TVO

ANNUAL REPORT 2019

THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

Our Achievement

6 Honor Awards

2 Certifications

Pride |

⇧5% Sales volume of soybean meal

⇧7% Sales volume of refined soybean oil Efficiency

Efficiency | Cost Effective Management

⇧20% The volume of TVO soybean import was **1.6** Million Tons in **2019**, increased from **1.3** Million Tons in **2018.**

Advancement | Enhanced Efficiency & Increased Productivity

⇩8% The electricity usage in the refineries was decreased from **2018**, at **38.4** unit per ton of crude oil.

⇩5% The water usage was decreased from **2018**, or **0.75** cubic meters per ton of beans.

Sustainability | Utilized resources wisely for a sustainable future.

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Message from the Chairman

Dear Shareholders

2019 was a challenging year amid volatility in the world economy and global financial system, US - China trade war, worsening impacts of climate change and changing consumer behaviors as a result of technological advancement and consumers themselves becoming more conscious about their health and the environment.

The fast-changing nature of every aspect of the world in the age of digital transformation, where technologies and innovations are fundamental to business success, has presenting a major challenge for traditional businesses as well as affecting change in consumer behaviors in the digital era. The Company recognizes the importance and necessity of adopting digital technology in all aspects of our business operations, in order to sustainably maintain our competitive advantage. The Company strives to achieve this goal by strengthening all our business components, including work process integration, information and resource allocation; new innovations; and major development in transport and distribution system in preparation for increased production capacity, which will allow for timely business adaptability and readying ourselves for future business ideas.

While going through transitions and changes, the Company is committed to enhancing our capacity and reaffirming our leadership in ASEAN in the vegetable oil and animal feed ingredients business by constantly investing in innovations. The Company intends to launch new premium vegetable oil and animal feed ingredient products before the end of 2020. There are also plans for export market expansion: retail vegetable oil in the CLMV countries through the brand “Healthy Chef”, currently the number one brand in Cambodia in term of sales; and industrial oil for the food industry in the ASEAN region. On the management side, the Company has systematically and efficiently managed the risks that related to environmental pollution and workplace accident. Not only does this contribute to achieving the Company’s business objectives as detailed in the business plan, it also delivers added value to the Company’s shareholders and stakeholders in a sustainable manner, consistent with the vision of Thai Vegetable Oil Public Company Limited - to be a sustained leader in the vegetable oil and animal feed ingredients business that fosters continued business development, operates with good governance and being socially responsible and environmentally friendly.

> I firmly believe that Thai Vegetable Oil Public Company Limited, which has been an industry leader and expert in soybean processing for more than 5 decades, has the potential and readiness to compete in both domestic and international market.

In 2019, Thai Vegetable Oil Public Company Limited achieved business growth by increasing sales volume of animal feed ingredients and refined soybean oil which grew by 7 and 5 percent respectively, compared to a year ago, resulting in the Company's total revenue and net profit reached 23,587 and 1,411 million baht respectively (1.74 baht per share for EPS). By operating our business based on the principle of sustainable development and good corporate governance, in 2019, the Company received the "SET Awards 2019": Business Excellence in the category of Best Company Performance Awards and had its CG scores evaluated as excellent (5 stars). In addition, TVO was selected a "sustainable stock" for 2019, being 1 of 98 listed companies that operate their business based on Environmental, Social and Governance (ESG).

I firmly believe that Thai Vegetable Oil Public Company Limited, which has been an industry leader and expert in soybean processing for more than 5 decades, has the potential and readiness to compete in both domestic and international market. Our products are well-received and trusted by our customers, for the quality and standard that meet their requirements. Moreover, with a holistic approach to risk management, the company takes into account the interests of all stakeholders to ensure sustainable growth while being able to deliver an impressive return to shareholders constantly.

On behalf of the Company's Board of Directors, I would like to take this opportunity to express our appreciation to the shareholders, customers, financial institutions, business partners, government agencies, consumers, general public and media, for putting your trust in the Board of Directors and Executives. I sincerely hope that you will continue to lend your support and help advance our business towards an even greater success. Finally, my heartfelt gratitude goes to the Company's executives and employees for your devotion, dedication and commitment to improving our work as well as achieving our set targets, and for that may your life be filled with happiness and prosperity always.

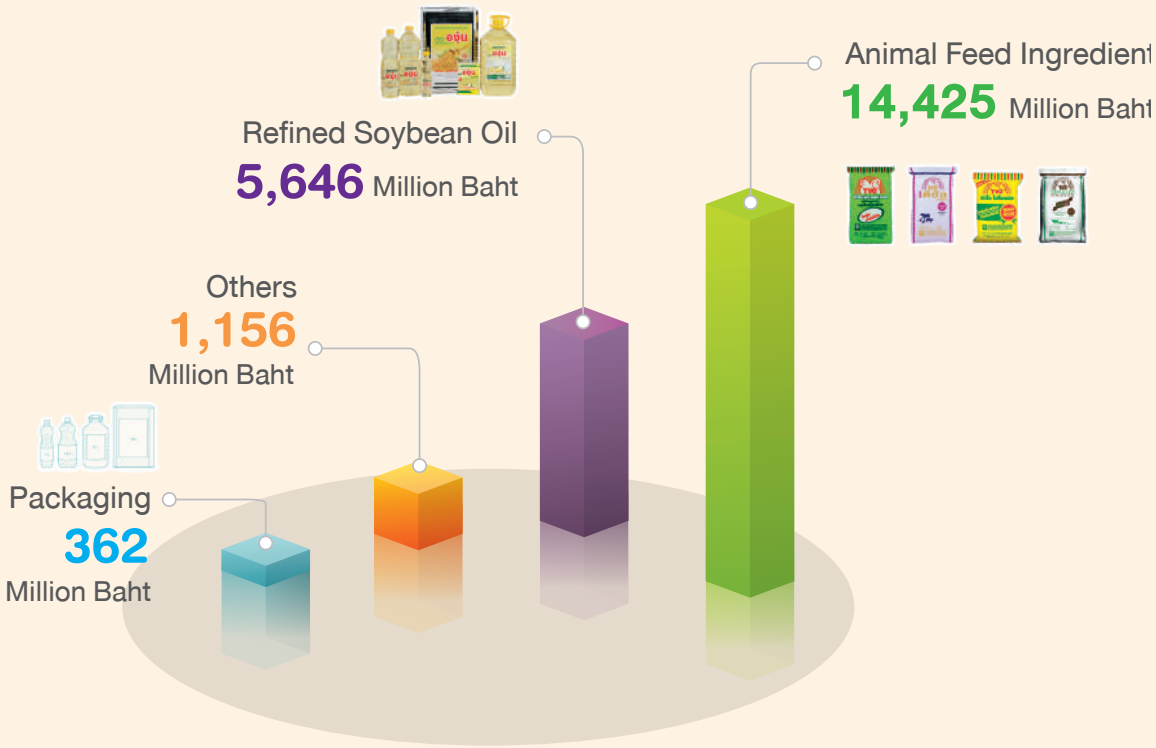
(Mr. Sompol Kiatphaibool)
Chairman of the Board

Financial Highlights

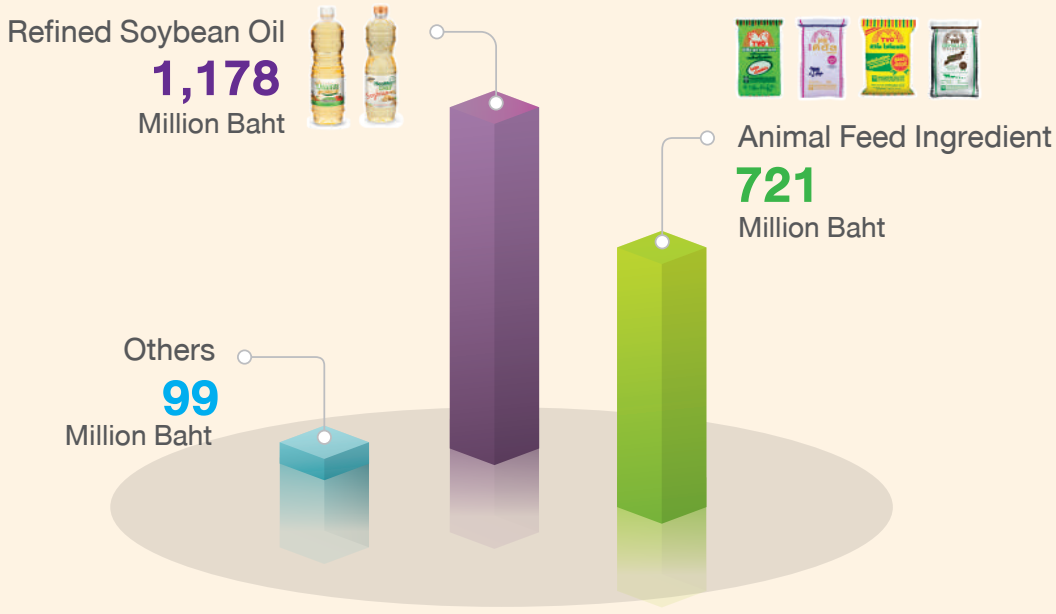
(Unit : Million Baht)

	2019	2018	2017	2016
Financial Status				
Total Assets	11,765.55	11,038.00	11,615.05	11,083.06
Total Liabilities	2,716.25	2,192.57	3,048.73	2,167.31
Shareholders' Equity	9,049.30	8,845.43	8,566.32	8,915.75
Operational Performance				
Total Revenue	23,800.04	25,118.91	24,805.05	28,335.39
Total Expense	21,989.70	22,811.33	23,221.23	25,048.63
Earnings before Income Tax	1,807.22	2,304.09	1,580.07	3,283.20
Net Earning	1,410.53	1,867.44	1,326.76	2,754.62
Per Share Data				
Earning Per Share (Baht)	1.74	2.31	1.64	3.41
Value Per Share (Baht)	10.72	10.47	10.13	10.56

Revenue from Domestic Sales



Revenue from International Sales



Board of Directors

1. Mr. Sompol Kiatphaibool
Chairman (Independent Director)

2. Mr. Apichart Chirabandhu
Independent Director

3. Dr. Chaipat Sahasakul
Independent Director

4. Assoc. Prof. Dr. Kitcha Urairong
Independent Director

5. Mr. Bowon Vongsinudom
Vice Chairman

6. Mr. Vichit Vitayatanagorn
Director

7. Miss Aranya Vitayatanagorn
Director

8. Mr. Vichai Vitayathanagorn
Director

9. Mr. Vachara Vitayatanagorn
Director

10. Mr. Pachai Chanpitaksa
Director

11. Mr. Ekarat Wongsupbhasatigul
Director

12. Mr. Vorravuth Tangpiroonthum
Director

Board and Management Profile

1

Mr. Sompol Kiatphaibool

Chairman (Independent Director)
Member of Audit Committee
Chairman of Corporate Governance, Nomination and Remuneration Committee
Age : 79 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : October 10, 2001

