and its Subsidiaries

Note	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
Revenue				
Revenues from sales	25,583,166,815	25,610,466,687	19,819,304,331	19,890,350,881
Investment income	188,476,758	216,434,377	2,047,942,219	1,634,868,706
Other income	6, 24 357,435,525	359,788,793	409,876,714	362,928,402
Total revenue	26,129,079,098	26,186,689,857	22,277,123,264	21,888,147,989
Expenses				
Cost of sales of goods	10 16,554,062,566	16,664,401,805	14,813,281,675	14,463,384,330
Selling and distribution expenses	3,966,769,097	3,901,520,162	2,314,226,398	2,448,627,640
Administrative expenses	1,743,656,106	1,786,317,561	1,458,698,330	1,516,344,443
Total expenses	26 22,264,487,769	22,352,239,528	18,586,206,403	18,428,356,413
Profit from operating activities	3,864,591,329	3,834,450,329	3,690,916,861	3,459,791,571
Finance costs	(65,382,696)	(12,756,919)	(9,283,241)	(12,223,411)
Share of profit of associates and joint ventures accounted for using equity method	11 225,311,962	164,159,134	-	-
Profit before income tax expense	4,024,520,595	3,985,852,544	3,681,633,620	3,447,568,165
Tax expense	27 (587,374,222)	(717,928,432)	(323,801,657)	(408,969,035)
Profit for the year	3,437,146,373	3,267,924,112	3,357,831,963	3,038,599,130
Profit attributable to:				
Owners of the parent	3,504,313,165	3,259,009,028	3,357,831,963	3,038,599,130
Non-controlling interests	(67,166,792)	8,915,084	-	-
Profit for the year	3,437,146,373	3,267,924,112	3,357,831,963	3,038,599,130
Basic earnings per share (in Baht)	1.17	1.08	1.12	1.01

Statement of comprehensive income

Osotspa Public Company Limited and its Subsidiaries

Note	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
Profit for the year	3,437,146,373	3,267,924,112	3,357,831,963	3,038,599,130
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	158,421,824	(53,417,497)	-	-
Gain (loss) on measurement of financial assets	27 (34,727,599)	22,691,624	(34,727,599)	22,691,624
Share of other comprehensive income of associates and joint ventures accounted for using equity method	11 10,933,427	(419,200)	-	-
Income tax relating to items that will be reclassified	27 6,945,520	(4,538,325)	6,945,520	(4,538,325)
Total items that will be reclassified subsequently to profit or loss	141,573,172	(35,683,398)	(27,782,079)	18,153,299
<i>Items that will not be reclassified to profit or loss</i>				
Gain (loss) on remeasurements of defined benefit plans	20, 27 1,440,562	(71,976,863)	-	(39,607,180)
Income tax relating to items that will not be reclassified	27 (360,141)	14,543,682	-	7,921,436
Total items that will not be reclassified to profit or loss	1,080,421	(57,433,181)	-	(31,685,744)
Other comprehensive income for the year, net of tax	142,653,593	(93,116,579)	(27,782,079)	(13,532,445)
Total comprehensive income for the year	3,579,799,966	3,174,807,533	3,330,049,884	3,025,066,685
Total comprehensive income attributable to:				
Owners of the parent	3,626,662,300	3,159,020,280	3,330,049,884	3,025,066,685
Non-controlling interests	(46,862,334)	15,787,253	-	-
Total comprehensive income for the year	3,579,799,966	3,174,807,533	3,330,049,884	3,025,066,685

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

Statement of changes in equity

Osotspa Public Company Limited and its Subsidiaries

Consolidated financial statements													
Retained earnings						Other components of equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus on business combination under common control	Exchange differences on translating foreign operations	Gain on measurement of financial assets	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Changes in other components from shareholders	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Note													
(in Baht)													
For the year ended 31 December 2019													
Balance at 1 January 2019	3,003,750,000	11,847,802,049	265,100,000	3,033,342,663	353,101,177	(424,984,798)	9,650,713	-	-	(415,334,085)	18,087,761,804	214,967,748	18,302,729,552
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
</													

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

Statement of changes in equity

Osotspa Public Company Limited and its Subsidiaries

Consolidated financial statements													
Note	Retained earnings					Other components of equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus on business combination under common control	Exchange differences on translating foreign operations	Gain on measurement of financial assets	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Changes in other components from shareholders	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in Baht)													
For the year ended 31 December 2020													
	3,003,750,000	11,847,802,049	300,375,000	3,075,754,748	353,101,177	(500,502,796)	27,804,012	(419,200)	(236,359,118)	(709,477,102)	17,871,305,872	151,838,782	18,023,144,654
3	-	-	-	10,015,000	-	(531,069)	1,020,688,084	-	-	1,020,157,015	1,030,172,015	-	1,030,172,015
	3,003,750,000	11,847,802,049	300,375,000	3,085,769,748	353,101,177	(501,033,865)	1,048,492,096	(419,200)	(236,359,118)	310,679,913	18,901,477,887	151,838,782	19,053,316,669
Transactions with owners, recorded directly in equity													
<i>Distributions to owners of the Company</i>													
28	-	-	-	(3,304,038,996)	-	-	-	-	-	-	(3,304,038,996)	-	(3,304,038,996)
	-	-	-	(3,304,038,996)	-	-	-	-	-	-	(3,304,038,996)	-	(3,304,038,996)
<i>Changes in ownership interests in a subsidiaries</i>													
	-	-	-	-	-	-	-	-	-	-	-	(70)	(70)
12	-	-	-	57,899,319	(57,899,319)	-	-	-	-	-	-	-	-
	-	-	-	57,899,319	(57,899,319)	-	-	-	-	-	-	(70)	(70)
	-	-	-	(3,246,139,677)	(57,899,319)	-	-	-	-	-	(3,304,038,996)	(70)	(3,304,039,066)
Comprehensive income for the year													
	-	-	-	3,504,313,165	-	-	-	-	-	-	3,504,313,165	(67,166,792)	3,437,146,373
	-	-	-	1,080,421	-	138,117,366	(27,782,079)	10,933,427	-	121,268,714	122,349,135	20,304,458	142,653,593
	-	-	-	3,505,393,586	-	138,117,366	(27,782,079)	10,933,427	-	121,268,714	3,626,662,300	(46,862,334)	3,579,799,966
	3,003,750,000	11,847,802,049	300,375,000	3,345,023,657	295,201,858	(362,916,499)	1,020,710,017	10,514,227	(236,359,118)	431,948,627	19,224,101,191	104,976,378	19,329,077,569

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

Statement of changes in equity

Osotspa Public Company Limited and its Subsidiaries

	Note	Separate financial statement					Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Surplus on business combination under common control	
				Legal reserve	Unappropriated (in Baht)		
						Other components of equity Gain on measurement of financial assets	
For the year ended 31 December 2019							
Balance at 1 January 2019		3,003,750,000	11,847,802,049	265,100,000	2,112,171,363	73,950,400	17,312,424,525
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends	28	-	-	-	(3,123,888,762)	-	(3,123,888,762)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(3,123,888,762)	-	(3,123,888,762)
Total transactions with owners, recorded directly in equity		-	-	-	(3,123,888,762)	-	(3,123,888,762)
Comprehensive income for the year							
Profit		-	-	-	3,038,599,130	-	3,038,599,130
Other comprehensive income		-	-	-	(31,685,744)	18,153,299	(13,532,445)
Total comprehensive income for the year		-	-	-	3,006,913,386	18,153,299	3,025,066,685
Transfer to legal reserve	22	-	-	35,275,000	(35,275,000)	-	-
Balance at 31 December 2019		3,003,750,000	11,847,802,049	300,375,000	1,959,920,987	73,950,400	17,213,602,448

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

Statement of changes in equity

Osotspa Public Company Limited and its Subsidiaries

Separate financial statement							
			Retained earnings			Other components	
						of equity	
	Issued and				Surplus on business	Gain on	Total
Note	paid-up share	Share premium	Legal reserve	Unappropriated	combination under	measurement of	equity
	capital			(in Baht)	common control	financial assets	
For the year ended 31 December 2020							
Balance at 31 December 2019 - as reported	3,003,750,000	11,847,802,049	300,375,000	1,959,920,987	73,950,400	27,804,012	17,213,602,448
Impact of changes in accounting policies	3	-	-	10,015,000	-	1,020,688,084	1,030,703,084
Balance at 1 January 2020	3,003,750,000	11,847,802,049	300,375,000	1,969,935,987	73,950,400	1,048,492,096	18,244,305,532
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends	28	-	-	(3,304,038,996)	-	-	(3,304,038,996)
Total distributions to owners of the Company		-	-	(3,304,038,996)	-	-	(3,304,038,996)
Total transactions with owners, recorded directly in equity		-	-	(3,304,038,996)	-	-	(3,304,038,996)
Comprehensive income for the year							
Profit		-	-	3,357,831,963	-	-	3,357,831,963
Other comprehensive income		-	-	-	-	(27,782,079)	(27,782,079)
Total comprehensive income for the year		-	-	3,357,831,963	-	(27,782,079)	3,330,049,884
Balance at 31 December 2020	3,003,750,000	11,847,802,049	300,375,000	2,023,728,954	73,950,400	1,020,710,017	18,270,316,420

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

Statement of cash flows

Osotspa Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate			Note	Consolidated		Separate	
		financial statements		financial statements				financial statements		financial statements	
		Year ended 31 December		Year ended 31 December				Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019			2020	2019	2020	2019
		(in Baht)						(in Baht)			
Cash flows from operating activities						Changes in operating assets and liabilities					
Profit for the year		3,437,146,373	3,267,924,112	3,357,831,963	3,038,599,130	Trade accounts receivable		319,294,747	(582,201,837)	90,504,649	(213,718,563)
Adjustments to reconcile profit to cash receipts (payments)						Other receivables		(108,113,148)	7,745,335	(5,571,113)	(33,194,721)
Tax expense	27	587,374,222	717,928,432	323,801,657	408,969,035	Inventories		(643,246,861)	(68,752,392)	(146,310,547)	(57,144,633)
Finance costs		65,382,696	12,756,919	9,283,241	12,223,411	Other current assets		12,555,105	(1,696,456)	19,855,218	(1,258,302)
Depreciation		1,244,336,189	957,503,489	595,305,467	502,077,121	Other non-current assets		(7,745,545)	7,453,699	(5,601,697)	10,791,044
Amortisation of other intangible assets		40,237,083	31,521,978	36,409,410	29,162,510	Trade accounts payable		(463,684,802)	252,915,626	(29,221,832)	137,047,219
Employee benefit expenses	20	117,987,065	214,897,845	78,822,584	117,970,416	Other payables		(330,707,933)	212,351,167	(301,242,036)	93,059,309
(Reversal of) impairment losses on property, plant and equipment	14	(3,276,663)	12,318,547	-	-	Other current liabilities		24,800,981	3,046,296	18,558,732	3,244,109
Unrealised (gain) loss on exchange rate		(2,410,068)	4,243,674	4,833,763	3,565,900	Other non-current liabilities		-	28,037	137,647	1,720,427
Exchange differences on translating foreign operations		48,739,812	(47,271,479)	-	-	Employee benefit obligations paid		(74,610,488)	(98,951,305)	(48,177,943)	(30,693,391)
Share of profit of associates and joint ventures accounted for using equity method	11	(225,311,962)	(164,159,134)	-	-	Net cash generated from operating		3,828,054,282	4,537,168,467	1,963,715,424	2,412,562,487
(Reversal of) loss for expected credit loss		(1,517,652)	9,350,878	(21,203,494)	28,638	Tax paid		(763,386,569)	(884,885,728)	(399,171,860)	(490,571,069)
Losses on inventories devaluation	10	96,268,835	114,800,372	57,384,885	85,040,635	Net cash from operating activities		3,064,667,713	3,652,282,739	1,564,543,564	1,921,991,418
Gain recognised as a result of remeasuring to fair value of the previously held interest	6	(36,181,521)	-	-	-	Cash flows from investing activities					
Gain on bargain purchase	6	(52,764,004)	-	-	-	Acquisition of interest in associates		(78,263,615)	(39,780,000)	-	-
Gain from redemption of investment in subsidiaries		-	-	(9,084,072)	-	Acquisition of interest in joint ventures		(136,642,689)	(97,832,249)	-	-
Gain on disposal of investments		(30,328,858)	(35,369,552)	(30,328,858)	(35,369,552)	Cash outflows from increase of investment in subsidiaries		-	-	(1,155,000,000)	(3,153,770,000)
Gain on disposal of investment properties		-	(53,821,781)	-	(28,437,279)	Acquisition of a subsidiary, net of cash acquired		(14,916,836)	(15,600,498)	(21,983,109)	-
Gain on disposal of property, plant and equipment		(20,332,293)	(28,610,236)	(15,014,671)	(11,635,740)	Proceeds from dissolution of investment in subsidiaries		-	-	11,083,868	-
Loss on write-off of property, plant and equipment		16,985,750	217,443	13,924,858	211,304	Proceeds from sale of equity securities		-	9,192,000	-	9,192,000
(Gain) loss on disposal and write-off of other intangible assets		1,980	192,385	(242,552)	192,385	Proceeds from sale of investment properties		-	66,771,240	-	36,688,656
Dividends income		(135,228,595)	(61,431,850)	(1,975,255,973)	(1,446,849,617)	Proceeds from sale of property, plant and equipment		30,044,501	67,747,479	162,958,399	15,282,230
Interest income		(47,596,163)	(147,761,745)	(55,683,862)	(173,038,308)	Acquisition of property, plant and equipment		(3,230,643,733)	(3,497,697,115)	(1,812,492,216)	(958,179,010)
		5,099,512,226	4,805,230,297	2,370,784,346	2,502,709,989	Proceeds from sale of other intangible assets		-	1,108,371	-	1,108,371
						Acquisition of other intangible assets		(119,859,716)	(61,402,819)	(107,781,734)	(54,437,716)
						(Increase) decrease in short-term deposit at financial institution		(1,000,000,000)	8,041,844	(1,000,000,000)	-
						Decrease in debt securities (in private fund)		4,020,488,673	1,234,269,418	4,020,488,673	1,234,269,418
						Cash outflow on short-term loans		-	(4,729,864)	(3,586,902,588)	(4,709,323,526)
						Proceeds from repayment of short-term loans		-	4,729,864	3,238,163,519	5,010,532,735
						Dividends received		250,280,960	134,861,526	1,993,219,510	1,428,886,079
						Interest received		58,710,494	138,098,219	75,660,904	164,334,747
						Net cash from (used in) investing activities		(220,801,961)	(2,052,222,584)	1,817,415,226	(975,416,016)

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

Statement of cash flows

Osotspa Public Company Limited and its Subsidiaries

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
<i>Cash flows from financing activities</i>					
Decrease in short-term loans from financial institutions		(231,000,000)	(84,000,000)	-	-
Proceeds from short-term loans from related parties		-	-	15,242,563,145	12,099,810,795
Repayment of short-term loans		-	(56,000,000)	(15,044,342,035)	(12,146,045,825)
Proceeds from long-term loans from financial institution		783,398,761	120,965,417	-	-
Payment of lease liabilities		(116,694,727)	(48,632,381)	(28,826,055)	(10,817,430)
Proceeds from issue of shares for non-controlling interests in a subsidiary		-	42,572,263	-	-
Acquisition of non-controlling interest		(200,000,070)	(50,000,000)	-	-
Dividends paid to owners of the Company		(3,303,767,797)	(3,123,825,051)	(3,303,767,797)	(3,123,825,051)
Dividends paid to non-controlling interests		-	(55,346,604)	-	-
Interest paid		(64,700,344)	(12,756,919)	(9,580,763)	(12,682,819)
Net cash used in financing activities		(3,132,764,177)	(3,267,023,275)	(3,143,953,505)	(3,193,560,330)
Net increase (decrease) in cash and cash equivalents		(288,898,425)	(1,666,963,120)	238,005,285	(2,246,984,928)
Cash and cash equivalents at 1 January		2,819,462,172	4,486,425,292	1,235,199,756	3,482,184,684
Cash and cash equivalents at 31 December	8	2,530,563,747	2,819,462,172	1,473,205,041	1,235,199,756
<i>Non-cash transactions</i>					
Purchase of assets under lease agreements		63,640,110	45,772,282	27,249,409	18,171,045
Outstanding receivable from sale of other intangible assets		-	-	4,855,139	-
Outstanding payable from purchases of property, plant and equipment and other intangible assets		416,181,577	257,459,667	234,850,313	89,961,651
Advance payment for purchasing of property, plant and equipment and other intangible assets		246,722,161	577,363,300	9,165,322	362,334,573
Outstanding payable from acquisition of non-controlling interests		-	200,000,000	-	-

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

Notes to the financial statements

Osotspa Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

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These notes form an integral part of the financial statements

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by Board of Directors on 24 February 2021.

1 General information

Osotspa Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office at 348 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240.

The Company and its subsidiaries, the “Group”, are principally engaged in the manufacture and distribution of consumer products, comprising energy drinks and personal care products. In addition, the Group also provides manufacturing services and distribution of goods.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of revised TFRSs, which are not yet effective for the current period in preparing these financial statements. These revised TFRSs which related to the operation of the Group are disclosed in Note 34.

(b) Functional and presentation currency

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

(c) Use of judgements and estimates

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

(i) Judgements

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

- 4(k) and 15 Leases:
- whether an arrangement contains a lease;
 - whether the Group is reasonably certain to exercise extension options;
 - whether the Group exercise termination options;
- 11 Equity-accounted investees: whether the Group has significant influence over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that may have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(g) Measurement of inventories
- 4(k) Determining the incremental borrowing rate to measure lease liabilities;
- 5 Impact of COVID-19;
- 6 Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
- 6 Impairment test of goodwill: key assumptions underlying recoverable amounts;
- 20 Measurement of defined benefit obligations: key actuarial assumptions;
- 27 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- 29 Determining the fair value of financial instruments on the basis of significant unobservable inputs; and
- 32 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases*.