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- Ph.D., Business Administration, Western University
- Master of Economics, Fairleigh Dickinson University, New Jersey, USA
- Master of Development Economics. (Hons.), National Institute of Development Administration
- Bachelor of Economics (Hons.), Thammasat University
- Certificate, National Defense College of Thailand, 1988
- The Role of the Chairman Program (RCP) Class 8/2003, Thai Institute of Director Association (IOD)
- Capital Market Academy Leadership Program (Class 5) The Stock Exchange of Thailand

Present Position :

- Chairman (Independent Director), Member of Audit Committee, Chairman of Corporate Governance, Nomination and Remuneration Committee of Thai Vegetable Oil PCL.
- Senator
- Chairman, Board of Summachiv Foundation

Work experiences in the past 5 years :

- Vice Chairman, Anti-Corruption Organization of Thailand
- Member of National Legislative Assembly
- Commission Member in Insurance : Insurance Commission
- Chief Advisor to the Deputy Prime Minister
- Chief Advisor to the Minister of Commerce
- Advisory Board Committee, The Support Arts and Crafts International Center of Thailand (Public Organization)
- Commission Member, The Anti - Money Laundering Commission (AMLO)

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Mr. Apichart Chirabandhu

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

Age : 62 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : February 28, 2018

Position in Other Business :

- Other Listed Companies 3
- Other Non-Listed Companies 1

Education & Certificate :

- Bachelor of Laws, Ramkhamhaeng University
- Diploma, National Defence College,
  The Joint State - Private Sector Course (Class 24/2011)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Class 18/2014), King Prajadhipok's Institute
- Director Accreditation Program (DAP) Class 103/2013, Thai Institute of Directors Association (IOD)
- Advance Audit Committee Program (AACP) Class 31/2018,
  Thai Institute of Directors Association (IOD)
- Corporate Governance for Executive (CGE) Class 15/2019,
  Thai Institute of Directors Association (IOD)

Present Position :

- Independent Director, Chairman of Audit Committee and Member of Corporate Governance, Nomination and Remuneration Committee, Thai Vegetable Oil PCL.
- Expert attached to the Senator
- Independent Director, Member of the Audit Committee, Chairman of Corporate Governance Committee, Member of Nomination and Remuneration Committee, Triple I Public Company Limited
- Independent Director, Member of the Audit Committee, Chairman of Nomination and Remuneration Committee, Member of Corporate Governance Committee,
  Millcon Steel Public Company Limited
- Independent Director, Member of the Audit Committee, Chairman of Nomination and Remuneration Committee,
  Nok Airline Public Company Limited
- Director, AC Worldwide Co., Ltd.
- Treasurer of the Business Lawyers Foundation

Work experiences in the past 5 years :

- Advisor to the Minister of Tourism and Sports
- Director, Continental Holding Co.,Ltd.
- Director, Top Performing Corporation Co.,Ltd.
- Director, Siam Premier Service Co.,Ltd.
- Director, Siam Premier International Law Office Limited
- Consultant to the Labour Exploitation Committee, the Senate's Labour and Welfare Committee
- Honorary Advisory Committee of Thai Senate Standing Committee on Corruption Investigating and Good Governance Promotion
- Chairman, Wattana Capital Public Company Limited

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Dr. Chaipat Sahasakul

Independent Director
Member of Audit Committee
Member of Environmental, Social, Risk Management and Compliance Policy Committee
Age : 65 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : April 28, 2010

Position in Other Business :

- Other Listed Companies 1
- Other Non-Listed Companies -

Education & Certificate :

- Ph.D. in Economics, University of Rochester, USA
- M.A. in Economics, Thammasat University
- B.A. in Economics, Thammasat University
- The National Defense Course for the Joint State-Private Sectors, Class 21, National Defense College
- Leader Program, Capital Market Academy Class 12
- Executive Program in "Energy Literacy for Sustainable Future", Class 11,Thailand Energy Academy (TEA)
- Politics and Governance in Democratic Systems for Executives Class 11, King Prajadhipok's Institute
- Certificate of Director Certification Program (DCP 21/2002), Thai Institute of Directors Association (IOD)
- Certificate of Audit Committee and Continuing Development Program, Thai Institute of Directors Association (IOD)
- Certificate of Monitoring Fraud Risk Management, Thai Institute of Directors Association (IOD)
- Certificate of Monitoring the System of Internal Control and Risk Management, Thai Institute of Directors Association (IOD)
- Certificate of Monitoring the Quality of Financial Re porting, Thai Institute of Directors Association (IOD)
- Certificate of Monitoring the Internal Audit Function, Thai Institute of Directors Association (IOD)
- Certificate of the Board's Role in Fraud Prevention, Thai Institute of Directors Association (IOD)
- Audit Committee Program Class 33, Thai Institute of Directors Association (IOD)
- "Steering Governance in a Changing World" IOD International Director Conference 2017, Thai Institute of Directors Association
- "Corporate Disclosures: What are investors looking for beyond financial measures?" IOD Breakfast Talk 3/2017, Thai Institute of Directors Association
- Rising above disruption : A Call for Action, National Director Conference 2018 Thai Institute of Directors Association (IOD)
- Seminar on " Anti-Corruption: The Practical Guide ", Thai CAC
- EVEREST - Entire Business Innovation Transformation (EBIT), Case Study of IRPC, Thai Listed Companies Association
- "Sustainability of business in the digital age", EY Office Limited

Present Position :

- Independent Director, Member of the Audit Committee and Member of Environmental, Social, Risk Management and Compliance Policy Committee, Thai Vegetable Oil PCL.
- Member of Sub-committee on Performance Evaluation of and Agreement with State Enterprises (Agriculture and Natural Resources Sector), Office of State Enterprise Policy Committee, Ministry of Finance
- Independent Director, Member of Audit and CG Committee, Member of the Nomination and Remuneration Committee, Pylon PCL.

Work experiences in the past 5 years :

- Director, National Housing Authority
- Director, Navee Intertrade Co.,Ltd
- Member of Screening Sub-committee on State Enterprises Problem Solving Plans
- Member of Sub-committee on Monetary, Public Finance and Government Budget Policies and Monitoring Macroeconomic Situation, National Legislative Assembly
- Director, Eastern Water Resources Development and Management PCL.
- Member of Executive Sub-committee, Office of the Energy Conservation Promotion Fund

- Vice Chairman, Technical Advisory Committee on Research and Development of Energy Storage System Technology
- Chairman, Sub-committee on Project Evaluation under the Energy Conservation Promotion Fund
- Chairman, Agricultural Futures Exchange of Thailand
- Member of National Research Council of Thailand and Academic Committee Member in Economics
- Committee Member of Faculty of Economics, Thammasat University
- Member of Screening Sub-committee on Integration of Government Budget, Provinces and Provincial Clusters, and Local Government Authorities, National Legislative Assembly
- Independent Director and Member of the Audit Committee, Thai Capital Corporation PCL.

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Assoc. Prof. Dr. Kitcha Urairong

Independent Director
Member of Corporate Governance, Nomination and Remuneration Committee
Age : 67 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : April 29, 2014

Position in Other Business :
- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :
- BS (Veterinary Science), Kasetsart University
- DVM (Doctor of Veterinary Medicine), Kasetsart University
- Zeugnis in Schweinekrankheiten, Hannover Veterinary University, Germany
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD) Class 202/2014
- Diplomate, Thai Board of Veterinary Medicine

Present Position :
- Independent Director, Member of Corporate Governance, Nomination and Remuneration Committee, Thai Vegetable Oil PCL.
- Senior Expert, Faculty of Veterinary Medicine, Kasetsart University.
- Advisor of subcommittee in veterinary drugs and vaccines, Thai Veterinary Council.
- Technical Advisor, Better Pharma Company, Betagro.
- Technical Advisor, Bioscience Group.
- Technical Advisor, Vet Product Group.
- Technical Advisor, Smart Vet Group.
- Technical Advisor, MasterVet Co. Ltd.
- Technical Advisor, MacProduct Co. Ltd.
- Technical Advisor, MSD Thailand, Animal Division.
- Technical Advisor, Zoetis Thailand, Animal Division.
- External Expert, Academic Committee of Kasetsart University.

Work experiences in the past 5 years :
- Expert Committee of Pig Board, Ministry of Agriculture and Cooperatives.
- Vice Dean, Faculty of Veterinary Medicine, Kasetsart University.
- Vice President for Administration and Property Management, Kasetsart University.
  Commission (AMLO)

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Mr. Bowon Vongsinudom

Vice Chairman
Chairman of Environmental, Social, Risk Management and Compliance Policy Committee
Chief Executive Officer and President

Age : 65 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : April 26, 2017

Position in Other Business :
- Other Listed Companies 2
- Other Non-Listed Companies 3

Education & Certificate :

- Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- M.Eng.(Chemical Engineering), Chulalongkorn University
- B.Eng.(Chemical Engineering), Chulalongkorn University
- Diploma of The Joint State - Private Sector Course (Class 17/2004) National Defence College of Thailand
- Director Accreditation Program (DAP) Class 76/2008, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) Class 209/2015, Thai Institute of Directors Association (IOD)
- Advance Audit Committee Program (AACP) Class 28/2018, Thai Institute of Directors Association (IOD)
- Role of the Chairman Program (RCP) Class 45/2019, Thai Institute of Directors Association (IOD)

Present Position :

- Vice Chairman, Chairman of Environmental, Social, Risk Management and Compliance Policy Committee, Chief Executive Officer and President, Thai Vegetable Oil PCL.
- Chairman, Prima Marine PCL.
- Chairman, PTT Phenol Co.,Ltd
- Chairman, UAC Advance Polymer & Chemicals Co.,Ltd.
- Vice Chairman, The Federation of Thai Industries
- Chairman, The Institute of Industrial Energy, The Federation of Thai Industries
- Director, Bangkok Industrial Gas Co.,Ltd.
- Director, WP Energy PCL.

Work experiences in the past 5 years :

- Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance Nomination and Remuneration Committee, and Chairman of the Risk Management Committee Thai Vegetable Oil PCL.
- Chairman of Industrial Promotion and Support Committee, The Federation of Thai Industries
- Chairman, Thai British Security Printing PCL.
- Director, State Railway of Thailand
- Director, Metropolitan Waterworks Authority
- Chairman, Water Institute for Sustainability, The Federation of Thai Industries
- Chairman of Petrochemical Cluster, The Federation of Thai Industries
- Director, President & CEO, PTT Global Chemical PCL.
- Executive Vice President, Downstream Petroleum Business Group, PTT PCL.
- Chairman, NPC Safety and Environmental Service Co.,Ltd.
- Director, Global Power Synergy PCL.