Impact of changes in accounting policies on the statement of financial position are as follows:

Statement of financial position	31 December 2019	Consolidated financial statements Impact from the adoption of		1 January 2020
		Financial instruments standards	TFRS 16	
		(in thousand Baht)		
Current assets				
Other receivables	447,563	-	(1,093)	446,470
Non-current assets				
Other non-current financial assets	2,767,916	1,288,379	-	4,056,295
Leasehold rights	301,054	-	(301,054)	-
Property, plant and equipment	8,925,066	-	417,496	9,342,562
Deferred tax assets	192,693	(110,033)	-	82,660
Total assets	24,323,866	1,178,346	115,349	25,617,561
Current liabilities				
Current portion of lease liabilities	96,644	-	14,444	111,088
Non-current liabilities				
Lease liabilities	284,693	-	101,436	386,129
Deferred tax liabilities	8,780	147,643	-	156,423
Total liabilities	6,300,721	147,643	115,880	6,564,244
Equity				
Retained earnings - unappropriated	3,075,755	10,015	-	3,085,770
Other components of equity	(709,477)	1,020,688	(531)	310,680
Total equity	18,023,145	1,030,703	(531)	19,053,317

Statement of financial position	31 December 2019	Separate financial statements Impact from the adoption of		1 January 2020
		Financial instruments standards	TFRS 16	
		(in thousand Baht)		
Non-current assets				
Other non-current financial assets	2,767,916	1,288,379	-	4,056,295
Property, plant and equipment	4,111,569	-	57,146	4,168,715
Deferred tax assets	110,033	(110,033)	-	-
Total assets	21,670,414	1,178,346	57,146	22,905,906
Current liabilities				
Current portion of lease liabilities	10,850	-	11,579	22,429
Non-current liabilities				
Lease liabilities	28,859	-	45,567	74,426
Deferred tax liabilities	-	147,643	-	147,643
Total liabilities	4,456,812	147,643	57,146	4,661,601
Equity				
Retained earnings - unappropriated	1,959,921	10,015	-	1,969,936
Other components of equity	27,804	1,020,688	-	1,048,492
Total equity	17,213,602	1,030,703	-	18,244,305

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings or other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group's financial assets and financial liabilities as at 1 January 2020.

Consolidated financial statements			
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020	
	Carrying amounts	Fair value through other comprehensive income (in thousand Baht)	Amortised cost - net
Cash and cash equivalents	2,819,462	-	2,819,462
Other current financial assets			
- Debt securities (in private fund)	1,299,386	1,299,386	-
Trade accounts receivable	3,180,134	-	3,180,134
Other receivables (exclude prepaid expenses and revenue department receivable)	214,386	-	214,386
Other non-current financial assets			
- Debt securities (in private fund)	2,723,945	2,723,945	-
- Non-marketable equity securities	43,971	1,332,350	-
Total other non-current financial assets	2,767,916	4,056,295	-
Total	10,281,284	5,355,681	6,213,982
Trade accounts payable	2,243,814	-	2,243,814
Other payables (exclude advance received and revenue department payable)	2,424,023	-	2,424,023
Long-term loan from financial institution	120,865	-	120,865
Lease liabilities	381,337	-	381,337
Total	5,170,039	-	5,170,039

Separate financial statements			
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020	
	Carrying amounts	Fair value through other comprehensive income (in thousand Baht)	Amortised cost - net
Cash and cash equivalents	1,235,200	-	1,235,200
Other current financial assets			
- Debt securities (in private fund)	1,299,386	1,299,386	-
Trade accounts receivable	2,099,303	-	2,099,303
Other receivables (exclude prepaid expenses and revenue department receivable)	160,986	-	160,986
Short-term loans to related parties	1,029,333	-	1,029,333
Other non-current financial assets			
- Debt securities (in private fund)	2,723,945	2,723,945	-
- Non-marketable equity securities	43,971	1,332,350	-
Total other non-current financial assets	2,767,916	4,056,295	-
Total	8,592,124	5,355,681	4,524,822

Separate financial statements			
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020	
	Carrying amounts	Fair value through other comprehensive income (in thousand Baht)	Amortised cost - net
Trade accounts payable	1,480,768	-	1,480,768
Other payables (exclude advance received and revenue department payable)	1,396,196	-	1,396,196
Short-term loans from related parties	893,830	-	893,830
Lease liabilities	39,709	-	39,709
Total	3,810,503	-	3,810,503

The Group intends to hold non-marketable equity securities amounted of Baht 1,332 million, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

(2) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI and lease receivables, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 has no impact.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

Measurement of lease liabilities

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Operating lease commitment as disclosed at 31 December 2019	83,899	51,433
Discounted using the incremental borrowing rate at 1 January 2020	(56,215)	(6,419)
Finance lease liabilities recognised as at 31 December 2019	381,337	39,709
Recognition exemption for short-term leases	(18,940)	(10,185)
Recognition exemption for leases of low-value assets	(14,050)	(12,819)
Extension and termination options reasonably certain to be exercised	122,279	35,136
Residual value guarantees	(1,093)	-
Lease liabilities recognised at 1 January 2020	497,217	96,855
Weighted-average incremental borrowing rate (% per annum)	4 - 13	4

4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combination under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment loss.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

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

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies applicable before 1 January 2020

Investment in debt securities and equity securities

Debt securities and marketable equity securities, other than those securities held for trading are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. In case of an investments in interest bearing securities, the interest is recorded in profit or loss using the effective interest rate method.

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

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

Disposal of investments

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

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits, and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

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

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

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

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

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of material and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property and are recognised in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	10 years
Buildings	20 - 30 years

No depreciation is provided on freehold land.

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

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

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognised and reclassified as investment properties.

Subsequent costs

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

Depreciation

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

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

	Owned assets	Right-of-use assets
Right-of-use land	-	5 - 49 years
Land improvements	5 - 20 years	-
Building	10 - 30 years	3 - 19 years
Building improvements	3 - 20 years	5 years
Machinery and factory equipment	2 - 12 years	1 - 10 years
Vehicles	5 - 10 years	3 - 5 years
Furniture, fixtures and office equipment	3 - 10 years	1 - 5 years

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

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

(j) Goodwill and other intangible assets

Goodwill

The measurement of goodwill at initial recognition is described in Note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

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

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Computer software and others	3 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement

date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'investment income and other income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See Note 4(l)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(i) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 3 months past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is significantly past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as past due significantly, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

Calculation of recoverable amount

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

Reversals of impairment

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

(n) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

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

(o) Provisions

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

(p) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

(q) Revenue

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

Sale of goods

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

Payment to a customer

The Group makes payments to its retailers for product placement (“slotting fees”), promotion events or advertising. The Group consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

(r) Investment income

Investment income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date the Group’s right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition,

construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(t) Income tax

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

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

(v) Related parties

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

(w) Segment reporting

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

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

As at 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the impact. The Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak for fair value measurement. The Group elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

6 Acquisition of subsidiaries

2020

Acquisitions of investments in Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)

On 28 January 2020, the Company acquired 60% of the investment in Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.). After acquisition, the Company's ownership changed from 40% to 100% and the status changed from investment in joint ventures to investment in subsidiaries.

The management believes that the acquisition of these investment will support growth potential, increase flexibility and increase the overall beverage production capacity of the Company.

The Group determined the fair values of identifiable assets acquired and liabilities assumed and allocated fair values at the acquisition date. The accounting transactions of such acquisition was already recognised completely in March 2020. The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently, the adjustments on accounting transactions of such acquisition will be made.

The Group determined the fair values of investment in Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.) at the acquisition date as follows:

<i>Identifiable assets acquired and liabilities assumed</i>	<i>Note</i>	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents		7,066
Trade accounts receivable and other receivables		74,927
Inventories		10,766
Other current assets		11,125
Property, plant and equipment	14	364,657
Other intangible assets	16	2,926
Other non-current assets		1,134
Loan from financial institution		(231,000)
Trade accounts payable and other payables		(92,813)
Lease liabilities		(727)
Provisions for employee benefits	20	(2,082)
Deferred tax liabilities	27	(21,400)
Total identifiable net assets acquired		124,579
Fair value of previously held equity interest		49,832
Carrying amount of previously held equity interest at the acquisition date	11	(13,650)
Gain recognised as a result of remeasuring to fair value of the previously held interest		36,182
Fair value of identifiable net assets acquired		124,579
Fair value of previously held equity interest and consideration transfer		(71,815)
Gain on bargain purchase		52,764
Gain recognised as a result of remeasuring to fair value of the previously held interest		36,182
Gain on bargain purchase		52,764
Gain on business acquisition recognised in other income in statement of income		88,946

2019

Acquisition of Asia Vending Machine Operation Company Limited

On 1 October 2019, the Group obtained control of Asia Vending Machine Operation Company Limited, a distributor of beverage, foods and other products via vending machine by acquiring 51% of the shares and voting interests in the company, for a consideration of Baht 25.5 million. In this regard, the Group determined the fair value of investment in Asia Vending Machine Operation Company Limited at the acquisition date as follows:

<i>Identifiable assets acquired and liabilities assumed</i>	<i>Note</i>	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents		9,899
Trade accounts receivable and other receivables		29,655
Inventories		12,630
Other current assets		183
Property, plant and equipment	14	256,125
Other intangible assets	16	1,057
Other non-current assets		2,275
Loan from financial institution		(84,000)
Loan from other party		(56,000)
Trade and other payables		(28,275)
Finance lease liabilities		(242,395)
Provisions for employee benefits	20	(655)
Deferred tax liabilities	27	(7,644)
Total identifiable net assets and liabilities assumed		(107,145)
Less Non-controlling interests (49%)		52,501
Total identifiable net assets received and liabilities assumed		(54,644)
Goodwill arising from the acquisition		80,144
Purchase consideration transferred		25,500
Net cash acquired with the subsidiary		9,899
Cash paid		(25,500)
Net cash outflows		(15,601)

The goodwill is attributable mainly to the skills and technical talent of Asia Vending Machine Operation Company Limited's work force, and the synergies expected to be achieved from integrating the company into the Group's existing distributor of beverage, foods and other products via vending machine business.

7 Related parties

Relationships with subsidiaries, associates and joint ventures are described in Notes 11 and 12. Other related parties that the Group had significant transactions with during the year were as follows:

Related Parties	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Advanced Information Technology Public Company Limited	Thailand	Common directors with the Company
Isetan (Thailand) Co., Ltd.	Thailand	Common directors with the Company
Minburi Medical Co., Ltd.	Thailand	Common directors with the Company
Bangkok University	Thailand	Common directors with the Company
BU Property Company Limited	Thailand	Common directors with the Company
Bangkok Engineering Services & Technology Co., Ltd.	Thailand	Common directors with the Company
Dynamic Engineering Consultants Co., Ltd.	Thailand	Common directors with the Company
Rajadamri Hotel Public Company Limited	Thailand	Common directors with the Company
Changwattana Avenue Co., Ltd.	Thailand	Common directors with the Company
Index Living Mall Public Company Limited	Thailand	Common directors with the Company
Innovative Energy Enterprises Co., Ltd.	Thailand	Common directors with the Company
Bell Peppers Co., Ltd.	Thailand	The Company's key management as a director and shareholder

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods	Market price
Purchases of goods	Cost plus margin
Sales of assets	Contractually agreed price
Purchases of assets	Contractually agreed price
Rental income	Contractually agreed price
Dividend income	Right to receive dividend
Service income	Contractually agreed price
Management income	Contractually agreed price
Management fee	Contractually agreed price
Research and development expenses	Contractually agreed rate
Royalty fee	Contractually agreed rate
Consulting fee	Contractually agreed price
Other income and other expenses	Contractually agreed rate
Interest income	Average fixed deposit for 1 year interest rate from commercial banks plus 0.5% or average borrowing rates at call plus 0.7%
Interest expenses	Fixed deposit for 1 month or 1 year interest rate from commercial banks
Key management personnel compensation	Authorised by director and/or shareholders

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries				
Sales of goods	-	-	11,603,133	11,380,682
Purchases of goods	-	-	5,666,700	4,893,003
Dividend income	-	-	1,724,975	1,311,988
Management income	-	-	165,856	105,444
Rental income	-	-	15,900	11,940
Other income	-	-	48,412	19,423
Management fee	-	-	233,200	256,753
Research and development expenses	-	-	146,010	137,610
Royalty fee	-	-	20,407	20,300
Interest income	-	-	18,859	39,285
Interest expenses	-	-	4,535	9,590
Other expenses	-	-	11,899	3,471
Sales of assets	-	-	163,248	6,102
Purchases of assets	-	-	1,181	-
Joint ventures				
Sales of goods	696,062	553,635	4,131,394	3,820,060
Purchases of goods	1,645,808	1,406,949	449,230	374,470
Dividend income	-	-	115,052	73,430
Rental income	135	1,620	135	1,620
Other income	17,633	29,665	17,532	19,015
Other expenses	340	422	-	412
Key management personnel				
Sales of goods	17	67	-	-
Rental paid (*)	10,800	9,700	10,800	9,700
Key management personnel compensation				
Short-term employee benefits	235,463	230,086	208,668	207,063
Post-employment benefits	10,326	10,967	8,530	9,551
Total key management personnel compensation	245,789	241,053	217,198	216,614
Other related parties				
Sales of goods	264	432	12	81
Purchases of goods	8	-	-	-
Dividend income	-	165	-	165
Other expenses	5,454	4,682	4,943	4,432
Purchases of assets	1,659	3,218	1,659	518

(*) From 1 January 2020, the Company has recognised this lease contract according to TFRS 16

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Trade accounts receivable				
Subsidiaries	-	-	608,208	259,741
Joint ventures	603,122	881,043	585,663	842,395
Other related parties	-	73	-	10
	603,122	881,116	1,193,871	1,102,146
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	(9,204)
Net	603,122	881,116	1,193,871	1,092,942
Reversal of loss for expected credit loss (2019: Bad and doubtful debts expense) for the year	-	-	(10,776)	-
Other receivables				
Subsidiaries	-	-	42,137	99,559
Joint ventures	183,291	133,819	16,836	39,342
	183,291	133,819	58,973	138,901
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(19,394)	(19,465)	(11,455)	(38,541)
Net	163,897	114,354	47,518	100,360
Reversal of loss for expected credit loss (2019: Bad and doubtful debts expense) for the year	-	-	(10,381)	-
Short-term loans to				
	Interest rate	Consolidated financial statements		
	At	At	Increase	Decrease
	31 December	1 January	(in thousand Baht)	
	(% per annum)			
2020				
Joint ventures	4.00 - 6.26	56,206	-	(205)
Total		56,206		56,001
Less allowance for expected credit loss		(56,206)		(56,001)
Net		-		-
2019				
Joint ventures	4.00 - 6.26	60,534	-	(4,328)
Total		60,534		56,206
Less allowance for doubtful accounts		(60,534)		(56,206)
Net		-		-

	Interest rate	Separate financial statement				
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand baht)	Write-off	At 31 December
Short-term loans to						
2020						
Subsidiaries	1.20	1,069,333	3,586,903	(3,238,164)	(40,000)	1,378,072
Total		1,069,333				1,378,072
Less allowance for expected credit loss		(40,000)				-
Net		1,029,333				1,378,072
2019						
Subsidiaries	2.00 - 2.40	1,370,542	4,704,594	(5,005,803)	-	1,069,333
Total		1,370,542				1,069,333
Less allowance for doubtful accounts		(40,000)				(40,000)
Net		1,330,542				1,029,333

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries	-	-	848,955	781,626
Joint ventures	661,169	966,580	57,246	42,187
Total	661,169	966,580	906,201	823,813

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries	-	-	72,818	89,915
Joint ventures	100	95	-	94
Key management personnel	763	1,124	763	1,124
Other related parties	324	336	271	336
Total	1,187	1,555	73,852	91,469

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand Baht)	At 31 December
Short-term loans from					
2020					
Subsidiaries	0.20 - 0.30	893,830	15,242,563	(15,044,342)	1,092,051
2019					
Subsidiaries	0.50 - 0.75	940,065	12,099,811	(12,146,046)	893,830

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Other non-current liabilities				
Subsidiaries	-	-	4,856	4,719

Factory management service agreement

The Company has entered into a factory management service agreement with a subsidiary whereby the latter provided managing to manufacture glassware and consulting in managing glassware factory commencing 1 January 2020 and terminated on 31 December 2020. The Company agrees to pay the monthly fee of Baht 9.2 million.

Cash pooling system agreement

The Company has entered into cash pooling system agreement with some subsidiaries. Any interest income and expense to be derived out of this pooling system is calculated at average fixed deposit for 1 year interest rate from commercial banks or average borrowing rates at call plus 0.5% - 0.7% and fixed deposit for 1 month or 1 year interest rate from commercial banks, respectively. The principal outstanding balances resulting from the pooling system at the reporting date were presented as "Short-term loans to related parties" and "Short-term loans from related parties", respectively in the statement of financial position.

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Cash on hand	6,362	6,089	-	-
Cash at banks - current accounts	215,953	220,430	1,927	2,335
Cash at banks - savings accounts	621,001	1,556,990	470,980	1,231,393
Cash at banks - fixed accounts (maturity period less than 3 months from the acquisition date)	1,686,950	1,034,481	1,000,000	-
Cash at bank - savings account (in private fund)	298	1,472	298	1,472
Total	2,530,564	2,819,462	1,473,205	1,235,200

9 Other financial assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Other current financial assets				
Short-term deposits at financial institutions	1,000,000	-	1,000,000	-
Debt securities (in private fund)	-	1,299,386	-	1,299,386
Total	1,000,000	1,299,386	1,000,000	1,299,386
Other non-current financial assets				
Debt securities (in private fund)	7,927	2,723,945	7,927	2,723,945
Non-marketable equity securities	1,332,350	53,986	1,332,350	53,986
Allowance for impairment	-	(10,015)	-	(10,015)
Net	1,340,277	2,767,916	1,340,277	2,767,916

	Consolidated financial statements / Separate financial statements	
	2020	2019
Debt securities (in private fund)		
Annual interest rate (%)	3.10 - 3.60	3.24 - 3.49

Movements during the years ended 31 December of debt securities (in private fund) were as follows:

	Consolidated financial statements / Separate financial statements				
	At 1 January	Purchase	Sale and maturity	Fair value adjustment and others	At 31 December
	(in thousand Baht)				
2020					
Debt securities (in private fund)	4,023,331	7,478,327	(11,468,487)	(25,244)	7,927
2019					
Debt securities (in private fund)	5,250,598	11,329,978	(12,593,521)	36,276	4,023,331

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Finished goods	1,006,999	918,884	562,313	684,632
Work in process	27,879	23,437	17,208	7,651
Raw materials	543,120	356,559	194,110	198,548
Packing materials	337,655	207,460	221,547	111,553
Spare part and factory supplies	203,714	176,666	93,368	70,949
Goods in transit	87,484	22,930	38,227	18,202
	2,206,851	1,705,936	1,126,773	1,091,535
Less allowance for decline in value	(130,249)	(182,770)	(95,125)	(148,813)
Net	2,076,602	1,523,166	1,031,648	942,722
Inventories recognised in 'cost of sales of goods':				
- Cost of goods sold	16,457,794	16,549,602	14,755,897	14,378,343
- Write-down to net realisable value	96,269	114,800	57,385	85,041
Total	16,554,063	16,664,402	14,813,282	14,463,384

11 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Associates				
At 1 January	319,059	207,902	-	-
Acquisitions	78,264	134,033	-	-
Share of net loss of associates	(9,272)	(21,730)	-	-
Effect of movements in exchange rates	1,048	(1,146)	-	-
At 31 December	389,099	319,059	-	-
Joint ventures				
At 1 January	799,751	588,732	139,961	139,961
Acquisitions	136,643	97,832	-	-
Share of net profit of joint ventures	234,584	185,890	-	-
Dividend income	(115,052)	(73,430)	-	-
Transfer to investment in subsidiaries (Note 12)	(13,650)	-	(31,132)	-
Effect of movements in exchange rates	9,885	727	-	-
At 31 December	1,052,161	799,751	108,829	139,961
Total investments in associates and joint ventures	1,441,260	1,118,810	108,829	139,961

Investments in associates and joint ventures as at 31 December and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements												
	Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)		(in thousand Baht)							
Associates												
Basecamp Brews Ltd	Distribution of beverages	United Kingdom	26.00	22.00	326,914	248,651	420,199	341,935	389,099	319,059	-	-
							<u>420,199</u>	<u>341,935</u>	<u>389,099</u>	<u>319,059</u>	<u>-</u>	<u>-</u>
Joint ventures												
Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)	Manufacturing and distribution of beverages	Thailand	-	40.00	-	720,000	-	288,000	-	15,837	-	-
House Osotspa Foods Co., Ltd.	Distribution of food and beverages	Thailand	40.00	40.00	167,000	167,000	66,800	66,800	482,687	332,355	-	-
Osotspa Taisho Pharmaceutical Co., Ltd.	Distribution of medicine, healthy drink and healthy food	Thailand	40.00	40.00	100,000	100,000	40,000	40,000	328,841	345,064	112,452	73,430
Yamamura International (Thailand) Co., Ltd.	Distribution of packaging, machinery, spare part and equipment	Thailand	26.00	26.00	15,000	15,000	3,900	3,900	6,989	8,040	2,600	-
PT Osotspa ABC Indonesia	Ceased operation	Indonesia	50.00	50.00	34,476	34,476	17,238	17,238	-	-	-	-
MYANMAR GOLDEN EAGLE COMPANY LIMITED	Manufacturing and distribution of glass bottle	Republic of the Union of Myanmar	35.00	35.00	279,521	279,521	97,832	97,832	100,532	98,455	-	-
MYANMAR GLASS EAGLE COMPANY LIMITED	Distribution of glass bottle	Republic of the Union of Myanmar	51.84	-	168,946	-	136,643	-	133,112	-	-	-
							<u>362,413</u>	<u>513,770</u>	<u>1,052,161</u>	<u>799,751</u>	<u>115,052</u>	<u>73,430</u>
Total							<u>782,612</u>	<u>855,705</u>	<u>1,441,260</u>	<u>1,118,810</u>	<u>115,052</u>	<u>73,430</u>

Separate financial statement

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)		(in thousand Baht)									
Joint ventures												
Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)	-	40.00	-	720,000	-	288,000	-	(256,868)	-	31,132	-	-
House Osotspa Foods Co., Ltd.	40.00	40.00	167,000	167,000	66,800	66,800	-	-	66,800	66,800	-	-
Osotspa Taisho Pharmaceutical Co., Ltd.	40.00	40.00	100,000	100,000	40,000	40,000	-	-	40,000	40,000	112,452	73,430
Yamamura International (Thailand) Co., Ltd.	26.00	26.00	15,000	15,000	3,900	3,900	(1,871)	(1,871)	2,029	2,029	2,600	-
Total					110,700	398,700	(1,871)	(258,739)	108,829	139,961	115,052	73,430

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

In January 2020, the Company acquired an additional investment in 60% of Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.), resulting to ownership interest changed from 40% to 100% and the status changed from investment in joint ventures to investment in subsidiaries as described in Note 12.

Acquisitions and disposals of investment in associates and joint ventures

2020

In January 2020, a subsidiary acquired an investment in 4% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 2.0 million, resulting to the Group's total interest in Basecamp Brews Ltd to 26%.

In May 2020, the Group invested in ordinary shares of MYANMAR GOLDEN GLASS COMPANY LIMITED (MGG) in the amount of MMK 6,093.33 million which is equivalent to 80.44% of total ordinary shares and preferred shares. The Group has already paid the amount of MMK 4,708.87 million in May 2020 and paid the remaining amount of MMK 1,384.46 million in December 2020. However, as MGG has preferred shares that provide higher dividend entitlement than ordinary shares, therefore, the Group has 51.84% interest in MGG. Also, since the primary management decision-making rights must be jointly decided, MGG is considered as a joint venture of the Group.

2019

In January 2019, a subsidiary acquired an investment in 6% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 2.3 million, resulting to the Group's total interest in Basecamp Brews Ltd to 20%. The subsidiary has already paid for the above investment in December 2018.

In May 2019, a subsidiary acquired an investment in 2% of the issued and paid-up capital of Basecamp Brews Ltd, for a consideration of GBP 1 million, resulting to the Group's total interest in Basecamp Brews Ltd to 22%.

On 16 December 2019, a subsidiary made a new investment in 35% of the issued and paid-up capital of MYANMAR GOLDEN EAGLE COMPANY LIMITED, incorporated in the Republic of the Union of Myanmar, for a consideration of MMK 4,878.3 million. It is an arrangement in which the subsidiary has joint control therefore MYANMAR GOLDEN EAGLE COMPANY LIMITED became a joint venture of the Group.

Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Basecamp Brews Ltd		Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)		Osotspa Taisho Pharmaceutical Co., Ltd.		House Osotspa Foods Co., Ltd.		MYANMAR GOLDEN EAGLE COMPANY LIMITED		MYANMAR GOLDEN GLASS COMPANY LIMITED	
	2020	2019	2020 ⁽¹⁾	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>											
Revenue	62,965	63,148	40,001	386,370	2,991,355	3,462,182	2,966,956	1,811,156	-	-	-	-
Profit (loss) from operations	(35,660)	(101,492)	(5,467)	(84,264)	240,573	205,739	375,831	340,185	(19,943)	(298)	(8,408)	-
Other comprehensive income	4,030	(5,389)	-	-	-	-	-	-	25,877	2,076	1,599	-
Total comprehensive income	(31,630)	(106,881)	(5,467)	(84,264)	240,573	205,739	375,831	340,185	5,934	1,778	(6,809)	-
Group's share of total comprehensive income	(8,224)	(22,876)	(2,187)	(33,706)	96,229	82,296	150,332	136,074	2,077	623	(3,531)	-
Current assets	127,713	81,052	-	96,221	1,469,898	1,670,788	1,648,068	1,211,694	246,365	128,035	162,155	-
Non-current assets	1,695	1,738	-	257,937	13,599	12,810	8,678	9,377	707,837	148,931	-	-
Current liabilities	(14,635)	(15,019)	-	(311,731)	(631,276)	(790,273)	(449,515)	(389,809)	(464,052)	(1)	(18)	-
Non-current liabilities	(369)	-	-	(2,834)	(30,117)	(30,664)	(511)	(373)	(207,251)	-	-	-
Net assets	114,404	67,771	-	39,593	822,104	862,661	1,206,720	830,889	282,899	276,965	162,137	-
Carrying amount of interest in associate/joint venture	389,099	319,059	-	15,837	328,841	345,064	482,687	332,355	100,532	98,455	133,112	-
a Includes:												
- depreciation and amortisation	-	-	2,220	30,349	1,610	1,550	1,117	901	336	-	-	-
- interest expense	-	-	314	3,643	-	-	-	-	-	-	-	-
- income tax expense	-	-	-	-	62,438	52,879	94,152	83,189	-	-	-	-
b Includes cash and cash equivalents	-	-	-	4,254	855,265	768,316	1,291,475	749,117	227,707	119,073	12,631	-
c Includes current financial liabilities (excluding trade and other payables and provisions)	-	-	-	216,000	-	-	-	-	301,706	-	-	-
d Includes non-current financial liabilities (excluding trade and other payables and provisions)	-	-	-	773	-	-	-	-	207,251	-	-	-

⁽¹⁾ Data from 1 January 2020 to the date of changing status from investment in joint ventures to investment in subsidiaries

Immaterial joint ventures

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial joint ventures	
	2020	2019
	(in thousand Baht)	
Carrying amount of interests in immaterial joint ventures	6,989	8,040
Group's share of:		
- Profit from operations	1,549	1,330
- Other comprehensive income	-	-
- Total comprehensive income	1,549	1,330

12 Investments in subsidiaries

	Separate financial statements	
	2020	2019
	(in thousand Baht)	
At 1 January	6,187,578	3,033,808
Increase of investment in subsidiaries	1,155,000	3,153,770
Acquisition of a subsidiary	21,983	-
Proceeds from redemption of investment in subsidiaries	(11,084)	-
Gain from redemption of investment in subsidiaries	9,084	-
Transfer from investment in joint ventures (Note 11)	31,132	-
At 31 December	7,393,693	6,187,578

Details of subsidiaries and indirect subsidiaries as at 31 December 2020 and 2019 were as follows:

Name of subsidiaries and indirect subsidiaries	Country of operation	Type of business	Ownership interest (%)	
			2020	2019
Subsidiaries				
Osotspa Beverages Co., Ltd.	Thailand	Distribution of beverage	100.00	100.00
Greensville Co., Ltd.	Thailand	Manufacturing and distribution of personal care products	100.00	100.00
Siam Glass Industry Co., Ltd.	Thailand	Manufacturing and distribution of glass	100.00	100.00
Siam Glass Ayutthaya Co., Ltd.	Thailand	Manufacturing and distribution of glass	100.00	100.00
Siam Cullet Co., Ltd.	Thailand	Distribution of cullet	99.98	99.98
SSB Enterprise Co., Ltd.	Thailand	Manufacturing of beverage concentrates and premixes	100.00	100.00
Osotspa Innovation Centre Co., Ltd.	Thailand	Research and development	100.00	100.00
Osotspa Dairy Co., Ltd.	Thailand	Property renting	100.00	100.00
Osotspa Enterprise Co., Ltd.	Thailand	Invest in other companies	100.00	100.00
OSOTSPA USA, INC.	United States of America	Providing of marketing services	100.00	100.00
OSOTSPA LOI HEIN COMPANY LIMITED	Republic of the Union of Myanmar	Retail and wholesale of beverages	8.50 ⁽¹⁾	8.50 ⁽¹⁾
PT. M-150 INDONESIA	Indonesia	Importation and distribution of beverages	99.00	99.00

Name of subsidiaries and indirect subsidiaries	Country of operation	Type of business	Ownership interest (%)	
			2020	2019
Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)	Thailand	Manufacturing and distribution of beverages	100.00	-
Sawasdee Publishing Co., Ltd.	Thailand	Ceased operation and completed liquidation in December 2020 ⁽²⁾	-	100.00
SAB Outsource Co., Ltd.	Thailand	Ceased operation and completed liquidation in December 2020 ⁽²⁾	-	99.98
Osotspa Loi Hein (Thailand) Co., Ltd.	Thailand	Ceased operation	99.98	99.98
FC (2017) Co., Ltd.	Thailand	Ceased operation and completed bankruptcy process in July 2020 ⁽²⁾	-	100.00
Myanmar Osotspa Company Limited	Republic of the Union of Myanmar	Ceased operation	100.00	100.00
LIZU Trading Handels GmbH	Austria	Ceased operation	100.00	100.00
Osotspa Europe Limited	Cyprus	Ceased operation	100.00	100.00

Indirect subsidiaries

Held by Osotspa Beverages Co., Ltd.

Union Drink Company Limited	Thailand	Ceased operation and completed liquidation in June 2020 ⁽²⁾	-	100.00
Shark AG	Austria	Ceased operation	100.00	100.00

Held by LIZU Trading Handels GmbH

Flash Power do Brasil Ltda	Brazil	Obtaining licensing fee for use of trademark	100.00	100.00
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Held by Osotspa Enterprise Co., Ltd.

Osotspa Enterprises Singapore Pte. Ltd.	Singapore	Invest in other companies	100.00	100.00
Oventure Pte. Ltd.	Singapore	Invest in other companies	100.00	100.00
O2C Co., Ltd.	Thailand	Electronic commerce business	100.00	100.00
Asia Vending Machine Operation Company Limited	Thailand	Distribution of beverages, foods and other products	51.00	51.00

Held by Osotspa Enterprises Singapore Pte. Ltd.

Osotspa Myanmar Company Limited	Republic of the Union of Myanmar	Manufacturing and distribution of beverages	85.00	85.00
OSOTSPA LOI HEIN COMPANY LIMITED	Republic of the Union of Myanmar	Retail and wholesale of beverages	76.50 ⁽¹⁾	76.50 ⁽¹⁾
OSOTSPA VTA JOINT STOCK COMPANY	Vietnam	Distribution of beverages	60.00	60.00

Held by O2C Co., Ltd.

Oyura Co., Ltd.	Thailand	Educating and selling herbal product	100.00	100.00
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⁽¹⁾ Held by the Company 8.50% and held by Osotspa Enterprises Singapore Pte. Ltd. 76.50%, totaling 85.00%

⁽²⁾ Completed liquidation or bankruptcy process in 2020 and transfer surplus on business combination under common control to retained earnings

Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

Name of subsidiaries	Separate financial statements								Dividend income for the year	
	Paid-up capital		Cost		Impairment		At cost - net		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019		
	<i>(in thousand Baht)</i>									
Osotspa Beverages Co., Ltd.	354,950	354,950	354,950	354,950	-	-	354,950	354,950	489,831	760,103
Greenville Co., Ltd.	6,500	6,500	6,500	6,500	-	-	6,500	6,500	478,515	199,994
Siam Glass Industry Co., Ltd.	400,000	400,000	429,782	429,782	-	-	429,782	429,782	-	-
Siam Glass Ayutthaya Co., Ltd.	2,655,000	2,280,000	2,655,000	2,280,000	-	-	2,655,000	2,280,000	592,650	192,660
Siam Cullet Co., Ltd.	1,000	1,000	1,000	1,000	-	-	1,000	1,000	53,989	-
SSB Enterprise Co., Ltd.	170,000	170,000	170,000	170,000	-	-	170,000	170,000	85,000	79,995
Osotspa Innovation Centre Co., Ltd.	61,600	61,600	61,600	61,600	-	-	61,600	61,600	24,990	22,240
Osotspa Dairy Co., Ltd.	463,567	463,567	90,000	90,000	-	-	90,000	90,000	-	-
Osotspa Enterprise Co., Ltd.	2,774,590	2,774,590	2,774,590	2,774,590	-	-	2,774,590	2,774,590	-	-
OSOTSPA USA, INC.	105,162	105,162	160,644	160,644	(160,644)	(160,644)	-	-	-	-
OSOTSPA LOI HEIN COMPANY LIMITED	186,203	186,203	16,646	16,646	-	-	16,646	16,646	-	56,996
PT. M-150 INDONESIA	4,071	4,071	5,384	5,384	(5,384)	(5,384)	-	-	-	-
Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)	1,500,000	-	1,089,983	-	(256,868)	-	833,115	-	-	-
Sawasdee Publishing Co., Ltd.	-	1,000	-	1,000	-	-	-	1,000	-	-
SAB Outsource Co., Ltd.	-	1,000	-	1,000	-	-	-	1,000	-	-
Osotspa Loi Hein (Thailand) Co., Ltd.	1,000	1,000	510	510	-	-	510	510	-	-
FC (2017) Co., Ltd.	-	5,000	-	50	-	(50)	-	-	-	-
Myanmar Osotspa Company Limited	9,771	9,771	8,232	8,232	(8,232)	(8,232)	-	-	-	-
LIZU Trading Handels GmbH	324,105	324,105	324,570	324,570	(324,570)	(324,570)	-	-	-	-
Osotspa Europe Limited	266,237	266,237	307,119	307,119	(307,119)	(307,119)	-	-	-	-
Total			8,456,510	6,993,577	(1,062,817)	(805,999)	7,393,693	6,187,578	1,724,975	1,311,988

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

Acquisitions of investments in subsidiaries

2020

Acquisitions of investments in Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.)

On 28 January 2020, the Company acquired 60% of the investment in Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.). After acquisition, the Company's ownership changed from 40% to 100% and the status changed from investment in joint ventures to investment in subsidiaries according to the resolution of the Board of Directors' Meeting. (Details in Note 6)

In April 2020, the Company paid for the increase of share capital in Siam Bev Manufacturing Co., Ltd. (Formerly Calpis Osotspa Co., Ltd.), a subsidiary of the Company, amounting to Baht 380 million by the additional paid-up capital of Baht 80 million according to the resolutions of the Board of Directors Meetings of the subsidiary and registration of new capital amounting to Baht 300 million according to the resolutions of the Extraordinary General Meeting of shareholders of the subsidiary. The additional paid-up and new share capital were received in full amount in April 2020. On 30 April 2020, Calpis Osotspa Co., Ltd. was renamed to Siam Bev Manufacturing Co., Ltd. This is in accordance with the resolution of the Extraordinary General Meeting of Shareholders of the subsidiary.

On 1 October 2020, the Extraordinary General Meeting of shareholders of Siam Bev Manufacturing Co., Ltd., a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 400.0 million by calling up additional paid-up capital and received payment for all additional paid-up capital in October 2020.

Acquisitions of investments in Siam Glass Ayutthaya Co., Ltd.