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Mr. Vichit Vitayatanagorn

Director
Advisor to Chief Executive Officer
Age : 74 Years

Share Holding (Including related person) :

- 1.36% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : March 28, 1985

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- International Overseas Chinese High School, Taiwan
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)
- Program of Art and Cultural Ambassador, Faculty of Fine and Applied Arts, Chulalongkorn University

Present Position :

- Director and Advisor to Chief Executive Officer, Thai Vegetable Oil PCL.
- President, Soybean and Rice Brand Oil Processor Association

Work experiences in the past 5 years :

- Vice Chairman of the Executive Board, Member of Corporate Governance, Nomination and Remuneration Committee, Thai Vegetable Oil PCL
- Member of Risk Management Committee, Thai Vegetable Oil PCL

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Miss Aranya Vitayatanagorn

Director
Member of Environmental, Social,
Risk Management and Compliance Policy Committee
Chief Operating Officer - Commercial
Age : 54 Years

Share Holding (Including related person) :
- 2.27% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : April 29, 2011

Position in Other Business :
- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :
- Bachelor of Business Administration (Management), Faculty of Business Administration Thonburi University
- Mini MBA, Year 1986, Thammasart University
- Sustaining the Family Business - SFB 2009, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP), Class 82/2010, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Class 134/2010, Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD), Class 11/2011, Thai Institute of Directors Association (IOD)
- Executive Development Program (EDP), Class 12/2013, Thai Listed Companies Association (TLCA)
- Risk Management Class 5/2015, Chulalongkorn University
- Capital Market Academy Leadership Program (Class 23/2016), The Stock Exchange of Thailand

Present Position :
- Director and Member of Environmental, Social, Risk Management and Compliance Policy Committee, Thai Vegetable Oil PCL
- Chief Operating Officer - Commercial, Thai Vegetable Oil PCL

Work experiences in the past 5 years :
- Member of the Corporate Governance, Nomination and Remuneration Committee, Thai Vegetable Oil PCL
- Vice Chairman of the Executive Board and Member of Risk Management Committee Thai Vegetable Oil PCL
- Senior Executive Vice President; Feed Business Unit, Thai Vegetable Oil PCL
- Deputy Managing Director, Sale and Marketing Business I Department, Thai Vegetable Oil PCL.

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Mr.Vichai Vitayathanagorn

Director
Age : 69 Years

Share Holding (Including related person) :
- 7.55% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : May 13, 2016

Position in Other Business :
- Other Listed Companies -
- Other Non-Listed Companies 5

Education & Certificate :
- The Institute of Administration, Hong Kong
- Ling-Nan College Hong Kong
- Directors Certification Program (DCP), Thai Institute of Directors Association (IOD)

Present Position :
- Director, Thai Vegetable Oil PCL.
- Chairman, Fah Chai Yo Co.,Ltd.
- Chairman, U Flow Plus Co.,Ltd.
- Chairman, Fila Plus Co.,Ltd.
- Chairman, Texport Thai Co.,Ltd.
- Director, Sing Heang Industry Co.,Ltd.
- Senior Adviser Committee on Border Trade Group and Cross Border Trade on The Southern China. (2017-2018)

Work experiences in the past 5 years :

- President of "Klang samong for life" Council (Honorary President)
- Advisor on Development of Logistics System for Thai Chamber of Commerce (2015- 2017)
- Advisor of Xi Shuang Banna Chamber of Commerce (2014 - 2017)

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Mr.Vachara Vitayatanagorn

Director

Age : 49 Years

Share Holding (Including related person) :

- 1.40% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : April 29, 2013

Position in Other Business :

- Other Listed Companies 1
- Other Non-Listed Companies 1

Education & Certificate :

- Master of Arts in Economics, University of Colorado at Denver, U.S.A
- Bachelor of Business Administration in Finance and Banking, Assumption University
- Directors Certification Program (DCP) Class 174/2013, Thai Institute of Directors Association (IOD)
- Risk Management Committee Program (RMP) Class 1/2013, Thai Institute of Directors Association (IOD)
- Effective Minute Taking (EMT) Class 28/2014, Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP) Class 8/2014, Thai Institute of Directors Association (IOD)
- Board Reporting Program (BRP) Class 13/2014, Thai Institute of Directors Association (IOD)
- How to Develop a Risk Management Plan (HRP) Class 5/2014, Thai Institute of Directors Association (IOD)
- Capital Market Academy Leadership Program (22/2016), Capital Market Academy
- Thailand Energy Academy Leadership Program Class 12/2018
- Bhumipalung Phandin (Class 5/2019), Chulalongkorn University

Present Position :

- Director, Thai Vegetable Oil PCL.
- Director, Executive Director, and Member of Risk Management Committee, Prodigy PCL.
- Director, Golden Thread Co., Ltd.

Work experiences in the past 5 years :

- Advisor, Committee on Economics, Monetary and Finance (NLA)
- Corporate Secretary and Admin Manager, Prodigy PCL

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Mr.Pachai Chanpitaksa

Director

Executive Vice President, Supply and Trading Department

Age : 36 Years

Share Holding (Including related person) :

- 0.36% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : March 18, 2015

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- Master of Sciences in Technical Venture and foundation of entrepreneurship, University College London & London School of Economics and Political Science - London, United Kingdom
- Bachelor of Engineering in Engineering with Business and Finance, University College London & London Business School - London, United Kingdom

- Director Certification Program (DCP 216/2016), Thai Institute of Directors Association (IOD)
- Academy of Business of Creativity (Batch 5), Sripatum University
- Executive Development Program, Thai Listed Companies Association
- Digital Edge Fusion (DEF 1/2017), Sripatum University
- Professional Symposium for CEO in Real Estate (RE-CU 3/2017), The Real Estate Executive Association of Chulalongkorn University
- Leadership Succession program, Institute of Research and Development for Public Enterprises
- Boards that Make a Difference (BMD 9/2019), Thai Institute of Directors Association (IOD)

Present Position :

- Director, Thai Vegetable Oil PCL.
- Executive Vice President, Supply and Trading Department, Thai Vegetable Oil PCL.

Work experiences in the past 5 years :

- Executive Director, Thai Vegetable Oil PCL.
- Director of Supply and Trading, Thai Vegetable Oil PCL.
- Raw material procurement and Trading, Thai Vegetable Oil PCL.

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Mr. Ekarat Wongsupbhasatigul

Director

Age : 38 Years

Share Holding (Including related person) :

- 1.50% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : April 28, 2016

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies 1

Education & Certificate :

- Master of Business Administration Management (Executive), Sasin Graduate Institute of Business Administration
- Bachelor of Sciences in Electrical Engineering, Suffolk University, United State of America
- Executive Development Program (EDP), Thai Listed Companies Association, The Stock Exchange of Thailand
- The Program for Senior Executive on Justice Administration (Batch 16), National Justice Academy
- The Politics and Governance Democratic Systems for Executives, The King Prajadhipok's Institute
- Young Entrepreneurship Program, Siam Commercial Bank
- Academy of Business of Creativity (Batch 3), Sripatum University
- Director Certification Program (DCP 227/2016), Thai Institute of Directors Association (IOD)
- Strategic Board Master Class (SBM 6/2019), Thai Institute of Directors Association (IOD)

Present Position :

- Director, Thai Vegetable Oil PCL.
- Deputy Managing Director, Gloden Thread Co.,Ltd
- Executive Director, Gloden Thread Co.,Ltd

Work experiences in the past 5 years :

- Deputy Managing Director (Production), Gloden Thread Co.,Ltd
- Deputy Managing Director (Marketing), Gloden Thread Co.,Ltd

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Mr.Vorravuth Tangpiroonthum

Director

Age : 45 Years

Share Holding (Including related person) :

- 0.91% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : April 26, 2017

Position in Other Business :

- Other Listed Companies 3
- Other Non-Listed Companies 1

Education & Certificate :

- MBA, Concentrate in Marketing and Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- BBA, Concentrate in Management, Commerce and Accountancy, Chulalongkorn University
- Professional CFO Diploma, National Institute of Developments Administration (NIDA)
- Thai Intelligence Investors Program, Thai Investors Association
- Director Accreditation Program 14/2004 (DAP), Thai Institute of Directors Association (IOD)
- Finance for Non - Finance Directors (FND) 35/2007, Thai Institute of Directors Association (IOD)
- Director Certification Program 92/2007 (DCP), Thai Institute of Directors Association (IOD)
- Diploma Examination (EXAM) 22/2007, Thai Institute of Directors Association (IOD)
- Monitoring the Internal Audit Function 6/2009 (MIA), Thai Institute of Directors Association (IOD)
- Family Business Sustainability (FBS) 4/2016, Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program 23/2016 (AACP), Thai Institute of Directors Association (IOD)
- Corporate Governance for Capital Market 20/2018 (CGI), Thai Institute of Directors Association (IOD)
- Board Nomination and Compensation Program (BNCP) 4/2018, Thai Institute of Directors Association (IOD)
- Strategic Board Master Class (SBM 6/2019), Thai Institute of Directors Association (IOD)
- Boardroom Success Through Financing and Investment (BFI) 9/2020, Thai Institute of Directors Association (IOD)

Present Position :

- Director, Thai Vegetable Oil PCL.
- Director and Strategy and Investment Committee Member, Prodigy PCL.
- Director, Audit Committee Member and Member of Corporate Governance, Nomination and Remuneration Committee, Major Development PCL.
- Director and Chairman of the Risk Management Committee, Thai Ha PCL.
- Chief Executive Officer, Cheer Group Holding Company Limited

Work experiences in the past 5 years :

- Chief Financial Officer and Chairman of the Risk Management Committee, Thai Ha PCL.
- Fellow Member, Thai Institute of Directors Association
- Class President of SCBS Infinite Wealth Program 3/2016 (IWP), SCB Securities Co., Ltd
- Co-Founder of "Sasin for Farmer" Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University and Thai Rice Foundation under Royal Patronage
- Practitioner in Business Finance, Master of Engineering in Innovation & Entrepreneur, Engineering Faculty, Mahidol University
- Committee of Commerce and Accountancy of Chulalongkorn University
- Committee of Selection Candidate MBA, Mahidol University

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Mr. Pairote Utaisup

Chief Operating Officer - Production

Age : 62 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : July 4, 2018

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- Bachelor of Engineering, Chulalongkorn University
- NIDA-Wharton Executive Leadership 2008, Wharton School of Business, University of Pennsylvania, U.S.A.
- Director Certification Program (DCP) Class 127/2010 Thai Institute of Directors Association (IOD)

Present Position :

- Chief Operating Officer - Production, Thai Vegetable Oil Public Company Limited
- Chairman of Petrochemical Industry Club, The Federation of Thai Industries

Work experiences in the past 5 years :

- Senior Vice President, Polymers Business Unit, PTT Global Chemical Public Company Limited
- Director, PTT Polymer Marketing Company Limited
- Director, PTT Polymer Logistics Company Limited
- Director, PT Indo Thai Trading
- Senior Vice President, Polymers Business Unit, PTT Global Chemical Public Company Limited
- Director and Acting managing Director, Thai Styrenics Co., Ltd.

14

Mr. Chanvit Vitayatanagorn

Executive Vice President; Business Department

Age : 50 Years

Share Holding (Including related person) :

- 0.97% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : January 30, 2015

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies 3

Education & Certificate :

- Master of Business Administration - Marketing Concentration University of North Carolina, U.S.A.
- Second Bachelor Degree in Business Administration University of North Carolina, U.S.A.
- Bachelor of Economics (Business Economics) Bangkok University, Thailand
- Director Certification Program (DCP), Class 136/2010 Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP), Class 84/2010 Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD), Class 9/2010 Thai Institute of Directors Association (IOD)
- Executive Development Program (EDP), Class 14/2014 Thai Listed Companies Association (TLCA)
- Risk Management, Class 5/2015 Chulalongkorn University
- Advanced Security Management Program (ASMP), Class 7/2016, Thailand National Defence College (TNDC)

Present Position :

- Executive Vice President - Business Department, Thai Vegetable Oil PCL.
- President, New Wave Asia Company Limited
- President, Gentosia Company Limited

Work experiences in the past 5 years :

- Executive Director, Member of Risk Management Committee, Thai Vegetable Oil PCL.
- Deputy Managing Director, International Business Thai Vegetable Oil PCL.

15

Mr. Supachai Vitayatanagorn

Executive Vice President,
Business Development Department

Age : 47 Years

Share Holding (Including related person) :

- 1.44% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : January 30, 2015

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- Master of International Business, Swinburne University, Melbourne Australia
- Bachelors of Commerce, Deakin University, Melbourne Australia
- Director Certification Program (DCP), Class 137/2010 Thai Institute of Directors Association (IOD)
- Executive Development Program (EDP), Class 13/2014 Thai Listed Companies Association (TLCA)
- Risk Management, Class 5/2015 Chulalongkorn University
- The TLCA Leadership Development Program, Class 4/2016 Thai Listed Companies Association (TLCA)
- Ultra Wealth Class 3/2017, The UltraWealth Group Co.,Ltd

Present Position :

- Executive Vice President- Business Development Department, Thai Vegetable Oil PCL.

Work experiences in the past 5 years :

- Executive Director, Member of Risk Management Committee, Thai Vegetable Oil PCL.
- Director of Foreign Trade, Thai Vegetable Oil PCL.
- Manager of Foreign Trade, Thai Vegetable Oil PCL.

16

Mr. Kamtorn Ekmetipunt

Assistant Managing Director, Production Department

Age : 59 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : August 1, 2014

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- B.Sc. (Chemical Technology), Chulalongkorn University

Present Position :

- Assistant Managing Director, Production Division Thai Vegetable Oil PCL.

Work experiences in the past 5 years :

- Production Director I-IV, Thai Vegetable Oil PCL.

17

Miss Sunanta Tritepapiruk

Assistant Managing Director,
Finance and Accounting Department

Age : 56 Years

Share Holding (Including related person) :

- 0.08% of Total Voting Shares

Percent of Shareholding Change : None

Date of Appointment : January 28, 2015

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- M.S., Thammasat University
- B.A. Accounting (Second Class Honor), Thammasat University

Present Position :

- Assistant to Managing Director; Finance and Accounting Department, Thai Vegetable Oil PCL.

Work experiences in the past 5 years :

- Finance & Accounting Director, Thai Vegetable Oil PCL.

18

Mr. Sakchai Padungkiattivong

Assistant Managing Director, Business Department III

Age : 56 Years

Share Holding (Including related person) : None

Percent of Shareholding Change : None

Date of Appointment : December 1, 2013

Position in Other Business :

- Other Listed Companies -
- Other Non-Listed Companies -

Education & Certificate :

- Bachelor Degree of Marketing, Sukhothai Thammathirat University
- Mini Master of Management, Mahidol University
- Mini MBA, Thammasat University
- Micro MBA, Chulalongkorn University
- Leadership Development Program, National Institute of Development Administration (NIDA)

Present Position :

- Assistance Managing Director; Business Department III, Thai Vegetable Oil PCL.

Work experiences in the past 5 years :

- Marketing Consultant, Teikoku Research Co., Ltd.
- Marketing Consultant, T-Holding Co., Ltd.
- Director, BBKK Co., Ltd.
- Sales and Marketing Director, Thai Vegetable Oil PCL.

Policy and Business Overview

The Board of Directors values the importance of the Company's operations, therefore, The Board of Directors requires to review the vision, mission and long-term goals and operational strategy of the Company annually to define the directions of the Company's operations and adjust its strategy to be in accordance with economic conditions and competition in the market. During the year 2019, the Board of Directors considered and reviewed the vision, mission, long-term goals and strategy with the executives at the Board of Directors' meeting no. 13/2019 on November 22, 2019 with a resolution to revise the vision and mission to be in line with the current business operations of the Company.

Vision

TVO will sustain its leadership in the vegetable oil and animal feed ingredients business.

Mission

- Strives to develop personal excellence
- Improves production efficiency in order to raise the quality of products and services that win the hearts of consumers
- Creates new products through innovative initiation with objective to grow business and reaffirm position as an industry leader that concern about the community, society and environment.

Objective and Long-Term Goal

The Company is confident in the potential growth of the agricultural and food industry. The Company, therefore, has a plan to expand its business into regional markets in Southeast Asia, to strive our product quality improvement continually with modern technology in accordance with international standards based on the use of resources properly and environmentally friendly and to create innovation that creates value for the business and reduces environment impacts, and also to increase the potential of our employees at all levels in order to enhance our competitiveness along with caring for society and communities, and to generate appropriate return for shareholders. By conducting business that takes into account all interested parties, it will lead to the Company's sustainable growth.

To ensure that the Company's operations are in line with the objectives and goals of achieving net profit at rate 6-8 percent per year by 2024, the Board of Directors, therefore, considers to determine the core strategy annually in order to adjust the strategy to be in line with the changing situations along with extensive risk management and sufficient internal control in accordance with the principle of good corporate governance by considering the environmental factors of the business and the analysis of the potential impacts on the related stakeholders. In the year 2019, the Board of Directors together with the management reviewed the past year's performance coupled with changing internal and external environments to determine the strategies linked to the operation plan and annual budget as follows;

Raw material procurement

The Company will increase options for purchasing raw materials from various production sources, both domestically and internationally, purchase quality raw materials in accordance with TVO standards, and be responsible for creating a balance between quality and price, as well as, create stability in the raw materials acquisition continuously and sustainably from potential and reliable partners.

Production capacity management

The Company will improve the current machine and working system to be more efficient, enhance production capacity with modern machinery and technology, manage plant shutdown plan in accordance with the operation plan, and develop infrastructure and public utilities systems appropriately to support the increase of production capacity, as well as, create innovative works that reduces production costs and environmental impacts in order to create a competitive advantage of the Company.

Product Quality

The Company is committed to produce quality products that meet international standards, as well as, to research and develop new products with modern technology that reduces environmental impacts in order to differentiate the Company with competitive advantage, to generate more revenue and profit for the Company and to be respond to changes in consumer behavior at present and in the future.

Distribution

The Company will increase new distribution channels and distribute our products to potential business partners, accelerate sale volumes both domestic and international, and expand our business through exporting to Southeast Asia countries, especially CLMV, in order to create new customer base among international markets and to support the future business expansion.

Customers

The Company will develop relationships with new customers and maintain the current customers firmly, build and maintain long-term relationships with business partners in accordance with business sustainability development guidelines.

Performance Efficiency

The Company will increase operational efficiency in line with the digital transformation era by using data processing technology to make planning and decision-making accurately and install automation system in production and logistics to reduce work procedures and increase work effectiveness and prepare to become a smart factory.

Human Resource Management

The Company will develop and prepare key successors for high-level positions, adjust the compensation management structure and welfares appropriately, and develop personnel capability to support the change to the digital age effectively

Major Development

The Company was established in 1967 under the name of Nakornchaisri Oil Refinery Company Limited, a manufacturer and distributor of rice bran oil. Then, in 1985, the Company was registered as Thai Vegetable Oil Company Limited to operate and produce cooking vegetable oil and animal feed ingredients and was listed on the Stock Exchange of Thailand on November 14, 1990 as a Thai Vegetable Oil Public Company Limited or TVO. Over the past 52 years, the Company is committed to conduct business in accordance with the principles of corporate governance with regard to responsibility to all stakeholders to make the Company grow sustainably and maintain leadership in the vegetable oil industry as well as create appropriate returns for shareholders regularly.

Year	Major Development
1967	Established Nakornchaisri Oil Refinery Company Limited to produce rice bran oil with a capacity of 50 tons / day
1985	Establishment of Thai Vegetable Oil Company Limited with a production capacity of 400 tons of soybean / day
1990	Acquired the assets of Nakornchaisri Refinery Company Limited, expanding production capacity to 800 tons of soybean / day and listed on the Stock Exchange of Thailand
1992	Held 14% of shares in Thai Edible Oil Co., Ltd., King Rice Bran Brand
1993	Held 43% of shares in Prodigy Company Limited, PET bottle packaging manufacturer
1994	Held 65% of shares in Thai Vegetable Oil International Company Limited
1997	Expanded production capacity to 1,500 tons of soybean / day
2000	Expanded production capacity to 2,000 tons of soybean / day
2001	Expanded production capacity to 3,500 tons of soybean / day
2010	Expanded production capacity to 6,000 tons of soybean / day and withdrew investment in Thai Vegetable Oil International Company Limited
	Prodigy Public Company Limited has increased capital causing the Company's shareholding was adjusted to be 31.85%
2015	Launched Healthy Chef and Queen products for the CLMV market
2017	Exported soybean meal to other countries
2018	Adjusted the production technology of Full Fat Soy / Innovation Project - Nano Neutralization
2019	Improving oil quality with ICE Condensing system
	Launching new product - Canola oil
	Expanding production capacity by instelling Expander machine

Operational Policy for subsidiary and associated company

The Company has a policy to invest in the related businesses that have potential to support both domestics and international earnings, which should be a business that has potential and can generate long-term profitability for the Company in order to increase share values for Shareholders. The Company invested in Prodigy Public Company Limited, a manufacturer of PET bottles, and also invested in Thai Edible Oil Company Limited, a manufacture of Rice bran oil, branded KING.