On 26 August 2020, the Extraordinary General Meeting of Shareholders of Siam Glass Ayutthaya Co., Ltd., a subsidiary of the Company, approved to increase the registered share capital amounting to Baht 1,500 million by calling up additional paid-up capital amounting to Baht 375 million equivalent to 25% of the registered share capital and received payment in August 2020.

2019

Acquisitions of investments in Osotspa Innovation Centre Co., Ltd.

On 5 March 2019, the Board of Directors of Osotspa Innovation Centre Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 30.3 million by calling up additional paid-up capital and received payment for the additional paid-up capital in March 2019.

Acquisitions of investments in Osotspa Enterprise Co., Ltd.

On 6 May 2019, the Board of Directors of Osotspa Enterprise Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 44.97 million by calling up additional paid-up capital and received payment for the additional paid-up capital in May 2019.

On 5 August 2019, the Extraordinary General Meeting of shareholders of Osotspa Enterprise Co., Ltd, a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 430.0 million by calling up additional paid-up capital and received payment for additional paid-up capital in August 2019.

On 15 August 2019, the Extraordinary General Meeting of shareholders of Osotspa Enterprise Co., Ltd, a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 139.5 million by calling up additional paid-up capital and received payment for additional paid-up capital in August 2019.

On 24 September 2019, the Extraordinary General Meeting of shareholders of Osotspa Enterprise Co., Ltd, a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 840.0 million by calling up additional paid-up capital and received payment for additional paid-up capital in September 2019.

Transfer of shares in Osotspa Loi Hein (Thailand) Co., Ltd.

On 11 September 2019, shares in Osotspa Loi Hein (Thailand) Co., Ltd., a subsidiary of the Company, was transferred from non-controlling shareholders to the Company. As a result, ownership of the Company in the subsidiary change from 50.99% to 99.98%.

Acquisitions of investments in Siam Glass Ayutthaya Co., Ltd.

On 18 September 2019, the Extraordinary General Meeting of shareholders of Siam Glass Ayutthaya Co., Ltd., a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 1,500.0 million by calling up additional paid-up capital and received payment for all additional paid-up capital in September 2019.

Acquisitions of investments in SSB Enterprise Co., Ltd.

On 27 September 2019, the Extraordinary General Meeting of shareholders of SSB Enterprise Co., Ltd., a subsidiary of the Company, approved to increase the paid-up capital amounting to Baht 169.0 million by calling up additional paid-up capital and received payment for all additional paid-up capital in September 2019.

Acquisitions of investments in Oventure Pte. Ltd. by Osotspa Enterprise Co., Ltd.

In June 2019, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, paid for the capital increase in Oventure Pte. Ltd., amounting to USD 1.27 million according to the Shareholder's resolution of the subsidiary.

In October 2019, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, paid for the capital increase in Oventure Pte. Ltd., amounting to USD 17.0 million according to the Shareholder's resolution of the subsidiary.

Acquisitions of investments in Asia Vending Machine Operation Company Limited by Osotspa Enterprise Co., Ltd.

On 1 October 2019, Osotspa Enterprise Co., Ltd., a subsidiary of the Company, invested 51% of ownership interest in Asia Vending Machine Operation Company Limited amounting to Baht 25.5 million according to the resolution of the Board of Directors' Meeting. (Details in Note 6)

Establishment of O2C Co., Ltd. by Osotspa Enterprise Co., Ltd.

In July 2019, Osotspa Enterprise Co., Ltd. established Omagine Co., Ltd., a new subsidiary, for electronic commerce business with the registered capital of Baht 50.0 million and the issued and paid-up capital of Baht 12.5 million, equivalent to 100% interests of the issued and paid-up capital, according to the resolution of the Board of Directors' Meeting on 14 May 2019.

In October 2019, Omagine Co., Ltd. was renamed to O2C Co., Ltd. according to the resolution of the Extraordinary General Meeting of shareholders of the subsidiary.

Establishment of Oyura Co., Ltd. by O2C Co., Ltd.

In August 2019, O2C Co., Ltd. established Oyura Co., Ltd., a new subsidiary, for educating and selling herbal products with the registered capital of Baht 30.0 million and the issued and paid-up capital of Baht 7.5 million, equivalent to 100% interests of the issued and paid-up capital, according to the resolution of the Board of Directors' Meeting on 14 May 2019.

Acquisitions of investments in Osotsa Enterprises Singapore Pte. Ltd. by Osotsa Enterprise Co., Ltd

In August 2019, Osotsa Enterprise Co., Ltd, a subsidiary of the Company, paid for increasing paid-up capital of USD 18.0 million of Osotsa Enterprises Singapore Pte. Ltd. according to the resolution of the Extraordinary General Meeting of shareholders of the subsidiary.

In September 2019, Osotsa Enterprise Co., Ltd, a subsidiary of the Company, paid for increasing paid-up capital of USD 10.0 million of Osotsa Enterprises Singapore Pte. Ltd. according to the resolution of the Extraordinary General Meeting of shareholders of the subsidiary.

Acquisitions of investments in OSOTSPA LOI HEIN COMPANY LIMITED by Osotsa Enterprise Singapore Pte. Ltd.

On 24 October 2019, Osotsa Enterprise Singapore Pte. Ltd. acquired investment in OSOTSPA LOI HEIN COMPANY LIMITED, a subsidiary in the Republic of the Union of Myanmar, amounting to Baht 389.8 million, in accordance with the resolution of the Board of Directors' Meeting on 17 July 2019. After the capital increased, the total interest of the Group changed from 51% to 85%. The effect of changes in the Group's ownership interest in investment effect to the carrying amount of non-controlling interests acquired amounting to Baht 152.7 million. As a result, the equity attributable to owners of the Group decreased in amount of Baht 237.1 million.

Establishment of OSOTSPA VTA JOINT STOCK COMPANY by Osotsa Enterprise Singapore Pte. Ltd.

On 19 November 2019, Osotsa Enterprise Singapore Pte. Ltd. established OSOTSPA VTA JOINT STOCK COMPANY, a new subsidiary in Vietnam, for distribution of beverage which had the issued and paid-up capital of VND 57,500 million. Osotsa Enterprise Singapore Pte. Ltd. invested VND 34,500 million, equivalent to 60% interests of the issued and paid-up capital, according to the resolution of the Board of Directors' Meeting on 17 July 2019.

13 Investment properties

Consolidated financial statements				
	Land	Land improvements	Buildings	Total
	(in thousand Baht)			
Cost				
At 1 January 2019	619,139	28,552	96,826	744,517
Transfers from property, plant and equipment	114,009	-	62,845	176,854
Disposals	(8,166)	-	(18,167)	(26,333)
At 31 December 2019 and 1 January 2020	724,982	28,552	141,504	895,038
Transfers to property, plant and equipment	(45,402)	-	-	(45,402)
At 31 December 2020	679,580	28,552	141,504	849,636
Depreciation and impairment losses				
At 1 January 2019	-	28,552	74,145	102,697
Depreciation charge for the year	-	-	3,918	3,918
Transfers from property, plant and equipment	-	-	62,845	62,845
Disposals	-	-	(13,384)	(13,384)
At 31 December 2019 and 1 January 2020	-	28,552	127,524	156,076
Depreciation charge for the year	-	-	3,306	3,306
At 31 December 2020	-	28,552	130,830	159,382
Net book value				
At 31 December 2019	724,982	-	13,980	738,962
At 31 December 2020	679,580	-	10,674	690,254

Separate financial statements			
	Land	Buildings	Total
	(in thousand Baht)		
Cost			
At 1 January 2019	818,634	32,137	850,771
Disposals	(8,166)	(3,243)	(11,409)
At 31 December 2019 and 1 January 2020	810,468	28,894	839,362
At 31 December 2020	810,468	28,894	839,362
Depreciation			
At 1 January 2019	-	25,835	25,835
Depreciation charge for the year	-	587	587
Disposals	-	(3,158)	(3,158)
At 31 December 2019 and 1 January 2020	-	23,264	23,264
Depreciation charge for the year	-	552	552
At 31 December 2020	-	23,786	23,786
Net book value			
At 31 December 2019	810,468	5,630	816,098
At 31 December 2020	810,468	5,108	815,576

Investment properties comprise vacant land, land and buildings that are leased to other parties for a period of 3 to 10 years. Subsequent renewals are negotiated with the lessees.

The fair value of investment properties as at 31 December 2020 of the Group and the Company was Baht 1,565.3 million and Baht 1,749.0 million respectively (2019: Baht 1,889.8 million and Baht 1,749.0 million respectively). The fair value determined by independent professional valuers, at open market values on an existing use basis and income approach. The fair value of measurement for investment property has been categorised as a Level 3 fair value.

14 Property, plant and equipment

Consolidated financial statements											
	Note	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment	Vehicles	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
						(in thousand Baht)					
Cost											
At 1 January 2019		725,249	349,736	3,698,099	1,052,240	10,041,194	560,342	900,244	105,336	406,997	17,839,437
Additions		-	3,290	-	14,637	141,962	45,863	28,890	109,105	2,931,249	3,274,996
Addition from business acquisition	6	-	-	-	4,109	195,339	42,999	4,576	-	9,102	256,125
Transfers		-	-	578,938	87,271	1,651,791	-	33,786	(54,939)	(2,296,847)	-
Transfers from (transfers to) inventory		-	-	-	-	1,840	-	-	(1,059)	-	781
Transfers from leasehold rights		-	-	-	-	-	-	-	-	6,294	6,294
Transfers to investment properties		(114,009)	-	(62,845)	-	-	-	-	-	-	(176,854)
Disposals and write-off		-	-	(7,716)	(915)	(775,301)	(131,868)	(103,568)	-	-	(1,019,368)
Effect of translation for foreign operations		-	-	-	-	-	(696)	(361)	-	(8,565)	(9,622)
At 31 December 2019		611,240	353,026	4,206,476	1,157,342	11,256,825	516,640	863,567	158,443	1,048,230	20,171,789
Recognition of right-of-use asset on initial application of TFRS 16	3	361,607	-	62,275	-	3,005	-	180	-	-	427,067
At 1 January 2020 – as adjusted		972,847	353,026	4,268,751	1,157,342	11,259,830	516,640	863,747	158,443	1,048,230	20,598,856
Additions		-	3,346	53,787	17,633	234,114	39,325	104,299	98,823	3,239,699	3,791,026
Addition from business acquisition	6	-	-	170,341	-	193,217	-	772	-	327	364,657
Transfers		-	88,297	938,147	368,659	1,874,521	(1,186)	171,826	(74,848)	(3,365,416)	-
Transfers from right-of-use assets		-	-	-	-	-	-	-	-	4,205	4,205
Transfers from investment properties		45,402	-	-	-	-	-	-	-	-	45,402
Disposals and write-off		-	-	(8,861)	(208)	(1,067,814)	(103,027)	(15,894)	(696)	(2,023)	(1,198,523)
Effect of translation for foreign operations		35,369	(259)	(6,353)	(2,763)	(6,245)	2,563	(1,761)	-	90,891	111,442
At 31 December 2020		1,053,618	444,410	5,415,812	1,540,663	12,487,623	454,315	1,122,989	181,722	1,015,913	23,717,065

Consolidated financial statements

Consolidated financial statements							Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
Note	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Vehicles				
Depreciation and impairment losses										
At 1 January 2019	-	178,327	1,645,284	286,262	8,207,706	355,968	647,467	696	-	11,321,710
Depreciation charge for the year	-	15,494	158,373	94,520	531,137	72,533	81,528	-	-	953,585
Impairment losses	-	-	-	-	12,319	-	-	-	-	12,319
Transfers	-	-	-	-	154	-	(154)	-	-	-
Transfer to investment properties	-	-	(62,845)	-	-	-	-	-	-	(62,845)
Disposals and write-off	-	-	(5,631)	(248)	(752,624)	(117,134)	(101,832)	-	-	(977,469)
Effect of translation for foreign operations	-	-	-	-	-	(278)	(299)	-	-	(577)
At 31 December 2019	-	193,821	1,735,181	380,534	7,998,692	311,089	626,710	696	-	11,246,723
Recognition of depreciation of right-of-use asset on initial application of TFRS 16	3	9,571	-	-	-	-	-	-	-	9,571
At 1 January 2020 – as adjusted		9,571	193,821	1,735,181	380,534	7,998,692	311,089	626,710	696	11,256,294
Depreciation charge for the year		12,283	17,206	219,051	112,136	716,120	73,637	90,597	-	1,241,030
(Reversal of) Impairment losses		-	1,332	370	-	(4,976)	-	(3)	-	(3,277)
Transfer to cost		4,205	-	-	-	-	-	-	-	4,205
Disposals and write-off		-	-	-	(207)	(1,052,252)	(73,306)	(14,514)	(696)	(1,140,975)
Effect of translation for foreign operations		997	(6)	(176)	(113)	(259)	1,194	90	-	1,727
At 31 December 2020		27,056	212,353	1,954,426	492,350	7,657,325	312,614	702,880	-	11,359,004

Consolidated financial statements

	Note	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Vehicles	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
Net book value											
At 31 December 2019											
Owned assets		611,240	159,205	2,471,295	775,104	3,066,008	29,329	233,948	157,747	1,048,230	8,552,106
Assets under finance leases		-	-	-	1,704	192,125	176,222	2,909	-	-	372,960
		611,240	159,205	2,471,295	776,808	3,258,133	205,551	236,857	157,747	1,048,230	8,925,066
At 31 December 2020											
Owned assets		656,643	232,057	3,381,110	1,047,138	4,662,875	20,854	417,484	181,722	1,015,913	11,615,796
Right-of-use assets		369,919	-	80,276	1,175	167,423	120,847	2,625	-	-	742,265
		1,026,562	232,057	3,461,386	1,048,313	4,830,298	141,701	420,109	181,722	1,015,913	12,358,061

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 7,138.7 million (2019: Baht 7,493.2 million).

Separate financial statements

	Note	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Vehicles	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
Cost											
At 1 January 2019		381,115	236,240	2,508,032	1,027,317	6,250,788	168,689	749,078	65,152	39,888	11,426,299
Additions		-	3,036	-	14,372	85,475	17,473	20,596	82,191	400,942	624,085
Transfers		-	-	3,968	66,646	234,751	-	25,277	(48,392)	(282,250)	-
Disposals and write-off		-	-	(4,312)	(703)	(124,113)	(24,252)	(97,184)	-	-	(250,564)
At 31 December 2019		381,115	239,276	2,507,688	1,107,632	6,446,901	161,910	697,767	98,951	158,580	11,799,820
Recognition of right-of-use asset on initial application of TFRS 16	3	50,982	-	2,979	-	3,005	-	180	-	-	57,146
At 1 January 2020 – as adjusted		432,097	239,276	2,510,667	1,107,632	6,449,906	161,910	697,947	98,951	158,580	11,856,966
Additions		-	3,346	32,765	9,989	155,716	2,833	22,747	43,338	2,060,872	2,331,606
Transfers		-	29,991	238,307	149,028	1,034,180	(1,186)	82,090	(50,582)	(1,481,828)	-
Disposals and write-off		-	-	-	(9,000)	(1,128,473)	(42,533)	(11,169)	-	-	(1,191,175)
At 31 December 2020		432,097	272,613	2,781,739	1,257,649	6,511,329	121,024	791,615	91,707	737,624	12,997,397
Depreciation and impairment losses											
At 1 January 2019		-	91,642	1,147,254	277,317	5,286,420	122,840	508,423	-	-	7,433,896
Depreciation charge for the year		-	12,296	98,162	91,660	204,813	21,656	72,904	-	-	501,491
Transfers		-	-	-	-	154	-	(154)	-	-	-
Disposals and write-off		-	-	(4,213)	(147)	(123,658)	(23,619)	(95,499)	-	-	(247,136)
At 31 December 2019 and 1 January 2020		-	103,938	1,241,203	368,830	5,367,729	120,877	485,674	-	-	7,688,251
Depreciation charge for the year		9,267	13,419	111,747	98,767	273,313	15,330	72,940	-	-	594,783
Disposals and write-off		-	-	-	(207)	(976,649)	(38,644)	(10,788)	-	-	(1,026,288)
At 31 December 2020		9,267	117,357	1,352,950	467,390	4,664,393	97,563	547,826	-	-	7,256,746

Separate financial statements

	Note	Land	Land improvements	Buildings	Building improvements	Machinery and factory equipment (in thousand Baht)	Vehicles	Furniture, fixtures and office equipment	Major spare parts	Assets under construction and installation	Total
Net book value											
At 31 December 2019											
Owned assets		381,115	135,338	1,266,485	738,802	1,079,172	5,239	212,093	98,951	158,580	4,075,775
Assets under finance leases		-	-	-	-	-	35,794	-	-	-	35,794
		381,115	135,338	1,266,485	738,802	1,079,172	41,033	212,093	98,951	158,580	4,111,569
At 31 December 2020											
Owned assets		381,115	155,256	1,408,238	790,259	1,846,603	1,502	243,729	91,707	737,624	5,656,033
Right-of-use assets		41,715	-	20,551	-	333	21,959	60	-	-	84,618
		422,830	155,256	1,428,789	790,259	1,846,936	23,461	243,789	91,707	737,624	5,740,651

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 5,193.5 million (2019: Baht 5,890.6 million)

15 Leases

The Group leased land, building, building improvements, machinery and factory equipment, vehicles and furniture, fixtures and office equipment and made fixed payments during the lease term. The Group evaluates rights to use leased assets for periods of 1 - 49 years.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

According to TFRS 16 *Leases*, expenses related to those leases were as follows:

	Consolidated financial statements	Separate financial statements
<i>For the year ended 31 December 2020</i>		
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets:		
- Land	12,283	9,267
- Buildings	13,806	8,024
- Building improvements	529	-
- Machinery and factory equipment	27,845	2,672
- Vehicles	58,474	13,454
- Furniture, fixtures and office equipment	1,778	120
Interest on lease liabilities	27,372	4,748
Expenses relating to short-term leases	90,384	34,130
Expenses relating to leases of low-value assets	28,535	26,979

In 2020, total cash outflow for leases of the Group and the Company were Baht 116.7 million and Baht 28.8 million, respectively.

16 Other intangible assets

Consolidated financial statements				
	Computer software	Others	Intangible assets under installation	Total
<i>Note</i>		<i>(in thousand Baht)</i>		
Cost				
At 1 January 2019	330,022	-	-	330,022
Additions	19,737	-	29,490	49,227
Addition from business acquisition	199	858	-	1,057
Transfers	2,516	-	(2,516)	-
Disposals	(1,362)	-	-	(1,362)
Effect of translation for foreign operations	(45)	-	(21)	(66)
At 31 December 2019 and 1 January 2020	351,067	858	26,953	378,878
Additions	8,881	-	117,228	126,109
Addition from business acquisition	2,926	-	-	2,926
Transfers	106,314	-	(106,314)	-
Disposals	(731)	-	-	(731)
Effect of translation for foreign operations	406	-	250	656
At 31 December 2020	468,863	858	38,117	507,838
Amortisation				
At 1 January 2019	118,352	-	-	118,352
Amortisation charge for the year	31,495	27	-	31,522
Disposals	(62)	-	-	(62)
At 31 December 2019 and 1 January 2020	149,785	27	-	149,812
Amortisation charge for the year	40,129	108	-	40,237
Disposals	(729)	-	-	(729)
Effect of translation for foreign operations	(5)	-	-	(5)
At 31 December 2020	189,180	135	-	189,315
Net book value				
At 31 December 2019	201,282	831	26,953	229,066
At 31 December 2020	279,683	723	38,117	318,523

	Separate financial statements		
	Computer software	Intangible assets under installation (in thousand Baht)	Total
Cost			
At 1 January 2019	296,234	-	296,234
Additions	12,097	27,535	39,632
Transfers	2,516	(2,516)	-
Disposals	(1,362)	-	(1,362)
At 31 December 2019 and 1 January 2020	309,485	25,019	334,504
Additions	5,690	109,880	115,570
Transfers	95,807	(95,807)	-
Disposals	(4,038)	(975)	(5,013)
At 31 December 2020	406,944	38,117	445,061
Amortisation			
At 1 January 2019	95,283	-	95,283
Amortisation charge for the year	29,163	-	29,163
Disposals	(62)	-	(62)
At 31 December 2019 and 1 January 2020	124,384	-	124,384
Amortisation charge for the year	36,409	-	36,409
Disposals	(717)	-	(717)
At 31 December 2020	160,076	-	160,076
Net book value			
At 31 December 2019	185,101	25,019	210,120
At 31 December 2020	246,868	38,117	284,985

17 Interest-bearing liabilities

Consolidated financial statements							
	Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total	
Long-term loans from financial institutions	-	916,689	916,689	-	120,865	120,865	
Lease liabilities (2019: Finance lease liabilities)	-	416,908	416,908	-	381,337	381,337	
Total interest-bearing liabilities	-	1,333,597	1,333,597	-	502,202	502,202	
Separate financial statements							
	Note	Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total
Short-term loans from related parties	7	-	1,092,051	1,092,051	-	893,830	893,830
Lease liabilities (2019: Finance lease liabilities)	-	-	92,260	92,260	-	39,709	39,709
Total interest-bearing liabilities	-	-	1,184,311	1,184,311	-	933,539	933,539

As at 31 December 2020 and 2019, the Group had long-term loans from financial institutions as follow:

Consolidated financial statements			
Agreement dated	Interest rate (% per annum)	Term of loan	Repayment term
9 December 2019	Lending interest rate that refer from Central Bank of Myanmar + 2.75%	5 years	Credit facilities of the long-term loan is amount of MMK 45,150 million Repayment every quarter, divided into 12 quarters as follow: Period 1 st - 4 th each installment MMK 3,010.0 million Period 5 th - 8 th each installment MMK 3,762.5 million Period 9 th - 12 th each installment MMK 4,515.0 million The first payment will be paid in December 2021 and the last repayment will be paid in September 2024.

As at 31 December 2020, the Group and the Company had unutilised credit facilities covering bank overdrafts, short-term loans from financial institutions and long-term loans from financial institutions totaling Baht 10,638.7 million and 9,595.0 million respectively. (2019: Baht 11,338.6 million and 9,595.0 million respectively).

	Consolidated financial statements			Separate financial statements		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Finance lease liabilities						
At 31 December 2019						
Within 1 year	114,037	(17,393)	96,644	12,890	(2,040)	10,850
1 - 5 years	304,886	(20,193)	284,693	30,869	(2,010)	28,859
Total	418,923	(37,586)	381,337	43,759	(4,050)	39,709

18 Trade accounts payable

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Related parties	7	661,169	966,580	906,201
Other parties		1,154,032	1,277,234	544,874
Total		1,815,201	2,243,814	1,451,075
				1,480,768

19 Other payables

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Related parties	7	1,187	1,555	73,852
				91,469
Other parties				
Accrued promotion and trade discounts		672,280	547,671	281,547
Payables for purchase of assets		416,132	257,460	234,801
Accrued expenses		367,700	854,028	189,545
Accrued excise tax and sugar tax		257,930	321,347	257,930
Revenue department payable		120,513	103,489	63,490
Accrued advertising expenses		112,421	159,522	104,885
Deposit and advance received		52,282	57,782	11,046
Others		278,626	282,440	95,395
		2,277,884	2,583,739	1,238,639
Total		2,279,071	2,585,294	1,312,491
				1,468,937

20 Provisions for employee benefits

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			

Statement of financial position

Obligations as of 31 December

Post-employment benefits	651,372	605,648	413,334	380,653
Other long-term employee benefits	21,875	23,717	15,310	17,347
Total	673,247	629,365	428,644	398,000

Year ended 31 December

Statement of income:

Recognised in profit or loss:

Post-employment benefits	25	96,131	144,464	70,168	113,345
Other long-term employee benefits	25	2,496	5,108	1,565	4,625
Termination benefits	25	19,360	65,326	7,090	-
Total		117,987	214,898	78,823	117,970

Statement of comprehensive income:

Recognised in other comprehensive income:

Actuarial (gain) loss recognised in the year	(1,440)	71,977	-	39,607
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The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
At 1 January	629,365	441,161	398,000	269,937

Include in profit or loss:

Current service cost	100,959	71,134	68,709	48,130
Past service cost	-	98,957	-	58,075
Interest on obligation	9,892	14,482	6,131	8,466
Curtailment gain	(12,224)	(39,794)	(3,107)	-
Actuarial (gain) loss - Other long-term employee benefits				
- Demographic assumptions	-	5	-	-
- Financial assumptions	-	4,320	-	3,108
- Experience adjustment	-	468	-	191
	98,627	149,572	71,733	117,970

Included in other comprehensive income

Actuarial (gain) loss - Post-employment benefits				
- Demographic assumptions	-	177	-	-
- Financial assumptions	280	69,812	-	45,400
- Experience adjustment	(1,720)	1,988	-	(5,793)
	(1,440)	71,977	-	39,607

Others

Transfer	-	-	-	(3,647)
Acquisition of investment in subsidiaries	6	2,082	655	-
Effect of translation for foreign operations		(136)	(401)	-
Benefit paid		(55,251)	(33,599)	(41,089)
		(53,305)	(33,345)	(29,514)
		673,247	629,365	428,644
				398,000

At 31 December

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate. The Group and the Company have therefore complied in accordance with the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Principle actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate (%)	1.36 - 6.40	1.40 - 7.36	1.40 - 2.54	1.40 - 2.54
Future salary growth (%)	5.00 - 9.00	5.00 - 9.00	6.00 - 7.00	6.00 - 7.00
Gold price (Baht)	22,050	22,050	22,050	22,050
Employee turnover rate (%)	0 - 35	0 - 35	0 - 20	0 - 20

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

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant below.

<i>Effect to the defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2020				
Discount rate (1% movement)	(56,778)	65,638	(36,077)	41,576
Future salary growth (1% movement)	67,093	(59,130)	42,399	(37,495)
Gold price (20% movement)	4,639	(4,639)	3,260	(3,260)
Employee turnover rate (20% movement)	(27,414)	31,983	(15,665)	17,950
Future mortality (1% movement)	1,437	(1,602)	922	(1,027)
At 31 December 2019				
Discount rate (1% movement)	(52,074)	60,072	(32,328)	37,136
Future salary growth (1% movement)	55,323	(49,103)	33,970	(30,298)
Gold price (20% movement)	4,839	(4,839)	3,533	(3,533)
Employee turnover rate (20% movement)	(21,792)	25,217	(12,098)	13,753
Future mortality (1% movement)	1,154	(1,279)	724	(800)

21 Share capital

Share premium

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

22 Reserves and surplus

Reserves and surplus comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Surplus on business combination under common control

Surplus on business combination under common control which recognised in equity are the difference between the carrying amounts of net assets of subsidiaries at the acquisition date and amounts of consideration paid deducted by the dividends which subsidiaries of the Company paid to the Company. These dividends were paid from retained earnings of the subsidiaries before business restructuring under common control.

Other components of equity

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

Gain on measurement of financial assets of 2020

Gain on measurement of financial assets comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

Gain on measurement of financial assets of 2019

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

23 Segment information and disaggregation of revenue

Management determined that the Group has 3 reportable segments which are the Group's strategic divisions for different products and services and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1 Beverage*
- *Segment 2 Personal care*
- *Segment 3 Others*

Each segment's performance is measured based on segment profit before unallocated revenue and expenses, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before unallocated revenue and expenses is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

	Segment 1		Segment 2		Segment 3		Total reportable segments		Eliminate		Total	
<i>For the year ended 31 December</i>	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>											
Information about reportable segments												
External revenue	21,546,734	21,473,109	2,500,787	2,655,939	1,535,646	1,481,419	25,583,167	25,610,467	-	-	25,583,167	25,610,467
Inter-segment revenue	98,583	97,422	-	-	146,010	137,606	244,593	235,028	(244,593)	(235,028)	-	-
Total revenue	21,645,317	21,570,531	2,500,787	2,655,939	1,681,656	1,619,025	25,827,760	25,845,495	(244,593)	(235,028)	25,583,167	25,610,467
Depreciation and amortisation	(1,063,302)	(782,851)	(72,819)	(74,967)	(148,452)	(131,207)	(1,284,573)	(989,025)	-	-	(1,284,573)	(989,025)
Profit from operating by segment	3,489,583	3,361,997	128,945	208,817	164,965	80,249	3,783,493	3,651,063	13,604	14,753	3,797,097	3,665,816
Unallocated revenue and expense												
Interest income											47,596	147,762
Gain recognised as a result of remeasuring to fair value of the previously held interest											36,182	-
Gain on bargain purchase											52,764	-
Gain on disposal of investment properties											-	53,822
Gain on disposal and write-off of property, plant and equipment											3,346	28,393
Loss on disposal and write-off of other intangible assets											(2)	(192)
(Losses) Reversal of impairment losses on property, plant and equipment											3,277	(12,319)
Gain (Loss) on exchange rate											15,034	(18,762)
Other income											134,609	134,089
Finance costs											(65,383)	(12,757)
Tax expense											(587,374)	(717,928)
Net profit from operations											3,437,146	3,267,924
Add (Less) Non- controlling interests											67,167	(8,915)
Net profit attribute to owners of the parent											3,504,313	3,259,009

Disaggregation of revenue

The Group and the Company's operation and main revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition.

	Total reportable segments	
	2020	2019
	<i>(in thousand Baht)</i>	
Consolidated financial statements		
Domestic	21,913,079	21,669,581
Overseas	3,670,088	3,940,886
Total revenue	25,583,167	25,610,467
Separate financial statements		
Domestic	17,445,082	17,453,659
Overseas	2,374,222	2,436,692
Total revenue	19,819,304	19,890,351

Timing of revenue recognition of the Group and the Company comes from sales entirely which are recognised at a point in time.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment relating to manufacturing of glass or glass products and research and development. In addition, by virtue of the provisions of the Republic of the Union of Myanmar Special Economic Zones Law, a subsidiary which is located in the Republic of the Union of Myanmar has been granted privileges by investing in the Thilawa Special Economic Zone. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

The following summary describes the revenue from promoted and non-promoted businesses:

Year ended 31 December	Consolidated financial statements					
	2020			2019		
	Revenue from promoted businesses	Revenue from non-promoted businesses	Total	Revenue from promoted businesses	Revenue from non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Revenue from sales and services	1,887,538	23,695,629	25,583,167	1,575,225	24,035,242	25,610,467

24 Other income

	Consolidated financial statements		Separate financial statements	
Note	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Royalty income	64,243	107,880	68,861	104,602
Gain on bargain purchase	6	52,764	-	-
Income from the sale of scrap	37,700	46,269	19,702	26,144
Gain recognised as a result of remeasuring to fair value of the previously held interest	6	36,182	-	-
Gain on disposal of investments	30,329	35,370	30,329	35,370
Gain on disposal of assets	21,357	82,449	15,258	40,135
Gain on exchange rate	15,034	-	18,432	-
Management fee	3,162	-	169,018	105,444
Others	96,665	87,821	88,277	51,234
Total	357,436	359,789	409,877	362,929

25 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
Note	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Salaries, wages and bonus	2,228,724	2,219,347	1,323,161	1,360,446
Defined benefit plans	20	98,627	149,572	71,733
Defined contribution plans	68,306	60,948	42,642	38,247
Termination benefits	20	19,360	65,326	7,090
Others	271,053	225,535	102,895	87,984
Total	2,686,070	2,720,728	1,547,521	1,604,647

Defined contribution plans

The defined contribution plan comprise provident fund established by the Group and the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group and the Company at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by licensed Fund Managers.

Employee Joint Investment Program

In April 2020, the Group has contributed to Employee Joint Investment Program (EJIP) in accordance with the resolution of the Company's Board of Directors' Meeting approval of EJIP on 17 July 2019 as follows:

Description	Detail of EJIP
1) Objectives	To create motivation to work and maintain employee retention with the Company.
2) The period of EJIP (including Silent Period)	Starting from 1 April 2020 to 31 March 2025, the total duration of 5 years.

Description	Detail of EJIP
3) Eligible participants under EJIP	Management of the Group, approved by the Chairman of the Executive Committee and CEO, on a voluntary basis.
4) EJIP contribution period	Starting from April 2020 to March 2023, the total duration of 3 years.
5) EJIP arrangement	<ul style="list-style-type: none"> The Company will deduct money from EJIP participants at the rates of 2% - 20% of their monthly basic salaries, until this amount reaches an amount not exceeding 50% of annual performance bonus (previous year's performance bonus) and The Company will contribute at the rates of 100% - 125% of such a monthly deducted amount from participants to TISCO Securities Company Limited (TISCO) <p>TISCO will bring the said fund to buy the Company's shares (OSP) or Non-Voting Depository Receipt: NVDR shares (OSP-R) under the criterions, procedures and conditions as stipulated in the terms and conditions of EJIP to be approved by the Office of the Securities and Exchange Commission.</p>
6) Conditions for securities holding (Silent period)	<p>Each EJIP participants has the right to sell OSP or OSP-R shares accumulated under EJIP program each year as follows:</p> <p>The year that shares accumulated: Participant cannot sell any OSP shares.</p> <p>2nd - 3rd subsequent year: Participant cannot sell any OSP shares.</p> <p>4th subsequent year: Participant can sell 100% OSP shares.</p> <p>The above conditions are not applicable for the participant who is no longer the employee of the Group, according to the agreements among the Group, the participant and TISCO.</p>

26 Expenses by nature

	Consolidated financial statements		Separate financial statements	
Note	2020	2019	2020	2019
	(in thousand Baht)			
Changes in inventories of finished goods and work in progress	(94,169)	(140,264)	112,762	(136,532)
Purchased goods and raw materials and consumables used	13,531,910	13,737,152	13,123,193	13,067,093
Employee benefit expenses	25 2,686,070	2,720,728	1,547,521	1,604,647
Selling and marketing expenses	1,496,027	1,451,087	1,277,212	1,345,265
Depreciation and amortisation	1,284,573	989,025	631,715	531,240
Transportation expenses	883,898	906,734	216,065	227,595
Utilities expenses	610,323	565,351	302,260	319,912
Others	1,865,856	2,122,427	1,375,478	1,469,136
Total	22,264,488	22,352,240	18,586,206	18,428,356

27 Income tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Income tax recognised in profit or loss				
Current tax expense				
Current year	651,266	739,947	316,784	427,859
Deferred tax expense				
Movements in temporary differences	(63,892)	(22,019)	7,018	(18,890)
	587,374	717,928	323,802	408,969

	Consolidated financial statements			Separate financial statements		
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Income tax						
Recognised in other comprehensive income						
Gain (Loss) on measurement of financial assets	(34,728)	6,946	(27,782)	22,692	(4,539)	18,153
Gain (Loss) on remeasurements of defined benefit plans	1,440	(360)	1,080	(71,977)	14,544	(57,433)
Total	(33,288)	6,586	(26,702)	(49,285)	10,005	(39,280)

	Consolidated financial statements			Separate financial statements		
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Income tax						
Recognised in other comprehensive income						
Gain (Loss) on measurement of financial assets	(34,728)	6,946	(27,782)	22,692	(4,539)	18,153
Gain (Loss) on remeasurements of defined benefit plans	-	-	-	(39,607)	7,921	(31,686)
Total	(34,728)	6,946	(27,782)	(16,915)	3,382	(13,533)

Reconciliation of effective tax rate

	Consolidated financial statements				Separate financial statements			
	Rate	2020	Rate	2019	Rate	2020	Rate	2019
	(%)	(in thousand Baht)	(%)	(in thousand Baht)	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Profit before income tax expense		<u>4,024,521</u>		<u>3,985,853</u>		<u>3,681,634</u>		<u>3,447,568</u>
Income tax using the Thai corporation tax rate	20	804,904	20	797,171	20	736,327	20	689,514
Effect of different tax rates in foreign jurisdictions		(3,917)		1,925		-		-
Income not subject to tax		(160,869)		(121,432)		(395,051)		(283,404)
Additional deductible expenses for tax purposes		(40,826)		(11,854)		(20,128)		(3,100)
Expenses not deductible for tax purposes and others		2,681		28,526		2,654		5,959
Recognition of previously unrecognised tax losses		(67,881)		-		-		-
Current year losses for which no deferred tax asset was recognised		53,282		23,592		-		-
Total	15	<u>587,374</u>	18	<u>717,928</u>	9	<u>323,802</u>	12	<u>408,969</u>

Consolidated financial statements								
Deferred tax	Assets				Liabilities			
At 31 December	2020	2019	2020	2019				
	(in thousand Baht)							
Total	261,059	201,345	(285,772)	(17,432)				
Set off of tax	(133,266)	(8,652)	133,266	8,652				
Net deferred tax assets (liabilities)	127,793	192,693	(152,506)	(8,780)				