The subsidiary and its associated companies operate their business according to their management policy. Their management team adhere to the good governance principles in which the Company considers appointing our representatives to be directors and / or executives in the subsidiary and associated companies at proportion of shares held in order to control and participate in any significant management policy formulation affecting to the Company's operations.

Company Shareholding Structure

The Company holds 14% of shares in Thai Edible Oil Company Limited and 31.85% of shares in Prodigy Public Company Limited.

Prodigy Public Company Limited

Prodigy Public Company Limited produces and distributes PET plastic bottle for foods and beverages, including packaging for the Company's vegetable oil. Prodigy sells its products to both the Company and external customers. PET plastic bottle is durable, transparent, acid and base resistant and air-tight, making it suitable for preserving taste and quality of foods and beverages.

As the accounting period ending December 31, 2019, the Company's sales revenue was Baht 672.846 million with net profit Baht 65.877 million due to the decrease in sales of vegetable oil segment which changed their purchase from the finished product (Bottles) to the semi-finished product (Preform) that has lower price as well as the average selling price per unit decreased, however, the net profit increased due to the decrease of raw material cost.

Thai Edible Oil Company Limited

Thai Edible Oil Company Limited is rice bran oil manufacturer and distributor under the "King" brand which is distributed to many countries worldwide.

The Investment of the Company

Prodigy Public Company Limited

Head Office
7/3 Soi Sukhaphiban, Tambon Bangkraboa,
Amphor Nakornchaisri, Nakornpathom
Tel. (034) 332-611-2
Fax. (034) 332-613

Type of Business
Production Industry

No. of Shares
Common Shares 270,000,000 Units

No. of Shares Held
86,000,000 Shares

Ratio Shareholding
31.85%

Thai Edible Oil Co., Ltd.

Head Office
3366/6-8 Soi Manorom, Rama 4 Road,
Klongton, Klongtoey, Bangkok 10100
Tel. (02) 249-9351-2
Fax. (02) 249-4914

Type of Business
Manufacture and Distribution of Vegetable Oil

No. of Shares
Common Shares 13,980,000 Units

No. of Shares Held
2,000,000 Shares

Ratio Shareholding
14%

Industrial conditions and competition

Economy in 2019 and 2020 outlook

Global economy

Global economic growth in 2019 was dented by the escalating US-China trade war, geo-political tension, weaker growth in emerging market economies and ageing population in the developed world.

The aforementioned factors have contributed to the slowdown in exports and economic growth of most of developing countries, ASEAN member countries and other major developing countries. Moreover, with the inflation rates being below the monetary policy targets, several central banks continued to case their respective monetary policies further. In 2019, the US Federal Reserve cut its policy interest rates 3 times, a cumulative 0.75 percentage point over the year. The European Central Bank lowered the deposit rate and increased its bond purchases. Central banks across Asia, such as China, South Korea, Malaysia, Indonesia, the Philippines and Thailand, had taken a similar approach in further loosening their monetary policies.

In January 2020, the International Monetary Fund (IMF) forecast that the global economy in 2019 would grow by 2.9 percent (lower than the October 2019 forecast at 3.2 percent), a record low since the onset of the global financial crisis of 2008-2009.

Thailand's economy

The Office of the National Economic and Social Development Board (NESDB) forecast that the Thai economy in 2019 would grow by only 2.6 percent, down from the 4.1 percent growth in 2018 (Figure 1), because of lower-than-expected growth in exports. Heightened tension and increased uncertainty resulting from trade protectionism measures had caused manufacturers and exporters to continue delaying their production and commercial activities. Investment disbursements by state-owned enterprises remained low, leading to lower-than-expected growth in public investment. The average exchange rate of the Baht in 2019 was 31.04, representing a 3.9 percent appreciation compared to the 2018 average rate. The current account surplus for 2019 was 6.2 percent of the GDP, increasing from 5.6 percent of the GDP in 2018.

Global economic outlook

The global economy in 2020 is projected to grow at a slower pace than in 2019, in line with the slowdown of the US, Chinese and Japanese economies as well as the negative impact of escalating trade protectionism measures over the past 2 years. However, the escalating trade tension is expected to ease after the US and China having reached the "phase 1 trade deal" at Washington DC, on 15 January 2020. It was the first concrete step to resolving the trade dispute between the two countries which have engaged in a tit-for-tat trade war for over 18 months, and will likely help stabilize the currently volatile global trading system. The phase 1 deal, together with monetary policy easing by several countries in 2019 and signs of recovery from the Eurozone countries, are expected to mitigate the negative impact on the volume of global trade and global economy. In January 2020, the IMF forecast that the global economy in 2020 will grow by 3.3 percent, a downward revision from its forecast in October 2019 at 3.4 percent.

Thailand's economic outlook

The Thai economy in 2020 is expected to slightly slowdown from 2019 because of the export contraction which started to broadly affect domestic consumption. Despite a boost from public and private investments, the NESDB forecast in November 2019 that the Thai economy in 2020 will grow by 2.7-3.7 percent. Analysts forecast that the Baht will slightly appreciate to 30.50 Baht per USD, primarily due to Thailand's current account surplus.

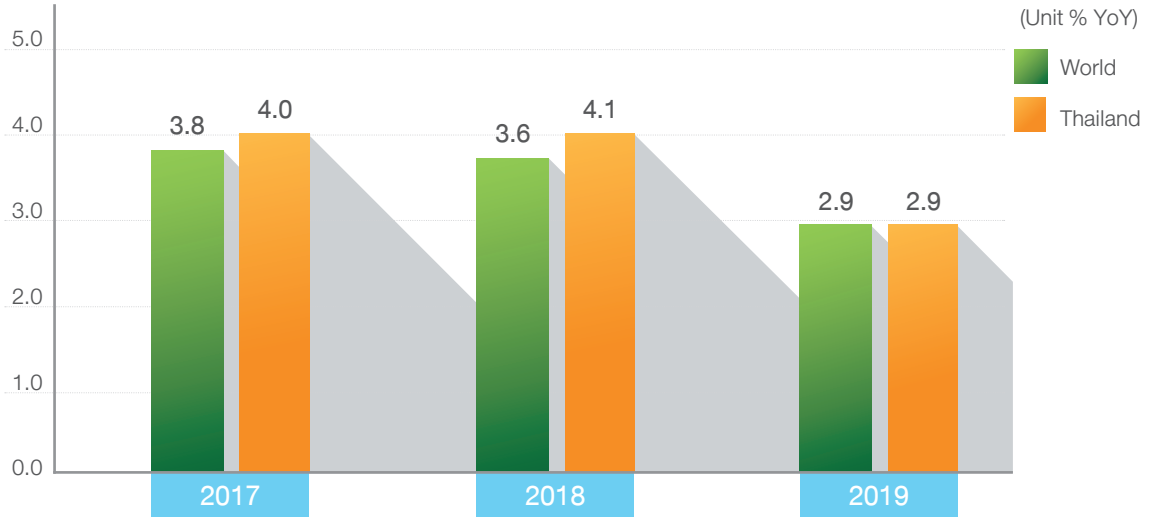
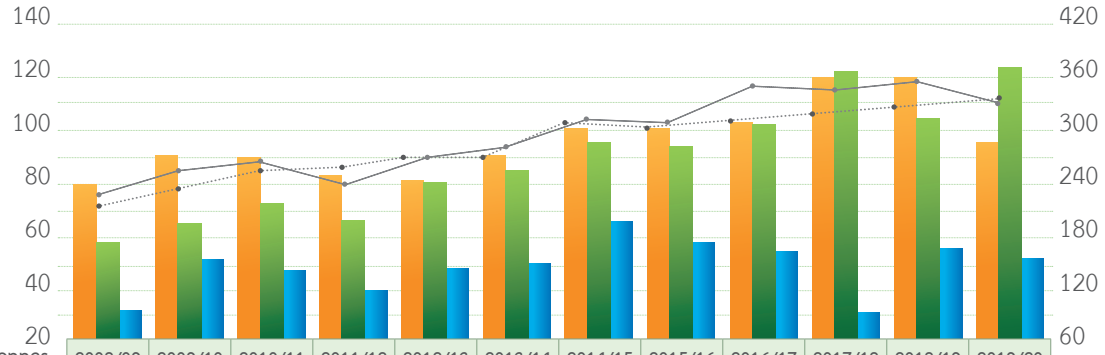


Figure 1 Global and Thailand's economic growth rates in 2017-2019
Source: 1. IMF, as of January 2020
2. The Office of the National Economic and Social Development Board, as of November 2019

Soybeans and Products Outlook

The global soybean demand in 2019/20 stands at 350 million tons, which is greater than the global soybean production at 338 million tons. It is the first time in 8 years that the soybean production is lower than the demand (Figure 2). The shortfall is a result of large areas of soybean fields in the U.S. being flooded at the start of the growing season, damaging approximately 24 million tons of US soybean production. Consequently, the global soybean stocks-to-use ratio is down from 32 percent during 2018/19 to 27 percent for this current season. This figure is still considered quite high when compared to the historical average. The ongoing US-China trade war has seen the two sides engaged in verbal jousting and imposing tariffs against each other for almost 2 years. As a result, China's import of US soybeans was down by 14 million tons (58 percent from the previous year). Moreover, the outbreak of the African Swine Fever (ASF) in China had led to the fall of China's soybean import for the first time in 17 years and caused China to import only 82.6 million tons of soybeans in 2018/19 (down 12 percent from the previous year). The average CBOT soybean price for 2019 was USD 8.9 per bushel, down from the 2018 average price of USD 9.3 per bushel (Figure 3).



Unit : million tonnes	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
U.S. production	80.75	91.42	90.61	84.19	82.56	91.39	106.88	106.87	116.93	120.07	120.52	96.84
Brazil production	57.80	69.00	75.30	66.50	82.00	86.70	97.20	96.50	114.60	122.00	117.00	123.00
Argentina production	32.00	54.50	49.00	40.10	49.30	53.40	61.45	58.80	55.00	37.80	55.30	53.00
Global Soybean Production (RSH)	211.60	260.40	263.92	239.15	267.83	282.75	320.69	316.57	349.94	341.99	358.28	337.70
Global Soybean Consumption (RSH)	222.90	239.31	252.91	259.58	263.70	276.92	303.26	316.25	331.54	338.33	343.62	350.11

Figure 2: Global soybean production and consumption in 2008-2019
Source: United Sates Department of Agriculture (USDA)

The CBOT average soybean meal price for 2019 was USD 303 per short ton, down from the 2018 average price of USD 339 per short ton. The outbreak of ASF in China caused a 17 percent decline in the Chinese animal feed demand, which in turn led to a 4 percent drop in the Chinese soybean meal demand compared to the previous year (as per the Rabobank report). The CBOT average soybean oil product price for 2019 was 29.2 cents per pound, down from the 2018 average price of 29.8 cents per pound. The price was pressured by the global over-supply of vegetable oils, especially palm oil. The average palm oil price for 2019 was at its 4-year low. The CBOT's average soybean crush margin for 2019 was USD 37.6 per ton, close to the past 5-year average.