Separate financial statements								
Deferred tax	Assets				Liabilities			
At 31 December	2020	2019	2020	2019				
	(in thousand Baht)							
Total	109,966	116,984	(257,681)	(6,951)				
Set off of tax	(109,966)	(6,951)	109,966	6,951				
Net deferred tax assets (liabilities)	-	110,033	(147,715)	-				

Consolidated financial statements								
Deferred tax	Balance at 31 December 2019 - as reported	Impact of changes in accounting policies	At 1 January	(Charged) / credited to:				At 31 December
				Profit or loss	Other comprehensive income	Increase from acquisition of investment in subsidiaries	Exchange difference	
				(in thousand Baht)				
2020								
Deferred tax assets								
Trade accounts receivable and other receivables (Allowance for expected credit loss)	777	-	777	(283)	-	-	-	494
Inventories (Allowance for decline in value)	36,554	-	36,554	(11,747)	-	554	-	25,361
Provisions for employee benefits	121,022	-	121,022	8,755	(360)	417	(17)	129,817
Unrealised intercompany profit	25,118	-	25,118	677	-	-	-	25,795
Provisions	5,700	-	5,700	(1,288)	-	-	-	4,412
Tax losses carry forward	5,549	-	5,549	62,194	-	-	(11)	67,732
Others	6,625	-	6,625	823	-	-	-	7,448
Total	201,345	-	201,345	59,131	(360)	971	(28)	261,059
Deferred tax liabilities								
Financial assets measured at FVOCI (Decrease in fair value)	(6,951)	(257,676)	(264,627)	-	6,946	-	-	(257,681)
Other current assets	(1,550)	-	(1,550)	1,550	-	-	-	-
Fair value of machinery from business acquisition	(8,931)	-	(8,931)	3,211	-	(22,371)	-	(28,091)
Total	(17,432)	(257,676)	(275,108)	4,761	6,946	(22,371)	-	(285,772)
Net	183,913	(257,676)	(73,763)	63,892	6,586	(21,400)	(28)	(24,713)

Consolidated financial statements						
		(Charged) / credited to:				
	At 1 January	Profit or loss	Other comprehensive income	Increase from acquisition of investment in subsidiaries	Exchange difference	At 31 December
				</		

	Balance at 31 December 2019 - as reported	Impact of changes in accounting policies	Separate financial statements			
			At 1 January (in thousand Baht)	(Charged) / credited to:		At 31 December
				Profit or loss	Other comprehensive income	
Deferred tax						
2020						
Deferred tax assets						
Trade accounts receivable and other receivables (Allowance for expected credit loss)	755	-	755	(261)	-	494
Inventories (Allowance for decline in value)	29,763	-	29,763	(10,738)	-	19,025
Other current assets	2,177	-	2,177	(860)	-	1,317
Provisions for employee benefits	78,589	-	78,589	6,129	-	84,718
Provisions	5,700	-	5,700	(1,288)	-	4,412
Total	116,984	-	116,984	(7,018)	-	109,966
Deferred tax liabilities						
Financial assets measured at FVOCI (Decrease in fair value)	(6,951)	(257,676)	(264,627)	-	6,946	(257,681)
Total	(6,951)	(257,676)	(264,627)	-	6,946	(257,681)
Net	110,033	(257,676)	(147,643)	(7,018)	6,946	(147,715)

	At 1 January	Separate financial statements		
		(Charged) / credited to:		At 31 December
		Profit or loss	Other comprehensive income	
Deferred tax				
2019				
Deferred tax assets				
Trade accounts receivable and other receivables (Allowance for doubtful debt)	764	(9)	-	755
Inventories (Allowance for decline in value)	19,653	10,110	-	29,763
Other current assets	4,027	(1,850)	-	2,177
Other non-current assets (Allowance for impairment losses on property, plant and equipment)	426	(426)	-	-
Provisions for employee benefits	53,987	16,681	7,921	78,589
Provisions	11,316	(5,616)	-	5,700
Total	90,173	18,890	7,921	116,984
Deferred tax liabilities				
Available-for-sale securities (Surplus on revaluation of investment)	(2,412)	-	(4,539)	(6,951)
Total	(2,412)	-	(4,539)	(6,951)
Net	87,761	18,890	3,382	110,033

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Temporary differences	85,446	81,013	212,937	214,950
Tax losses carry forward	110,633	61,927	-	-
Total	196,079	142,940	212,937	214,950

The Group have not recognised some of the tax losses which will expire from 2020 onwards and the deductible temporary differences which do not expire under current tax legislation as deferred tax assets because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

As at 31 December 2020 and 2019, no deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries and joint ventures, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such difference will not reverse in the foreseeable future.

28 Dividends

2020

At the Board of Directors' Meeting of the Company held on 25 March 2020, the Board of Directors approved the appropriation of interim dividends from the 2019 operational results of the Company as of 31 December 2019 at Baht 0.65 per share amounting to Baht 1,952.44 million. The interim dividend was paid to shareholders in April 2020. When combined with the interim dividend from the first half performance of 2019 at the rate of Baht 0.35 per share in the amount of Baht 1,051.31 million which already paid to shareholders in September 2019, the Company totally paid the interim dividend for the 2019 operational results of Baht 1.00 per share, amounting to Baht 3,003.75 million.

At the Board of Directors' Meeting of the Company held on 13 August 2020, the Board of Directors approved the appropriation of interim dividends from the Company's first half operating results of 2020 of Baht 0.45 per share or Baht 1,351.60 million. The interim dividend was paid to the shareholders in September 2020.

2019

At the 2019 Annual General Meeting of shareholders of the Company held on 24 April 2019, the shareholders approved dividend payment at Baht 0.69 per share for 2018 performance in the amount of Baht 2,072.58 million which the Company paid an interim dividend from retained earnings as at 30 September 2018 of Baht 0.30 per share, amounting to Baht 901.12 million, to the shareholders entitled to receive the dividends in February 2019. The remaining dividend was paid at Baht 0.39 per share, amounting to Baht 1,171.46 million in May 2019.

At the Board of Directors' Meeting of the Company held on 14 August 2019, the Board of Directors approved the appropriation of interim dividends of Baht 0.35 per share or Baht 1,051.31 million, which is derived from the Company's first half operating results of 2019 presented in the separate financial statements and the interim dividends received from the subsidiaries which were approved from the Subsidiaries' Board of Directors in July 2019. The interim dividend was paid to the shareholders in September 2019.

29 Financial instruments

(a) Carrying amounts and fair values

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

	Carrying amount	Consolidated financial statements / Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
31 December 2020					
<i>Financial assets measured at fair value</i>					
Debt securities (in private fund)	7,927	-	7,927	-	7,927
Non-marketable equity securities	1,332,350	-	-	1,332,350	1,332,350
31 December 2019					
<i>Financial assets measured at fair value</i>					
Debt securities (in private fund)	4,023,331	-	4,023,331	-	4,023,331

Financial instruments carried at fair value

Fair value hierarchy

Level 2 fair values for debt securities that are over-the-counter financial assets and financial liabilities based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company entity and counterparty when appropriate.

Level 3 fair values for non-marketable equity securities by using market comparison technique and dividend discount model. Key assumptions used in the valuation are annual revenue growth rate, expected earnings before interest tax depreciation and amortisation (EBITDA), expected net profit margin, relevant information of comparable equity securities and relevant risk factors.

(b) **Financial risk management policies**

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in Note 23.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer by adjusting to increased or decreased during the year. This will periodically include billing information and sales history for consideration. The Group will review sale limits annually. Any sales exceeding those limits require approval from the Group's management.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a payment period ranges from 10 days to 100 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

Note	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for expected credit loss	Trade accounts receivables	Allowance for expected credit loss
<i>(in thousand Baht)</i>				
At 31 December 2020				
Related parties				
Within credit terms	603,122	-	841,001	-
Overdue:				
Less than 3 months	-	-	180,811	-
3-6 months	-	-	95,825	-
6-12 months	-	-	76,234	-
Total	603,122	-	1,193,871	-
Other parties				
Within credit terms	2,062,342	-	790,903	-
Overdue:				
Less than 3 months	199,281	-	24,190	-
3-6 months	47,597	(15)	1,498	(15)
6-12 months	2,142	-	1,452	-
Over 12 months	430,893	(427,230)	-	-
Total	2,742,255	(427,245)	818,043	(15)
Less allowance for expected credit loss	(427,245)		(15)	
	2,315,010		818,028	
Net	2,918,132		2,011,899	

Loss rates are considered based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	Note	Consolidated financial statements (in thousand Baht)	Separate financial statements
Trade account receivable			
<i>At 31 December 2019</i>			
Related parties	7		
Within credit terms		881,116	943,217
Overdue:			
Less than 3 months		-	78,434
3-6 months		-	61,133
6-12 months		-	10,158
Over 12 months		-	9,204
		881,116	1,102,146
Less allowance for doubtful accounts		-	(9,204)
		881,116	1,092,942
Other parties			
Within credit terms		2,086,608	978,836
Overdue:			
Less than 3 months		208,095	27,378
3-6 months		904	184
6-12 months		183	-
Over 12 months		398,422	-
		2,694,212	1,006,398
Less allowance for doubtful accounts		(395,194)	(37)
		2,299,018	1,006,361
Net		3,180,134	2,099,303

The normal credit term granted by the Group ranges from 7 days to 100 days.

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Movement of allowance for expected credit loss of trade accounts receivables		
At 1 January 2020	395,194	9,241
Reversal	(4,056)	(10,798)
Exchange rate revaluation	550	1,572
Effect of translation for foreign operations	35,557	-
At 31 December 2020	427,245	15

As at 31 December 2020, the allowance for expected credit loss for other receivables were Baht 29.2 million which was overdue more than 1 year (2019: allowance for doubtful accounts - other receivables Baht 31.1 million which was overdue more than 1 year) in the consolidated financial statement and Baht 13.9 million which was overdue more than 1 year (2019: allowance for doubtful accounts - other receivables Baht 42.3 million which was overdue more than 1 year) in the separate financial statements.

Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Consolidated financial statements			
		Contractual cash flows			
			More than 1 year but less than 5 years	More than 5 years	Total
			(in thousand Baht)		
<i>At 31 December 2020</i>	Carrying amount	1 year or less			
Financial liabilities					
Trade payables	1,815,201	1,815,201	-	-	1,815,201
Long-term loans from financial institutions	916,689	68,327	854,088	-	922,415
Lease liabilities	416,908	145,739	321,890	19,265	486,894
	3,148,798	2,029,267	1,175,978	19,265	3,224,510
		Separate financial statements			
		Contractual cash flows			
			More than 1 year but less than 5 years	More than 5 years	Total
			(in thousand Baht)		
<i>At 31 December 2020</i>	Carrying amount	1 year or less			
Financial liabilities					
Trade payables	1,451,075	1,451,075	-	-	1,451,075
Short-term loans from related parties	1,092,051	1,092,051	-	-	1,092,051
Lease liabilities	92,260	31,453	67,754	-	99,207
	2,635,386	2,574,579	67,754	-	2,642,333

		Consolidated financial statements			
		Maturity period			
<i>At 31 December 2019</i>	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
Financial liabilities					
Current					
Current portion of finance lease liabilities	1.88 - 11.08	96,644	-	-	96,644
Non-current					
Long-term loans from financial institutions	12.81	-	120,865	-	120,865
Finance lease liabilities	1.88 - 11.08	-	284,693	-	284,693
Total		96,644	405,558	-	502,202

		Separate financial statements			
		Maturity period			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<i>At 31 December 2019</i>					
Financial assets					
Current					
Short-term loans	2.00 - 2.40	<u>1,029,333</u>	<u>-</u>	<u>-</u>	<u>1,029,333</u>
Financial liabilities					
Current					
Short-term loans from related parties	0.50 - 0.75	893,830	-	-	893,830
Current portion of finance lease liabilities	1.88 - 11.08	10,850	-	-	10,850
Non-current					
Finance lease liabilities	1.88 - 11.08	<u>-</u>	<u>28,859</u>	<u>-</u>	<u>28,859</u>
Total		904,680	28,859	-	933,539

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

Consolidated financial statements														
Exposure to foreign currency at 31 December	2020							2019						
	EUR	USD	JPY	GBP	MMK	Others	Total (in thousand Baht)	EUR	USD	JPY	GBP	MMK	Others	Total
Cash and cash equivalents	440	175,542	-	13,209	-	-	189,191	9,967	238,967	-	30,674	-	-	279,608
Trade accounts receivable	23,152	77,150	-	-	-	-	100,302	31,287	189,937	-	-	-	-	221,224
Other receivables	2,662	14,236	-	-	-	1	16,899	12,247	55,226	-	-	-	68	67,541
Trade accounts payable	(299)	(49,684)	(78,935)	-	-	-	(128,918)	(1,976)	(22,012)	(36,404)	-	-	-	(60,392)
Other payables	(57,414)	(144,166)	(2,419)	(212)	(73,521)	(440)	(278,172)	(124,690)	(68,731)	(1,385)	(296)	(46,041)	(477)	(241,620)
Net statement of financial position exposure	(31,459)	73,078	(81,354)	12,997	(73,521)	(439)	(100,698)	(73,165)	393,387	(37,789)	30,378	(46,041)	(409)	266,361
Separate financial statements														
Exposure to foreign currency at 31 December	2020							2019						
	EUR	USD	JPY	GBP	MMK	Others	Total (in thousand Baht)	EUR	USD	JPY	GBP	MMK	Others	Total
Cash and cash equivalents	440	166,225	-	-	-	-	166,665	9,967	111,035	-	-	-	-	121,002
Trade accounts receivable	23,152	392,069	-	-	-	-	415,221	31,287	194,371	-	-	-	-	225,658
Other receivables	2,662	25,537	-	-	-	-	28,199	12,247	73,732	-	-	-	67	86,046
Trade accounts payable	(299)	(11,559)	(78,935)	-	-	-	(90,793)	(1,976)	(21,968)	(36,404)	-	-	-	(60,348)
Other payables	(49,746)	(91,424)	-	-	(74,129)	-	(215,299)	(20,660)	(45,039)	(196)	(192)	(52,395)	-	(118,482)
Net statement of financial position exposure	(23,791)	480,848	(78,935)	-	(74,129)	-	303,993	30,865	312,131	(36,600)	(192)	(52,395)	67	253,876

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, JPY and MMK against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Consolidated financial statements					
At 31 December 2020	Movement (%)	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
		(in thousand Baht)			
USD	10	5,846	(5,846)	5,846	(5,846)
JPY	10	(6,508)	6,508	(6,508)	6,508
MMK	10	(5,882)	5,882	(5,882)	5,882

Separate financial statements					
At 31 December 2020	Movement (%)	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
		(in thousand Baht)			
USD	10	38,468	(38,468)	38,468	(38,468)
JPY	10	(6,315)	6,315	(6,315)	6,315
MMK	10	(5,930)	5,930	(5,930)	5,930

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages liabilities by borrowing with fixed interest rates and floating interest rate based on the market conditions.

Exposure to interest rate risk At 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Financial instruments with fixed interest rates				
Financial assets	2,694,877	5,057,812	2,007,927	4,023,331
Financial liabilities	(416,908)	(381,337)	(92,260)	(39,710)
	2,277,969	4,676,475	1,915,667	3,983,621
Financial instruments with variable interest rates				
Financial assets	624,832	1,571,202	1,849,590	2,262,438
Financial liabilities	(916,689)	(120,865)	(1,092,051)	(893,830)
	(291,857)	1,450,337	757,539	1,368,608

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 1% in interest rates would have insignificantly increased or decreased in equity (2019: Baht 8.3 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1 % in interest rates at the reporting date would have insignificantly increased (decreased) in equity and profit or loss. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

30 Capital management

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

31 Commitments

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Capital commitments				
Buildings and other constructions	558,343	319,863	95,266	46,017
Machinery and equipment	1,851,485	960,154	330,101	618,897
Furniture, fixtures and office equipment	2,243	14,859	-	12,847
Software computer	20,042	60,319	19,906	58,346
Total	2,432,113	1,355,195	445,273	736,107
Other commitments				
Unused letters of credit	438,251	68,286	54,937	-
Bank guarantees	104,936	99,322	37,236	36,236
Total	543,187	167,608	92,173	36,236

As at 31 December 2020, the Group had commitments under unused letters of credit from purchase of machinery and equipment in amount of Baht 438.3 million (2019: Baht 68.3 million) in the consolidated financial statements and Baht 54.9 million (31 December 2019: Nil) in separate financial statement. These unused letters of credit have been included under capital commitments as well.

Purchase of raw material, packaging and finished goods agreements

The Group has entered into purchase of raw material, packaging and finish goods agreements with other companies. As at 31 December 2020, the Group had commitments under these agreements in amount of Baht 5,224.5 million (2019: Baht 4,786.7 million) in the consolidated financial statements and Baht 6,283.9 million (2019: Baht 4,774.6 million) in the separate financial statements.

Technical assistance agreements

The Group has entered into a technical assistance agreement with a foreign company whereby the latter provided information and technical assistance for production. The agreement shall be effective until February 2021. In consideration for the above assistance, the Group agrees to pay the annual fee of JPY 38 - 40 million in the consolidated financial statements and JPY 15 million in the separate financial statements.

Cloud service for computer software agreements

The Company entered into cloud services for computer software agreement with a company located in Thailand for a period of 5 years. The agreement shall be effective until August 2021. The Company agrees to pay the annual service fee of Baht 8 - 11 million.

Natural gas purchase agreements

A subsidiary entered into natural gas purchase agreement with a company located in Thailand for a period of 2 years. The agreement shall be effective until December 2020. The subsidiary agrees to purchase natural gas based on terms and conditions stipulated in the agreement. Later, in January 2021, the agreement was extended to be effective until September 2021.

Maintenance and administration charge in the Thilawa Special Economic Zone agreement

A subsidiary entered into a maintenance and administration charge in the Thilawa Special Economic Zone agreement for a period of 48 years 7 months, which is a part of long-term lease agreement. The agreement shall be effective until February 2067. In consideration for the above maintenance and administration, the subsidiary agrees to pay the monthly fee of USD 0.01 million.

Warehouse management agreement

The Company entered into a warehouse management agreement for a period of 3 years. The agreement shall be effective until February 2023. The Company agrees to pay service fee of Baht 0.8 million per month.

A subsidiary entered into a warehouse management agreement in Republic of the Union of Myanmar for a period of 3 years. The agreement shall be effective until November 2022. The subsidiary agrees to pay minimum service fee of MMK 42 million per month in the first year. The service fee for the second year of service and the third year of service shall be discounted with the amount equivalent to 1.5% of the first year service fee and 2.5% of the second year service fee, respectively.

32 Contingent liabilities

Guarantees

As at 31 December 2020, the Group was contingently liable to various commercial banks for guaranteeing bank credit facilities obtained by its related parties amounting to MMK 38,377.5 million and USD 59.3 million, and for guaranteeing lease assets obtained by its related parties which is equivalent to 51% of liabilities under lease agreements for assets specified in guaranteed agreements.

Litigations

On 28 July 2017, the foreign company, a plaintiff, filed a lawsuit against the Company and a subsidiary in the Court of Kenya on the ground concerning failure to comply with distribution agreement and claimed damages. In February 2018, the foreign company filed to amend the claimed damages from approximately Euro 11.0 million to approximately USD 1.5 million, equivalents to Baht 49.3 million. However, this case is still under consideration of the competent court and the outcome of the case has not been determined yet. The management of the Company has assessed the risk of such lawsuit according to current circumstances and has adjusted the provision to remain Baht 22.0 million.

In August 2018, a company in Thailand, a plaintiff, which previously purchased products from M-150 Company Limited and Union Drink Company Limited, sued the Company through the Civil Court and called for the Company to stop selling energy drinks to other distributors in some parts of Thailand and to sell these products only to them for further distribution and called for the compensation from the Company as a consequence of a breach of contract amounting to Baht 2 million per month from June 2018 onwards. The Company was requested to pay a compensation for the damages approximately Baht 228 million if the Company cannot process following to their request. In December 2019, the Civil Court dismissed the case. The plaintiff filed an appeal to the Appeal Court and the defendant already submitted an appeal to defend. The Civil Court made an appointment to read the verdict of the Appeal Court on 7 May 2021. After the Appeal Court read the verdict, if either party disagrees with the judgment of the Appeal Court, they can request to file a petition to the Supreme Court. However, it is the Supreme Court's discretion whether to accept the petition for consideration or not. The management of the Company is confident that no significant losses will be incurred as a result of the lawsuit and therefore no provision has been recorded against the contingent liability for this case.

33 Events after the reporting period

On 24 December 2020 and 4 February 2021, the Board of Directors of O2C Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 10.0 million and Baht 16.0 million, respectively, by calling up additional paid-up capital and received Baht 10.0 million for the additional paid-up capital in January 2021. The remaining of Baht 16.0 million will be paid on 25 February 2021.

On 24 December 2020, the Board of Directors of Oyura Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 9.9 million by calling up additional paid-up capital and received payment for the additional paid-up capital in January 2021.

On 18 February 2021, the Board of Directors of Siam Glass Ayutthaya Co., Ltd., a subsidiary of the Company, approved to call up the additional paid-up capital from the Company amounting to Baht 1,125 million by calling up additional paid-up capital and received payment for the additional paid-up capital in February 2021.

On 24 February 2021, O2C Co., Ltd. and Osotspa Enterprise Co., Ltd., subsidiaries of the Company, have signed the share purchase agreement to purchase ordinary shares of Innovation of Experience Co. Ltd. from a group of existing shareholders totaling 8,000 shares, representing 80% of the issued and

paid-up ordinary shares, totaling Baht 10.8 million according to the resolution of the Executive Committee's Meeting. The payment will be made to a group of existing shareholders according to the terms and conditions in the agreement.

At the Board of Directors' Meeting of the Company held on 24 February 2021, the Board of Director passed a resolution to propose to the Annual General Meeting of Shareholders to consider and approve a dividend payment of Baht 1.10 per share or approximately Baht 3,304.04 million for the year 2020 which the Company already paid an interim dividend of Baht 0.45 per share or approximately Baht 1,351.60 million in September 2020. The remaining dividend payment of Baht 0.65 per share or approximately Baht 1,952.44 million will be paid to shareholders on 25 May 2021. However, the payment of such dividend is subject to approval from the Annual General Meeting of Shareholders for the Year 2021 on 27 April 2021.

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance and Thailand has enacted measures to monitor and control the spread but it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination for COVID-19 on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

34 Thai Financial Reporting Standards (TFRSs) not yet adopted

The revised TFRSs have been issued but are not yet effective and have not been applied in preparing these consolidated and separate financial statements. The revised TFRSs that may be relevant to the Group's operations, which become effective for annual consolidated and separate financial periods beginning on or after 1 January 2021. The Group does not plan to early adopt these TFRSs.

TFRS	Topic
TAS 1	Presentation of Financial Statements
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events after the Reporting Period
TAS 34	Interim Financial Reporting
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TFRS 2	Share-based Payment
TFRS 3	Business Combinations
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TSIC 32	Intangible Assets-Web Site Costs

* TFRS - Financial instruments standards

The Group has made a preliminary assessment of the potential initial impact on the consolidated financial statements of these revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

Details of Directors and Executives

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Surin Osathanugrah <ul style="list-style-type: none"> Chairman of the Board of Directors Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	88	<u>Education</u> <ul style="list-style-type: none"> Bachelor of Business Administration BABSON College, US <u>Training</u> <ul style="list-style-type: none"> Director Certification Program (DCP) 28/2003 Audit Committee Program (ACP) 10/2005 The Role of Chairman Program (RCP) 27/2012 The Role of Chairman Program (RCP) 38/2016 The Board's Role in Mergers and Acquisitions (M&A) 1/2011 	0.67*	<ul style="list-style-type: none"> Father of Mr. Niti Osathanugrah Uncle of Mr. Petch Osathanugrah Uncle of Mr. Ratch Osathanugrah Uncle of Mr. Thana Chairpravit Uncle of Mr. Pratharn Chairpravit Uncle of Mr. Tasharin Osathanugrah 	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					2012-Present	Chairman	Osathanugrah Foundation
					2005-Present	Director	Rajadamri Hotel PCL
					1993-Present	Chairman	Pichaisawat Co., Ltd.
					1982-Present	Chairman	Bangkok Rinvest Co., Ltd.
					1962-Present	Director	Osathanugrah Holding Co., Ltd.
					1980-2020	Vice Chairman of the Board of Directors	Safety Insurance PCL

Remark: *The total shares were held by Mr. Surin Osathanugrah's spouse.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mrs. Kannikar Chalitaporn • Vice Chairperson of the Board of Directors • Chairperson of the Executive Committee Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	73	<u>Education</u> • Advanced Management Program (AMP) Harvard University, US • Bachelor of Business, University of Colorado, US <u>Training</u> • Director Accreditation Program (DAP) 149/2018 • The Role of Chairman Program (RCP) 7/2002	0.026	-None-	Position as Director/Executive in Other Listed Companies in SET		
					2018-Present	Chairperson	Index Living Mall PCL
					2018-2019	Member of the Risk Oversight Committee and Chairperson of the Corporate Social Responsibility Committee	The Siam Commercial Bank PCL
					2015-2019	Director	
					2016-2018	Vice Chairperson of the Corporate Social Responsibility Committee	
					2015-2018	Executives	
					2008-2016	Director of the Corporate Social Responsibility Committee	
					2007-2015	President	
					Position in Other Companies/Businesses		
					2020-Present	Chairperson of the Executive Committee	Deestone Corporation Co., Ltd.
					2018-Present	Director	Osathanugrah Foundation
					2018-2019	Chairperson	Siam Commercial Foundation
					2016-2018	Vice Chairperson	

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Somprasong Boonyachai • Independent Director • Vice Chairman of the Board of Directors • Chairman of the Nomination, Remuneration and Corporate Governance Committee Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	65	<u>Education</u> <ul style="list-style-type: none"> Master's Degree in Engineering, Asian Institute of Technology Bachelor of Engineering, King Mongkul's University of Technology Thonburi <u>Training</u> <ul style="list-style-type: none"> Director Certification Program (DCP) 65/2005 Director Accreditation Program (DAP) 30/2004 The Role of Chairman Program (RCP) 21/2009 High Performance Board by IMD 	-	-None-	Position as Director/Executive in Other Listed Companies in SET		
					2017-Present	Independent Director	Dusit Thani PCL
					2017-Present	Director	BEC World PCL
					2008-Present	Vice Chairman of the Board of Director	Advanced Info Service PCL
					2007-Present	Director	INTOUCH Holdings PCL
					2006-Present	Director	Thaicom PCL
					2002-Present	Independent Director and Member of Audit Committee	Power Light Engineering PCL
					2016-2017	Independent Director	Pruksa Real Estate PCL
					2008-2017	Chairman of the Executive Committee	INTOUCH Holdings PCL
					Position in Other Companies/Businesses		
					2016-Present	Director	Advanced Wireless Network Co., Ltd.
					2004-2016	Director	Praram 9 Hospital Co., Ltd.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Ratch Osathanugrah <ul style="list-style-type: none"> Vice Chairman of the Board of Directors Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	64	<u>Education</u> <ul style="list-style-type: none"> Master of Business Administration, Southern Illinois University, US Bachelor of Business Administration, Southern Illinois University, US Bachelor of Business Administration, Bangkok University <u>Training</u> <ul style="list-style-type: none"> Director Accreditation Program (DAP) 124/2016 	26.39*	Nephew of Mr. Surin Osathanugrah Brother of Mr. Petch Osathanugrah Cousin of Mr. Niti Osathanugrah Cousin of Mr. Thana Chaiprasit Cousin of Mr. Pratharn Chaiprasit Cousin of Mr. Tasharin Osathanugrah	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					Present	Director	Angelys Balek Co., Ltd.
					Present	Director	Doisawasdee Hill Co., Ltd.
					Present	Director	Shiseido (Thailand) Co., Ltd.
					Present	Director	Isetan (Thailand) Co., Ltd.
					Present	Director	Dream Loft Co., Ltd.
					Present	Director	Bangkok Creative Elements Co., Ltd.
					Present	Director	Osathanugrah Holding Co., Ltd.
					Present	Director	Osotspa USA Inc.
					Present	Director	Kampus Land Co., Ltd.
					Present	Director	Kampus Co., Ltd.
					2004-2018	Director	Akarat Property Co., Ltd.

Remark: *Acting in concert with Mr. Petch Osathanugrah and other shareholders (The information from a shareholder list as of 30 December 2020)

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Petch Osathanugrah • Vice Chairman of the Board of Director • Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	66	<u>Education</u> • Bachelor of Marketing, Southern Illinois University, US <u>Training</u> • Director Accreditation Program (DAP) 127/2016	26.39*	Nephew of Mr. Surin Osathanugrah Brother of Mr. Ratch Osathanugrah Cousin of Mr. Niti Osathanugrah Cousin of Mr. Thana Chaiprasit Cousin of Mr. Pratharn Chaiprasit Cousin of Mr. Tasharin Osathanugrah	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					2015-Present	President	Bangkok University
					2013-Present	Chief Executive Officer	
					1992-Present	Director of the University Council	
					1992-Present	Chairman	Shiseido (Thailand) Co., Ltd.
					Present	Director	O Ground Co., Ltd.
					Present	Director	Osathanugrah Holding Co., Ltd.
					Present	Director	Bangkok Creative Elements Co., Ltd.
					Present	Director	Digiday Co., Ltd.
					Present	Director	BU Property Co., Ltd.
					Present	Director	Silent Bark Co., Ltd.
					Present	Director	Doisawasdee Hill Co., Ltd.
					Present	Director	Diamond Farm Holding Co., Ltd.
					Present	Director	Kampus Land Co., Ltd.
					Present	Director	Kampus Co., Ltd.
					Present	Director	Dib Enterprise Co., Ltd.
					Present	Director	Osotspa Myanmar Co., Ltd.
					Present	Director	Eduvision Co., Ltd.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
					Position in Other Companies/Businesses		
					Present	Director	BU Holding Co., Ltd.
					Present	Director	O Terminal Limited
					Present	Director	Zipcode Co., Ltd.
					Present	Chairman	Surat Osathanugrah Foundation
					Present	Director	Osathanugrah Foundation
					Present	Director	Osotspa Foundation

Remark: *Acting in concert with Mr. Ratch Osathanugrah and other shareholders (The information from a shareholder list as of 30 December 2020)

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Thana Chaiprasit* • Director • Chief Executive Officer (Acting) • Member of the Executive Committee • Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	66	Education <ul style="list-style-type: none"> Ph.D (Honorary) Doctor of Philosophy in Education, Ramkhamhaeng University Ph.D (Honorary) Doctor of Business Administration in General Management, Chandrakasem Rajabhat University Ph.D (Honorary) Doctor of Arts in Innovation in Sports Management, Suan Sunandha Rajabhat University MINI MBA, Thammasart University Bachelor of Business Administration, Bangkok University Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) 132/2016 Diploma, National Defense College (The Joint State - Private Sector Course) Class 388 Administrative Justice for Executives Program, Class 5, the Administrative Justice Institute, the Office of the Administrative Courts 	1.70	Nephew of Mr. Surin Osathanugrah Brother of Mr. Pratharn Chaiprasit Cousin of Mr. Niti Osathanugrah Cousin of Mr. Petch Osathanugrah Cousin of Mr. Ratch Osathanugrah Cousin of Mr. Tasharin Osathanugrah	Position as Director/Executive in Other Listed Companies in SET		
					2003-Present	Chairman of the Board of Director	Advanced Information Technology PLC
					Position in Other Companies/Businesses		
					Present	Director	Osotspa Myanmar Co., Ltd.
					Present	Director	The International Table Tennis Federation
					Present	Treasurer	The National Olympic Committee of Thailand
					Present	Chairman of the Board of Director	Thanarom Co., Ltd.
					Ended 2020	Director	Osotspa Beverage Co., Ltd.

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

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Pratharn Chaiprasit* • Director • Senior Vice Chairman of the Executive Committee • Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	62	<u>Education</u> <ul style="list-style-type: none"> Master of Commerce, Takushoku University, Japan Bachelor of Business Administration, Bangkok University <u>Training</u> <ul style="list-style-type: none"> Director Accreditation Program (DAP) 124/2016 	-	Nephew of Mr. Surin Osathanugrah Brother of Mr. Thana Chaiprasit Cousin of Mr. Niti Osathanugrah Cousin of Mr. Petch Osathanugrah Cousin of Mr. Ratch Osathanugrah Cousin of Mr. Tasharin Osathanugrah	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					Present	Director	Siam Glass Industry Co., Ltd.
					Present	Director	Osotspa Enterprises Singapore Pte. Ltd.
					Ended 2020	Director	Osotspa Beverage Co., Ltd.

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

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Tasharin Osathanugrah* • Director • Vice Chairman of the Executive Committee • Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	53	<u>Education</u> • Secondary Ravena High US <u>Training</u> • Director Accreditation Program (DAP) 124/2016	2.56	Nephew of Mr. Surin Osathanugrah Cousin of Mr. Niti Osathanugrah Cousin of Mr. Petch Osathanugrah Cousin of Mr. Ratch Osathanugrah Cousin of Mr. Thana Chaiprasit Cousin of Mr. Pratham Chaiprasit	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					Present	Director	Siam Glass Industry Co., Ltd.
					Present	Director	Osotspa Myanmar Co., Ltd.
					Ended 2020	Director	Osotspa Beverages Co., Ltd.
					Ended 2019	Director	Greensville Co., Ltd.

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

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Ms. Penchun Jarikasem • Independent Director • Chairperson of the Audit Committee Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	65	<u>Education</u> • Master of Science (Business Administration), Thammasat University • Bachelor of Arts, Faculty of Arts, Chulalongkorn University <u>Training</u> • IT Governance and Cyber Resilience Program (ITG) 15/2020 • Director Certification Program (DCP) 113/2009 • Board Matters and Trends (BMT) 6/2018 • Risk Management Program for Corporate Leaders Class (RCL)13/2018 • Ethical Leadership Program (ELP) 11/2018 • Director Accreditation Program (DAP) 75/2008 • Audit Committee Program (ACP) 28/2009 • The Role of Chairman Program (RCP) 36/2015 • Monitoring Fraud Risk Management (MFM) 6/2011	-	-None-	Position as Director/Executive in Other Listed Companies in SET		
					Sep 2020 - Present	Chairperson of the Risk Management Committee, Independent Director and Member of the Audit Committee	PTT Exploration and Production PCL
					Apr 2020	Independent Director, Member of the Audit Committee and Member of the Risk Management Committee	
					Feb 2018 - Apr 2020	Director and Member of the Risk Management Committee	
					2016-2018	Advisor	
					2011-2015	Executive Vice President, Finance and Accounting Group	
					Position in Other Companies/Businesses		
					2020-Present	The working group established to resolve accounting issues of the Energy Conservation Fund from fiscal years 2014 to 2018	Sub-committee of Fund Management Office for Promotion of Energy Conservation

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
		<ul style="list-style-type: none"> Monitoring the Quality of Financial Reporting (MFR) 9/2009 The Executive Program in Energy Literacy for Sustainable Future TEA (Class 6), Thailand Energy Academy (TEA) Bhumipalung Phandin for Top Executive (Class 3), Chulalongkorn University Capital Market Academy Leadership Program (CMA 4), Capital Market Academy (CMA) Senior Executive Program no. 77 SEP 77, London Business School, UK 			Position in Other Companies/Businesses		
					2018-Present	Independent Director and Chairperson of the Audit Committee	Ritta Holdings Co., Ltd.
					2017-Present	Advisory Committee for Fund Raising and Listed Company Oversight	The Securities and Exchange Commission (SEC)
					2016-2020	Member of the Sub-committee for Consideration of Regulations on the Issuance and Offering of Debt Securities, Derivatives, and Structured Products	
					2018-2019	Director and Chairperson of the Sub-committee for Finance and Accounting	State Railway of Thailand
					2016-2018	Sub-committee for Finance and Budgeting Improvements	Office of the Public Sector Development Commission (OPDC)