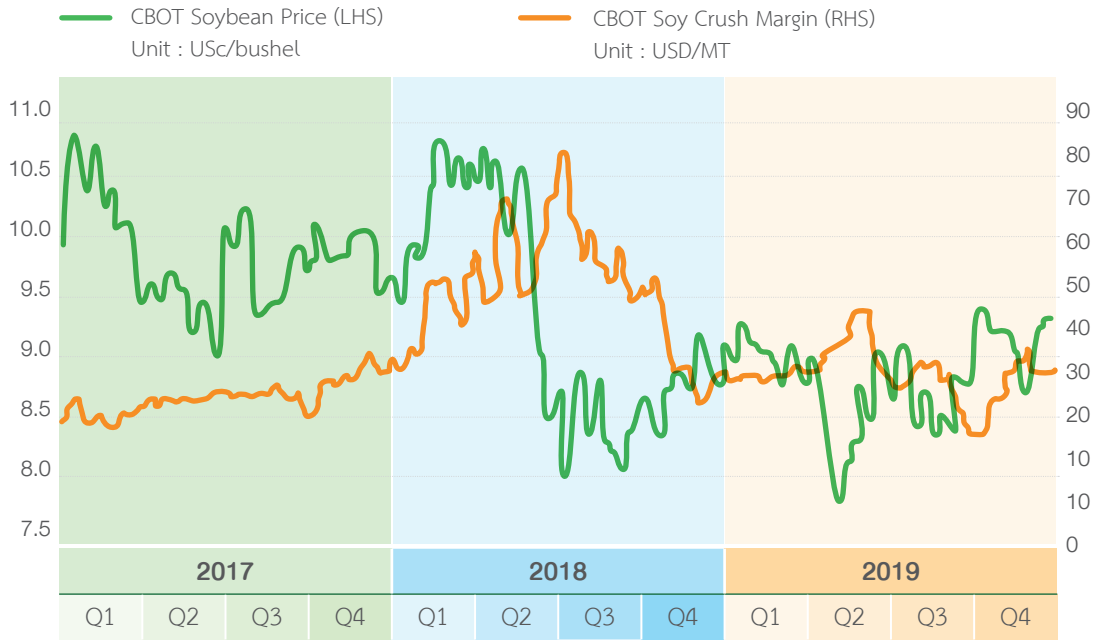


Figure 3: CBOT soybean price and CBOT soybean crush margin in 2017-2019
Source: Reuter

Overview of Thailand's Livestock Industry

According to the report on the situation of key agricultural products and the trends for 2019 produced by the Bureau of Agricultural Economic Research, in 2019, Thailand produced 1.684 billion broilers equivalent to 2.49 million tons, an increase of 5.6 percent from 1.594 billion broilers or 2.36 million tons in 2018. This was due to production expansion in response to higher demands for consumption and exports. In 2019, the consumption of chicken meat reached 1.59 million tons, an increase of 4.75 percent from the previous year. In the same year, Thailand exported a total of 900,000 tons of chicken meat at the value of 105,000 million Baht, an increase of 7.2 percent and 5.1 percent respectively (Figure 4). The rise was due to the growth of consumption demands from Thailand's trading partners and key export markets including Japan, European Union and China. The latter experienced the highest growth. In 2018, the volume of Thai goods exported to the Chinese market rose by 5.7 times especially in terms of frozen fresh chicken meat. This growth in Chinese import demand for consumption was to compensate the decrease of domestic production of pork following the outbreak of ASF in hogs. In 2019, the average farm gate price of broilers sold by Thai farmers was 36.69 Baht per kilogram. This marks an increase of 6.7 percent from 34.40 Baht per kilogram in 2018.

Factors affecting Thailand's volume of chicken meat production and export are:

1. The increase of the world's population has resulted in higher demand for meat consumption especially chicken meat. This is because broiler meat is a source of low-fat protein. It is also cheaper than other types of meat.

2. There has been an increase in the exports of chicken meat and its products to other countries especially Japan where the volume has continuously expanded. The reason for this rise in exports is because the perception of Thai food products are of good quality and price competitive. Thailand is also in a competitive location as it is closer to Japan compared to competitors such as the U.S. and Brazil. Furthermore, many other countries have experienced an outbreak of ASF in hogs like in China and the neighboring countries.

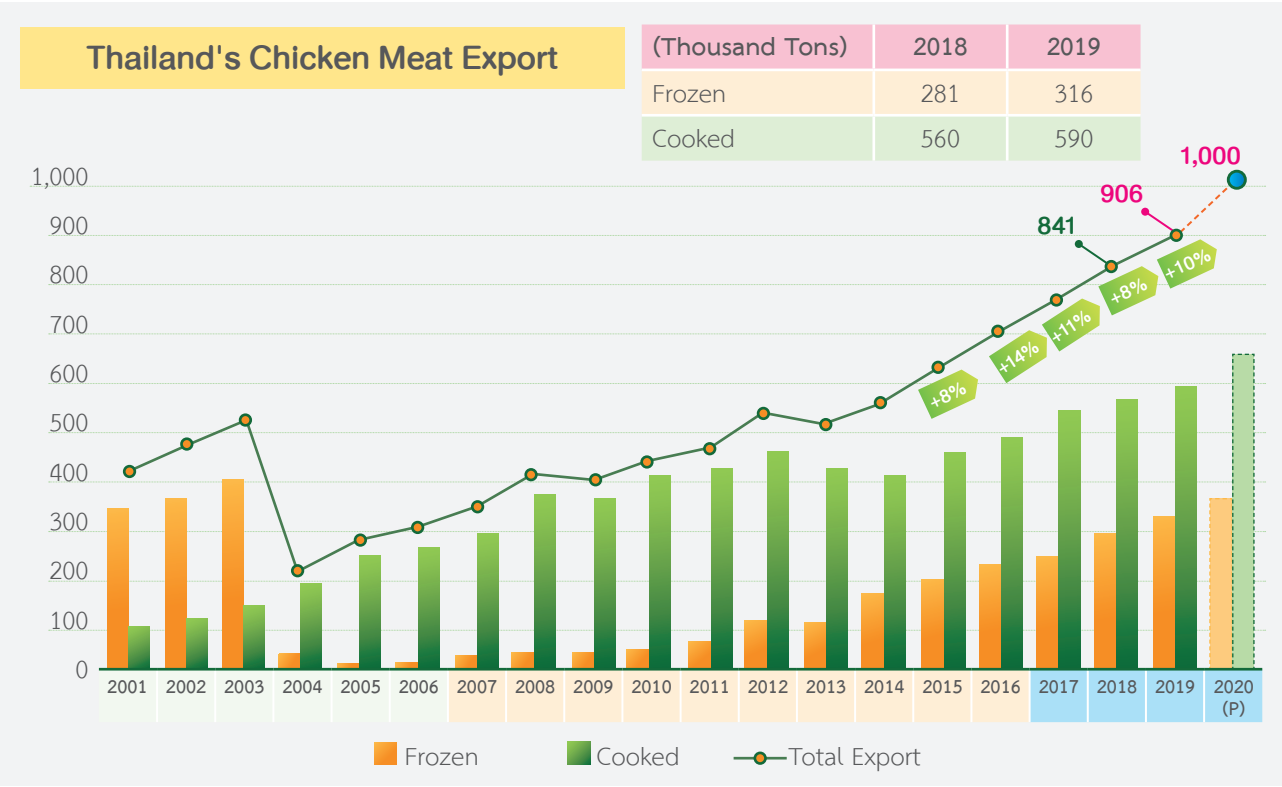


Figure 4: Thailand's chicken meat export in 2001-2019
Sources: Thai Broiler Processing Exporters Association, Office of Agricultural Economics

Turning to swine industry whose proportion ranked second in Thailand's Livestock Industry, in 2019, Thailand produced 20.4 million head of hogs, a reduction of 2 percent from 20.8 million hogs in 2018. This was because at the end of 2017 and the beginning of 2018, the price for live hogs decreased and swine farmers incurred losses resulting in some farmers either quitting altogether or downsizing their hog farms. At the same time, the government issued measures to reduce the number of hogs in order to rebalance the price of live hogs resulting in the fall of overall swine production. Domestic consumption of pork in 2019 stood at 1.48 million tons, a drop of 0.68 percent from the year 2018. The average farm gate price of hogs sold by farmers in 2019 was 66.37 Baht per kilogram, an increase of 19.2 percent from 55.68 Baht in 2018.

Factors affecting Thailand's volume of swine production and export are:

1. The world was still facing the outbreak of the African Swine Fever (ASF) in China; which is the world's largest producer and consumer of pork, as well as in Thailand's neighbors including Myanmar, Lao PDR, and Cambodia. The disease caused significant damage to the swine production. Currently, Thailand has adopted strict monitoring measures to prevent the spread of the disease. The Ministry of Agriculture and Cooperatives has set up a measure to cope with the ASF outbreak whereby the cabinet has declared the matter a national agenda on 9 April 2019. If Thailand could handle ASF and prevent its spread, consumers' confidence both domestic and abroad would increase, thus creating opportunities to increase domestic pork consumption as well as expand Thailand's pork exports.

2. The management of swine farms has become more efficient and better managed to control outbreaks of swine diseases, such as Porcine Epidemic Diarrhea (PED) and Porcine Reproductive and Respiratory Syndrome (PRRS).

Overview of the global vegetable oil industry

The price of palm oil in the global market had been pressured by over-supply throughout the first 3 quarters of 2019. The price of palm oil in Thailand had also decreased continuously until end of November 2019, thus pressuring the price of soybean oil in Thailand as well. The total global production of palm oil during 2018/19 was at 73.9 million tons, an increase from 70.6 million tons during 2017/18. The production of crude palm oil in Thailand in 2019 was at 3.0 million tons, an increase of 9 percent from 2.8 million tons in 2018. During 2017/18, the average price of crude palm oil stood at USD 545.17 per ton, posing an 8.4 percent drop from USD 595.32 in 2018.

Since the third quarter of 2019, the production of crude palm oil from the main producing countries has gradually decreased due to commulative droughts and farmers using less-than-usual fertilizers to save costs. Moreover, the production of palm oil was also affected by policies issued by key palm oil producing countries which stipulate an increase of B100's proportion required to be blended in biodiesel. Such policies are due to be enforced in 2020. Hence, B100 producers began buying crude palm oil to stock up and caused the price of palm oil to continually increase sharply since the beginning of the of 2019, resulting in higher price of soybean oil both in the global and Thai markets.

Factors affecting the prices of soybean oil and palm oil are:

1. The US-China trade war and the effect from ASF in swine have resulted in China importing fewer soybeans to crush for oil. The total amount of soybean oil production in China during 2018/19 fell to 15.2 million tons from the previous year which stood at 16.1 million tons. This was the first time in 16 years whereby the production of soybean oil in China dropped whereas the overall demand for vegetable oil in China continued to increase by 1.5 million tons. In the second half of 2019, China began to import continually larger amount of vegetable oil. For the whole 2018/19 season, China imported 0.8 million tons of soybean oil, a 63 percent increase from the previous year. China's import of palm oil stood at 7 million tons, an increase of 37 percent from the previous year.

2. The United States Department of Agriculture (USDA) estimated that the global demand for palm oil in 2019/20 will increase to 76.9 million tons, larger than 75.7 million tons of palm oil production. The inadequacy

of palm oil production is caused by the increase of B100 blending mandate in biodiesel in Thailand, Indonesia, and Malaysia, thus causing the fall of palm oil stock for the first time in 4 years.

Overview of the soybean oil crushing industry in Thailand

In terms of the overview of the industry related to soybean meals, full-fat soy and soybean oil, in 2019, the total production of the industry based on the amount of raw materials used amounted to 2.31 million tons (of soybeans). This was an increase from the year 2019 where 2.13 million tons of raw materials were used. The reason for such increase is due to the growing trend of Thailand's animal feed industry in order to support domestic livestock industry following the growth of livestock population especially broilers. The expansion of broiler production has been to support the continuous growth in the chicken meat export from the year 2019. In 2019, the total number of production reached 31-32 million per week. The higher price of pork and chicken meat was a result of higher export of chicken meat both to Japan and China. China needed to import more meat to compensate for the damage caused by ASF. Hence the utilization of soybean meals in Thailand in 2019 was expected to be 4.88 million tons, a 1.8 percent expansion compared to 2018.

In 2020, there are still a number of risk factors in soybean crushing industry to pay close attention to, including prices of raw materials, products, and exchange rates. Soybean crushers have to face such issues all the time. They need to regularly adapt themselves and monitor the issues even more closely and thoroughly while making themselves prepared for timely responses in order to compete with foreign competitors. The Company has followed the situations closely and adopted a strict and comprehensive management in order to reduce the Company's risk exposure. Moreover, the Company is constantly updating ourselves on the situations and creating new market opportunities by revising our strategies while developing new innovations to add more value to the products. Furthermore, our products remain the market's leaders due to the comparative advantage in terms of quality which are fresh and meet the needs of the customers, as shown by the customers' trust and confidence in us. These are the strategies that the Company has adopted to be able to cope with any possible challenge or situation.

Source

- The Bank of Thailand
- Office of Agricultural Economics
- United States Department of Agriculture (USDA)
- Office of the National Economic and Social Development Council
- Thai Feed Mill Association (TFMA)
- Research Division, Thai Vegetable Oil PCL.

Report of the Environmental Social Risk Management and Compliance Policy Committee

Dear Stakeholders,

The Board of Director is aware of the importance of managing the organization towards sustainability, starting from Corporate Governance, Compliance, Risk Management including Supply Chain Management that integrates Environmental, Social, and Governance (ESG) issues into the business process in order to enable the long-term sustainability business to create a positive impact on Society, Environment, and Stakeholders integrated systematically and continuously.

In the year 2019, the Company still maintains the standard of business operation that creates good performance along with caring for society, community, and environment friendly and also pays attention to compliance with the relevant laws and regulations. To develop operations in each field being coordinated in the same direction more efficiently, The Environmental, Social, Risk Management and Compliance Policy Committee (ESRC) has been appointed to formulate policy, operational framework, review and improve working systems to be appropriate and consistent with its policy, business plan and corporate governance as a basis for sustainable development as well as provide comments and suggestions on related matters.

The Company also has established a management committee, ESRC-E, consisting of the executives from various departments responsible for monitoring the implementation of its operations at organizational level and management level across the enterprise closely adhere to the policy and operational framework provided by the ESRC Policy Committee by driving through 3 working group as follows; Environment and Social working group, Risk Management working group and Compliance working group, in order to enable the integration of managements in term of execution policy and data exchange, which will create continuity in work to be more efficiently throughout the organization.

The ESRC Policy Committee is of the opinion that in the year 2019, the Company has developed an organization's management system to cover and coordinate all aspects, including environment, society, risk management and regulatory compliance, as well as has overseen the operations as stipulated in the ESRC Policy Committee Charter, which is in accordance with good corporate governance principles and further create long-term sustainable value for the organization in the long term.

On behalf of the ESRC Policy Committee

(Mr.Bowon Vongsinudom)
Chairman of the ESRC Policy Committee

Risk Factors

In the previous year, the global economy had seen a much clearer sign of recovery especially in the key industrialized countries such as the United States and the Eurozone countries which experienced greater private consumption following the recovered labor market. Thai economy also expanded in line with the global economy. Our economy was, to an extent, able to cope with global volatilities. The main driving factors of Thai economy came from domestic investments and net exports. While the overall global economy was on the upward trend, more risks had emerged, particularly in the areas of international trade and investment stability as well as financial market volatilities which stemmed from the trade war between the United States and China, and the wave of digital disruption, as well as various, complicated, and more serious risk factors that may have had impact on the Company's efforts to achieve its goals and targets.

Fully aware of the above conditions, the Company is determined to manage organizational risks and implement strategic management, as well as set up an validate strategic risk appetite framework in order to frame the choice assessment, select the appropriate strategies, and support the business operation of the Company to achieve strategic goals in accordance with the corporate goals. The Company also aims to foster sustainability for the organization to be in line with the Enterprise Risk Management - Integrated Framework. The Company applied various risk management tools in assessing and evaluating risks that may affect corporate goals in the forms of risk matrix, risk mitigation plan and Key Risk Indicator (KRI). Moreover, the Company have determined the level of early warning to prepare measures in response to proactive risks in each changing situation in an appropriate and timely manner. Examples include early warning of raw materials shortage or oversupply, draught, and ASF disease in swine. These early warning measures are to be used in parallel with the Internal Control - Integrated Framework of COSO which has been properly applied to the Company's business operations.

In 2019, the Company established the Environmental, Social, Risk Management and Compliance Policy Committee (ESRC) with a task to determine policies and operation framework, and review and improve various work flow to be in line with the policies, business plans, as well as provide relevant comments and suggestions. The ESRC-E, comprising Executives from various divisions, is to closely monitor the management of organizational and managerial risks. Every personnel in the organization is fully realized of the risks and how to reduce impact of risks until an organizational culture emerges in accordance with the policies and operational framework. The policies and framework are determined by the ESRC through the working group on risk management which gathers and produces risk management plans and supervises the implementation of risk management plans both at the managerial and organizational levels. The working group also monitors the process of identifying and assessing key risks across the organization and communicates risk management information to everyone in the Company in order to correctly implement risk management in the same directions, thus fostering integration of risk management both in terms of policy and practice. Continuous and comprehensive exchange of information throughout the Company will ensure efficient risk management as key risks are regularly reported to the Company's board of directors.

Risks that may significantly affect the Company and/or investors according to the ESRC can be summarized as follows:

1. Strategic Risks

Soybean Procurement Security

Climate volatility or natural disasters may cause a deviation of soybean output from expected production trend as well as a delayed arrived of soybeans during the early harvesting season due to logistic issue at origination countries and the loading port which may result in soybean supply shortage for the Company to crush since soybeans are the main raw material for production process of the Company, raw material shortage can delay the delivery of product to customer.

Risk Management Approach

Shortage of raw material for production is one of the key risks for the Company. In order to efficiently procure raw materials, the Company has attached importance to closely working with counterparties in the planning of raw materials procurement to ensure business continuity. However, the Company has always monitored the balance between demand and supply of raw materials by gathering information through our owned survey of soybean production in origination countries, and through an analysis of other influencing factors that may affect the procurement of raw materials. Influencing factors include severe climate change, harvest condition and progress, production, prices and quality were monitored through market analysis and researches. Moreover, the Company buys raw materials from trustworthy counterparties with traceability towards the origin of raw materials. Thus, the Company has been able to plan an up-to-date production schedule and optimize its inventory according to the production plan and price trends as well as ensuring that there is sufficient raw materials for the business to run smoothly. At the same time, the government has promoted soybean production in Thailand by encouraging farmers to grow soybeans in the dry season instead of growing rice in order to improve the soil quality and enhance soybean quality up to the market's requirement. In addition to this, public and private sectors have cooperated to promote the growing of soybeans following rice paddy season to increase productivity through programs such as Pracharat Soybeans After Rice Campaign which aims to create food security in the north and northeast of Thailand. The campaign is expected to result in lower production costs, higher productivity per Rai of soybeans, and better quality.

2. Financial Risks

2.1 Volatility of raw material price

The volatility of soybean price can affect production costs and profits of the Company. Since raw material cost contributes to approximately 90 percent of the Company's cost of sales, the procurement of raw materials is therefore an important factor for the Company's cost of sales and profitability. Soybean price usually varies according to the global market prices which are affected by not only the food use demand for soybean itself but also the renewable fuel demand for its product line soybean oil as well as the speculation on soybean prices through the futures commodity exchange. Soybean supply may also be affected by the government's policies, both the supportive side and the invention. The risks from climate volatilities or natural disasters may cause a deviation of soybean output from estimated production trend. Hence, the Company needs to be very well planned in terms of production management, sales, and inventory control in order to mitigate the effects from soybean price volatility.

Risk Management Approach

The Company has adopted measures to manage risks by establishing a working group on raw material procurement to monitor news and situations related to price of relevant raw materials and products. The working group closely assesses the situations and determines volume targets and manages risks in an appropriate, timely, and resilient manner in line with business plans. Through the time, the Company has been clear in our policy of not buying raw materials for the benefit of speculation. The Company manages our raw material inventory with care whereby the sale prices are regularly adjusted in accordance with the circumstances, thus reducing the effects from the abovementioned volatilities.

The Company also manages this price volatility risk through the future commodity exchange whereby the

increase of acceptable limit for losses that may occur throughout the year is reviewed in order to prevent risks of raw material and product price volatilities on the Company's returns and turnovers.

2.2 Volatility of the Foreign Exchange Rates

The trade restriction measures induced by the trade war between the United States and China have affected the global economy especially among the emerging markets which are vulnerable to the global economic downturn. In 2019, there was capital outflow from Thailand, pressuring the Thai Baht to fluctuate even more. The Company is affected by the risk of foreign exchange rate volatility since soybean prices are determined in US Dollars while the main revenue of the Company is in Thai Baht. This poses a direct effect on the performance of our Company both in terms of revenue and profits.