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Krirk Vanikkul • Independent Director • Member of the Audit Committee Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	66	Education <ul style="list-style-type: none"> Bachelor of Law, (2nd Class Hons.), Chulalongkorn University Barrister-at-Law, Thai Bar Association B.A. in Jurisprudence (Hons. Oxon), University of Oxford, UK Barrister-at-Law, Middle Temple, UK Advanced Management Program (AMP) Harvard University, US Training <ul style="list-style-type: none"> Director Certification Program (DCP) 42/2004 Finance for Non-Finance Director (FN) Improving the Quality of Financial Reporting (QFR) 3/2006 Charter Director Course (CDC) 2008 	-	-None-	Position as Director/Executive in Other Listed Companies in SET		
					2018-Present	Independent Director, Member of the Audit Committee and Member of the Nomination, Remuneration, and Corporate Governance Committee	L.P.N. Development PCL
					2018-Present	Chairman of the Risk Oversight Committee	The Siam Commercial Bank PCL
					2015-Present	Independent Director	
					2017-2018	Member of the Executive Committee	
					2015-2017	Independent Director	Italian-Thai Development PCL
					Position in Other Companies/Businesses		
					2012-Present	Member of the Council of State	Office of the Council of State
					2015-2018	Expert Commission Member	Office of Knowledge Management and Development (Public Organization)
					2014-2015	Chairman	Government Housing Bank
					2009-2014	Deputy Governor, Financial Institutions Stability	Bank of Thailand

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Niti Osathanugrah • Director • Member of the Nomination Remuneration and Corporate Governance Committee • Member of the Executive Committee • Authorized Director Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	47	Education <ul style="list-style-type: none"> Master of Arts in Economic Law, Chulalongkorn University Bachelor of Economics and Political Science, Amherst College, US Training <ul style="list-style-type: none"> DCP Refresher Course 2/2009 Director Accreditation Program (DAP) 27/2004 Audit Committee Program (ACP) 42/2013 Role of the Compensation Committee (RCC) 13/2011 Monitoring the Quality of Financial Reporting (MFR) 17/2013 Monitoring Fraud Risk Management (MFM) 9/2013 Board Reporting Program (BRP) 10/2013 Monitoring the System of Internal Control and Risk Management (MIR) 15/2013 Successful Formulation & Execution of Strategy (SFE) 18/2013 Company Secretary Program (CSP) 49/2013 Monitoring the Internal Audit Function (MIA) 14/2013 Company Reporting Program (CRP) 5/2013 The Board's Role in Merger and Acquisitions (M&A) 1/2011 Director Certification Program (DCP) 253/2018 	16.65	Son of Mr. Surin Osathanugrah Cousin of Mr. Petch Osathanugrah Cousin of Mr. Ratch Osathanugrah Cousin of Mr. Thana Chaiprasit Cousin of Mr. Pratharn Chaiprasit Cousin of Mr. Tasharin Osathanugrah	Position as Director/Executive in Other Listed Companies in SET		
					2019-Present	Member of the Risk Management Committee	Minor International PCL
					2018-Present	Director	
					2004-2018	Director, Member of the Risk Management Committee and the Nomination and Remuneration Committee	Charn Issara Development PCL
					Position in Other Companies/Businesses		
					2019-Present	Member of the Council of State	
					2017-Present	Director, Member of the Risk Management Committee, Member of Internal Trade Committee and Member of Tax, Law and Regulation Committee	The Thai Chamber of Commerce
					2020-Present	Director	Tokio Marine Safety Insurance (Thailand) PCL
					2004 - 2020	Director	Safety Insurance Public
					2015-Present	Managing Director	Pichaisawat Co., Ltd.
					2015-Present	Managing Director	Bangkok Rinvest Co., Ltd.
					2012-Present	Director	Osathanugrah Foundation
					1991-Present	Director	Osathanugrah Holding Co., Ltd.
					2011-2016	Director	Osotspa Beverage Co., Ltd.
					2011-2016	Director	Siam Glass Ayutthaya Co., Ltd.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mr. Salin Pinkayan • Independent Director • Member of the Nomination Remuneration, and Corporate Governance Committee • Chairman of the Risk Management Committee Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	52	<u>Education</u> <ul style="list-style-type: none"> MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University Bachelor of Engineering, University of Pennsylvania, US <u>Training</u> <ul style="list-style-type: none"> Risk Management Program for Corporate Leaders (RCL) 21/2020 Director Accreditation Program (DAP) 84/2010 Board Nomination and Compensation Program (BNCP) 1/2017 	-	-None-	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					2011-Present	President	Southeast Asia Technology Co., Ltd.
					2003-Present	Director and Managing Director	Thai Developer Co., Ltd.
					1993-Present	Director	Dynamic Engineering Consultants Co., Ltd.
					1993-Present	Director and Managing Director	Modern Technology Consultants Co., Ltd.
					1993-Present	Director	Bangkok Engineering Services & Technology Co., Ltd.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mrs. Sinee Thienprasiddhi • Independent Director • Member of the Audit Committee Appointment Date as Directors (As of the Company transformed to Public Company) 22 March 2018	62	<u>Education</u> • MAC DUFFIES SPRINGFIELD, MA, US <u>Training</u> • Director Certification Program (DCP) 65/2005 • Director Accreditation Program (DAP) 9/2004 • Finance for Non-Finance Director (FN) 22/2005 • Improving the Quality of Financial Reporting (QFR) 1/2006 • DCP Refresher Course 2/2009 • Advances for Corporate Secretaries 29 • Fundamental Legal and Regulations for the Listed Company 8/2012	0.003	-None-	Position as Director/Executive in Other Listed Companies in SET		
					1979-Present	Director and Executive Director	Dusit Thani PCL
					2008-2016	Company Secretary	
					1980-2016	Secretary to the Board of Director	
					Position in Other Companies/Businesses		
					2011-Present	Director	DMS Property Investment Private Limited
					2010-Present	Director	Dusit Thani Philippines, Inc.
					2010-Present	Director	Chanut and Children Co., Ltd.
					2009-Present	Director	Dusit Thai Properties PCL
					1976-Present	Director	Piyasiri Co., Ltd

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mrs. Wannipa Bhakdibutr* <ul style="list-style-type: none"> • Director • Member of the Executive Committee • Member of the Risk Management Committee • President • Authorized Director Appointment Date as Directors 13 December 2018	57	<u>Education</u> <ul style="list-style-type: none"> • MBA, San Diego State University, US • Bachelor of Economics Program, Kasetsart University <u>Training</u> <ul style="list-style-type: none"> • Director Certification Program (DCP) 246/2017 	0.032	-None-	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					2020-Present	Advisor	Marketing Association of Thailand
					2019-Present	Director	Osotspa Myanmar Co., Ltd.
					2018-Present	President	Energy Drink Manufacturers Association
					2018-Present	Director	Osotspa Enterprises Singapore Pte. Ltd.
					2018-Present	Director	Oventure Pte. Ltd.
					2017-Present	Director	Uni.Charm (Thailand) Co., Ltd.
					2017-Present	Chairperson of the Marketing Sub-Committee	Thailand Institute of Scientific and Technological Research
					2017-Present	Director	Osotspa Enterprise Co., Ltd.
					2016-Present	Director	Siam Glass Industry Co., Ltd.
					2016-Present	Director	Siam Glass Ayutthaya Co., Ltd.
					2016-Present	Director	Greenville Co., Ltd.
					2016-Present	Director	Osotspa Taisho Pharmaceuticals Co., Ltd.
					2016-Present	Director	House Osotspa Foods Co., Ltd.
					2016-Present	Director	Siam Bev Manufacturing Co., Ltd.
					2016-Present	Director	Yamamura International (Thailand) Co., Ltd.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
					Position in Other Companies/Businesses		
					2016-2019	Director	Osotspa Beverage Co., Ltd.
					2015-2018	Director	Government Savings Bank
					2015-2017	Director	Thailand Institute of Scientific and Technological Research
					2014-2016	Director	The Zoological Park Organization
					2014-2016	Vice-President, Marketing, Personal Care and Food	Unilever Thai Trading Co., Ltd.

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

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills of Directors	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mrs. Porntida Boonsa* <ul style="list-style-type: none"> Director Member of the Executive Committee Member of the Risk Management Committee Chief Financial Officer Appointment Date as Directors** 17 September 2020	54	<u>Education</u> <ul style="list-style-type: none"> MBA with Distinction, Finance & Accounting The Wharton School, University of Pennsylvania, US Bachelor of Accountancy, Chulalongkorn University, First Class Honors, Gold Medal <u>Training</u> <ul style="list-style-type: none"> Director Accreditation Program (DAP) Corporate Governance for Executives (CGE) 11/2018 Strategic CFO in Capital Markets Program TFRS15 Revenue from contracts with customers TFRS for Financial Instruments 2019 Accounting standards & Tax update Transfer Pricing 	0.019	-None-	Position as Director/Executive in Other Listed Companies in SET		
					-	-	-
					Position in Other Companies/Businesses		
					2011-2017	Director and Vice President Finance	Unilever Thai Trading Co., Ltd.

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

**Appointed as Director in place of Mr. Sethaput Suthiwartnarueput who resigned from Director position. The appointment date was effective as of 17 September 2020.

Details of Company Secretary

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Ms. Palica Mokkhavesa Company Secretary Appointment Date 13 December 2018	39	<u>Education</u> <ul style="list-style-type: none"> Master of Business Administration, Ramkhamhaeng University Bachelor of Law, Thammasat University <u>Training</u> <ul style="list-style-type: none"> Company Secretary Program(CSP) 95/2019 Advances for Corporate Secretaries 2/2017 by TLCA 	0.0003	-None-	Position in Other Listed Companies in SET		
					2014-2016	Assistant Company Secretary	Sappe PCL
					Position in Other Companies/Businesses		
					2011-2014	Manager, Legal and Contract Department	Thanachart Bank PCL

Details of Directors of Subsidiaries and Associated/JV Companies

Company	OSP	Subsidiaries																				Associated/JV						
Name		OB	SGA	SGI	GVL	SSB	SCL	INV	OSPD	OLH	OEN	OEL	OSPUS	OENS	OVT	OMM	AVMO	O2C	OCL	OVJSC	PTM	SB	OTP	HOF	YAMA	BCB	MGE	MGO
Mr. Surin Osathanugrah	X																											
Mrs. Kannikar Chalitaporn	///, Ex																											
Mr. Ratch Osathanugrah	///											/																
Mr. Somprasong Boonyachai	///,//, Nx																											
Mr. Petch Osathanugrah	///														/													
Mr. Thana Chaiprasit	/,E,0		/	/		/	/	/	/		/	/	/	/	/	/		/										
Mr. Pratharn Chaiprasit	/,E,0		/	/	/	/	/	/	/		/	/	/	/	/	/		/			/	/	/					
Mr. Tasharin Osathanugrah	/,E,0		/	/		/		/	/			/			/		/											
Ms. Penchun Jarikasem	//, Ax																											
Mr. Krirk Vanikkul	//, A																											
Mr. Niti Osathanugrah	/,E,N																											
Mr. Salin Pinkayan	//,Rx,N																											
Mrs. Sinee Thienprasiddhi	//, A																											
Mrs. Wannipa Bhakdibutr	/,E,R,0		/	/	/					/	/		/	/	/		/				/	/	/	/				
Mrs. Pornida Boonsa	/,E,R,0					/				/						/			/							/	/	

Definition

OSP = Osotspa Public Company Limited

Subsidiaries

SGI = Siam Glass Industry Co., Ltd.	AVMO = Asia Vending Machine Operation Company Limited	OSPD = Osotspa Dairy Co., Ltd.	PTM = PT. M-150 INDONESIA	OB = Osotspa Beverage Co., Ltd.
SCL = Siam Cullet Co., Ltd.		OEN = Osotspa Enterprise Co., Ltd.	SGA = Siam Glass Ayutthaya Co., Ltd.	OMM = Osotspa Myanmar Company Limited
OLH = OSOTSPA LOI HEIN COMPANY LIMITED	OVJSC = OSOTSPA VTA JOINT STOCK COMPANY	OVT = Oventure Pte. Ltd.	SSB = SSB Enterprise Co., Ltd.	OCL = Oyura Company Limited
OEL = Osotspa Europe Ltd.	GVL = Greenville Co., Ltd.	O2C = O2C Co., Ltd.	OSPUS = OSOTSPA USA INC.	SB = Siam Bev Manufacturing Co., Ltd.
OENS = Osotspa Enterprises Singapore Pte. Ltd.	INV = Osotspa Innovation Centre Co., Ltd.			

Associated/JV

OTP = Osotspa Taisho Pharmaceuticals Co., Ltd.	HOF = House Osotspa Foods Co., Ltd.	MGE = MYANMAR GOLDEN EAGLE COMPANY LIMITED	YAMA = Yamamura International (Thailand) Co., Ltd.	MGG = MYANMAR GOLDEN GLASS COMPANY LIMITED
BCB = Basecamp Brews Ltd.				

Remark

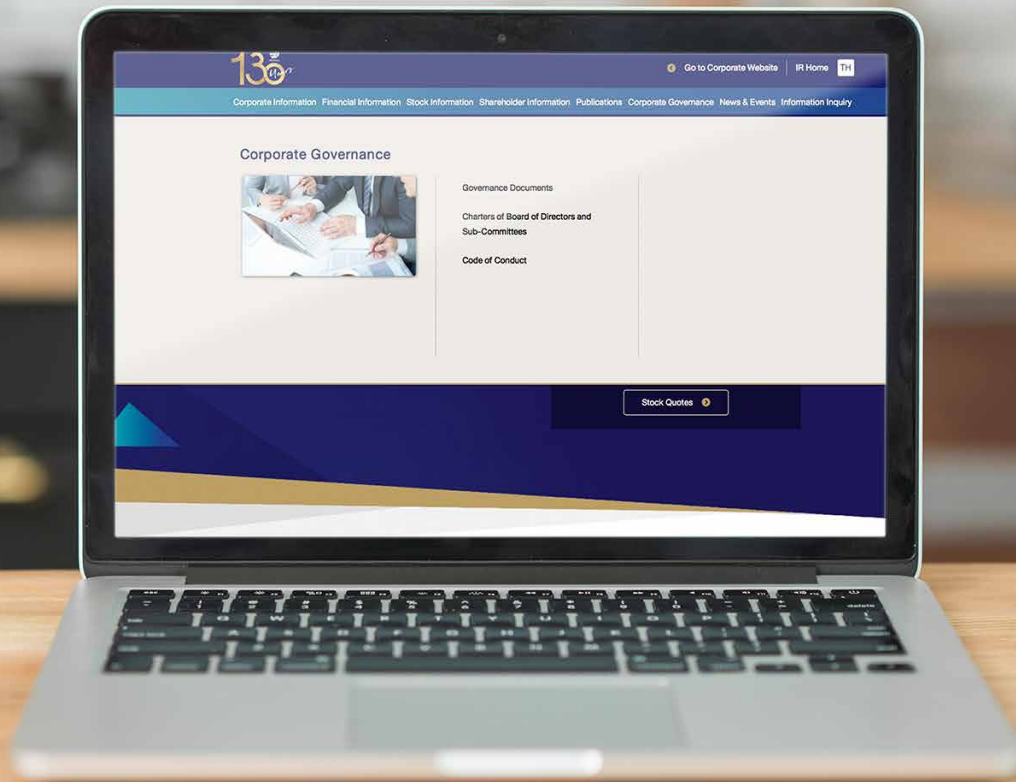
x = Chairman of the Board of Directors	0 = Executive	E = Member of the Executive Committee	N = Member of the Nomination Remuneration & Corporate Governance Committee	Rx = Chairman of the Risk Management Committee
/// = Vice Chairman of the Board of Directors	Ax = Chairperson of the Audit Committee	Nx = Chairman of the Nomination Remuneration & Corporate Governance Committee		R = Member of the Risk Management Committee
// = Independent Director	A = Member of the Audit Committee			
/ = Director	Ex = Chairperson of the Executive Committee			




Details of Head of Internal Audit and Head of Compliance

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Mrs. Kanrawee Sangnikornkiat Head of Internal Audit	46	<u>Education</u> <ul style="list-style-type: none"> Master's Degree Major Industrial Economic from The National Institute of Development Administration Bachelor's Degree Major Accounting Information System from Chulalongkorn University <u>Training</u> <ul style="list-style-type: none"> Certified Internal Auditors (CIA) Director Accreditation Program (DAP) 169/2020 Advanced Audit Committee Program (AACP) 37/2020 	0.0006	-None-	Position in Other Listed Companies in SET		
					2017-2018	Director of Internal Audit	Thoresen Thai Agencies PCL
					2015-2017	Head of Group IT Audit	Kiatnakin Phatra Financial Group
					2006-2015	Head of Application Audit Section	CIMB Thai Bank PCL
					Position in Other Companies/Businesses		
					2003-2006	Senior Accountant	Eastern Water Resources Development and Management PCL
					2001-2003	Financial & Accounting Manager	Thai-Scan Water System Co., Ltd.
					2000-2001	Senior Consulting Manager	East-West Consulting & Education Co., Ltd.
					1998-2000	Senior Accountant	Colorlux (Thailand) Co., Ltd.

Name / Position	Age	Education / Training Experience of Roles, Duties and Skills	Share Possession (%)	Relationship with Other Directors and Executives	Professional Experience During the Past 5 Years		
					Period	Position	Company
Ms. Oracha Kunajiranat Head of Risk Management and Compliance (Acting)	44	<u>Education</u> <ul style="list-style-type: none"> Master of Science in Information Technology in Business (Major in Accounting Information System), Chulalongkorn University Bachelor's Degree in Accounting, Thammasat University <u>Training</u> <ul style="list-style-type: none"> Corporate Governance for Executives 9/2017 Director Accreditation Program, DAP 132/2016 	-	-None-	Position in Other Listed Companies in SET		
					2019-present	Head of Risk Management and Internal Control	Osotspa Public Company Limited
					2015-2017	Division Director, Corporate Internal Audit	Bumrungrad Hospital PCL
					2014-2015	Vice President, Internal Audit & Compliance	Gulf Energy Development PCL
					Position in Other Companies/Businesses		
					2017-2018	Chief Financial Officer	VitalLife Scientific Wellness Center

Corporate Governance Policy, Code of Conduct, and Charters of the Board of Directors and Sub-committees



- [Corporate Governance Policy](#) 
- [Code of Conduct](#) 
- [Charters of the Board of Directors and Sub-Committees](#) 



OSOTSPA

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