Risk Management Approach

The Company has clearly stipulated the policy on the management of finance and financially associated risks. The purpose is to manage all financial risks including the risk from exchange rates that may affect the business, ensure that the Company is protected from the risk associated with soybean price speculation, as well as to determine and foster stability of the Company's turnovers in the future. The Company has a team to closely monitor and evaluate the news and situations on exchange rates while equipping ourselves with the policy to prevent risks from exchange rates by engaging in forward contracts for exchange rates with domestic financial institutions. Most contracts are valid for the period of less than one year in order to reduce the effects of risks caused by exchange rate volatility. They also provide the Company with information on the costs and sale prices in Thai Baht with certainty.

3. Risks associated with sales and marketing

3.1 Risks that may arise due to the economic downturn

The economic growth experienced in Thailand and the world in 2019 was affected by the trade war between the United States and China which was becoming even more severe as the trade restriction policies adopted by the two countries had caused Thailand's supply chain exports to China to slow down. Geopolitical tensions, economic downturn among the emerging markets as well as the ageing society in developed countries have affected the global economy.

Risk Management Approach

In order to reduce the effects from such risks, the Company works to ensure that business operations are carried out in a careful manner to minimize the impact from financial and economic conditions. The debt to equity ratio has been kept low. Moreover, the Company exercises good relationship with various banks who have been long-term business partners of the Company.

3.2 Risks on Substitutes

All types of vegetable oil are substitutes if they are used for domestic cooking or dressing food. However, the nutritious values of each type of vegetable oil are different. The types of vegetable oil that provide the closest value to soybean oil and can be used interchangeably are corn oil and sunflower oil. The types of vegetable oil used for industrial purposes including food industry cannot normally be used interchangeably as each type of vegetable oil has certain qualities that may be suitable only for a certain type of industry. The risk of competitors producing corn oil and sunflower oil to compete with the Company is still low because raw materials for the production of corn oil and sunflower oil are not being sufficiently produced within the country.

4. Operational Risks

Business Continuity Management

Currently, several circumstances or crises or emergency situations may occur at any time, be it the damage to the Company's main information system, natural disasters (draught, flood, and earthquake) and epidemic (ASF disease in pigs and avian influenza).

Recently, the global climate including that in Thailand has seen significant changes resulting in various

regions in the world having to face natural disasters of unprecedented scale causing immense damage to people's lives and assets. Once occurred, these situations may halt business operations. The Company has realized this challenge and has since come up with plans to cope with changes that may affect business operations both in the short and long terms.

Risk Management Approach

The Company has produced plans for Business Continuity Management (BCM) or Emergency Response which include the incident when information system is incapacitated, natural disasters, and epidemic. The Company monitors news and information continuously to appropriately prepare for the incidents should they occur while ensuring that activities or key operations of the Company still continue uninterrupted. Such measures also increase the confidence among all relevant stakeholders.

5. Risks from business operations that are not in line with anti-corruption policies

With the commitment to conduct businesses in a transparent and just manner while emphasizing the principles of good governance, accountability and prudence in line with relevant laws, regulations, and standards, the Company has stipulated the anti-corruption policies to practically guide and develop the Company towards becoming a sustainable organization.

Risk Management Approach

The Company has determined anti-corruption policies and measures, internal control, as well as monitoring system on implementation, punishment, and strict adherence to the business ethics code. Regulations and procedures are in place to ensure that the Company's conducts are in line with the law to prevent corruption. Examples include the inspection of weight of freight trucks is being carried out to ensure that the weight does not exceed the freight threshold as stipulated by law before trucks leaving the production plants. The Company also ensures implementation of anti-corruption policies and regulations, and establishes channels for whistleblowers to submit complaints including those related to dishonest acts. The Company has set up procedures to respond to complaints, protect whistleblowers, and inform whistleblowers of the next steps in a systematic and just manner, in line with the whistleblower regulations of the Company.

6. New risks that may emerge in the future

Cyber threats

Computer system and networks as well as the internet have been a tool for business operations. They are used to store data, transfer data both within the organization and beyond, and communicate with stakeholders for a number of purposes, for instance; communicate with customers to promote and sell products; and communicate with society to inform the general public of the Company's business approaches. It can be seen that the majority of business activities are done on the computer and internet networks. These may pose a chance for malicious individuals to invade the system and networks for their own benefits. At present, we are facing cybercrime of various forms including suspending the system or reducing the efficiency of the system, phishing and scamming, theft, and fraud. Such threats may affect Company's business operations.

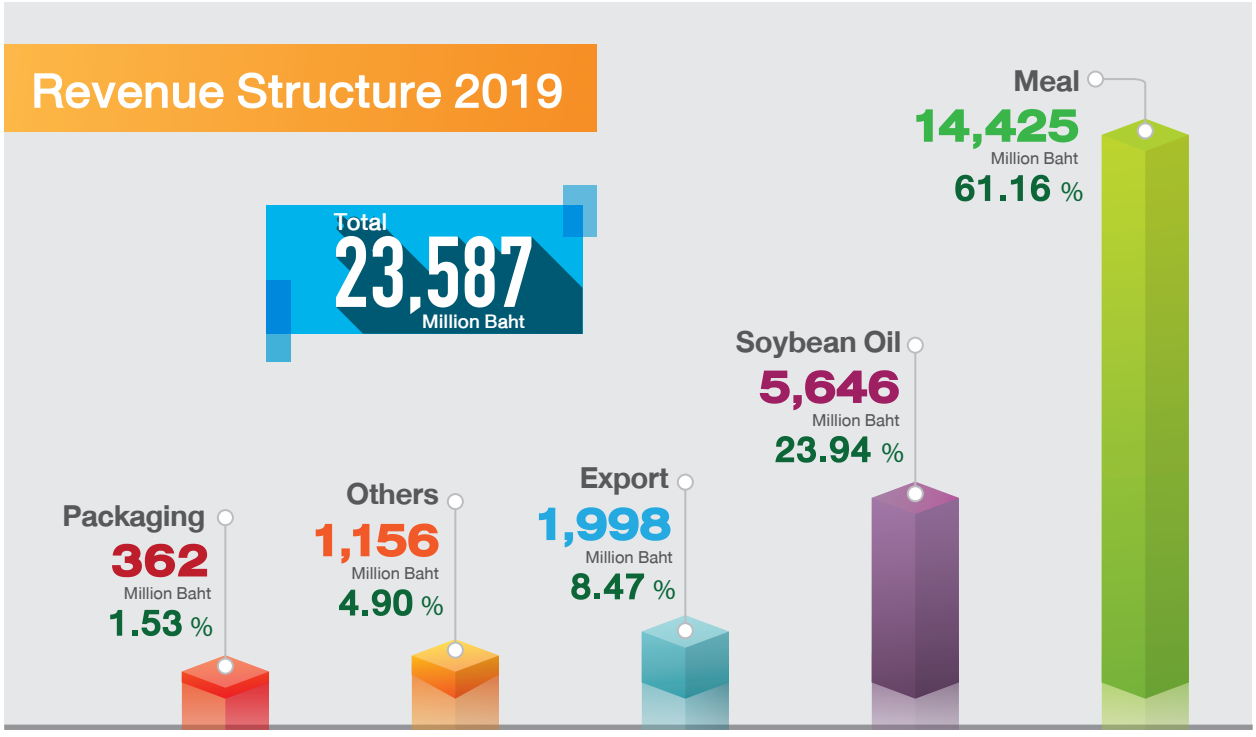
Risk Management Approach

The Company is aware of the diverse cyber threats which may cause severe effects. Thus, we have carried out a number of measures to reduce their impact starting from the implementation of the policies and operational standards on information security among the Company's personnel. In terms of the work system, the Company has installed the firewall system/equipment to prevent all external intrusions, equipped ourselves with the Solution Firewall backup, installed anti-virus programs in each and every computer of the Company to prevent data damage/loss as a result of computer viruses, and connected computer networks to the central system to ensure that issues arising in any computers can be dealt with in a quick and accurate manner. Moreover, with the measures that are in place, it is possible to get to the causes of intrusion to ensure that the root causes are being addressed while preventing the same issues from reoccurring. Regular reviews or inspections are carried out by the Company's information technology personnel and external consultants.

Revenue Structure

(Unit : Million Baht)

Products	Operated by	% Shares	2019	%	2018	%	2017	%	2016	%
Revenue from domestic sales										
Soybean Oil	TVO	100	5,646	23.94	5,991	24.09	6,911	28.13	7,727	27.36
Meal	TVO	100	14,425	61.16	15,324	61.62	15,487	63.04	18,031	63.84
Others	TVO	100	1,156	4.90	1,099	4.42	715	2.91	1,384	4.90
Packaging	Prodigy	31.85	362	1.53	373	1.50	318	1.29	319	1.13
Revenue from international sales										
Soybean Oil	TVO	100	1,178	4.99	1,141	4.59	907	3.69	741	2.62
Meal	TVO	100	721	3.06	655	2.63	179	0.73	-	
Others	TVO	100	99	0.42	286	1.15	51	0.21	41	0.15
Total			**23,587**	**100**	**24,869**	**100**	**24,568**	**100**	**28,243**	**100**



Nature of Business

Products

Thai Vegetable Oil Public Company Limited is an agricultural food industry, manufacture and distributor of edible vegetable oil and raw material of animal feed. There are 13 products as follows;

1. **Soybean oil "A-NGOON"** is a vegetable oil produced from 100% quality soybean, having unsaturated fat which is necessary for the body, used for household cooking. Soybean oil is a primary ingredient for other processed food manufacturing industries, such as the canned fish industry, the chili paste industry and other businesses. "A-NGOON" are trust by consumers and industry users alike, owing to its unsaturated and healthy nutritional value.

2. **Corn Oil "A-NGOON"** is extracted from 100% quality corn seeds with highly unsaturated oil containing high level of linoleic acid including high phytosterols which lower Low Density Lipoprotein Cholesterol (LDL) by inhabiting cholesterol absorption thus reduce the levels of LDL cholesterol.

3. **Sunflower Oil "A-NGOON"** is a 100% sunflower oil with high unsaturated fat and rich in linoleic acid which is scientifically proved to be safe for the human consumption and provides the great health benefit to the consumers. Sunflower Oil's commonly used in the canned food export industry, e.g. canned tuna in sunflower oil.

4. **Canola oil "A-NGOON"** contains a lower level of the saturated fatty acids which is less than 10% and high level of the monounsaturated fat or oleic acid which is to reduce LDL cholesterol and does not cause accumulated fat in the blood, thereby, it reduces the risk of Cardiovascular disease and High Blood Pressure.

5. **Classico Extra Virgin Olive Oil** (MONINI) is the pure fresh olive oil extracted from olive without heat and chemicals. It contains high level of the monounsaturated fatty acids which lower LDL cholesterol and riches in vitamin E and high Antioxidants; Pholyphenols, provides intense flavor and aroma of the olive oil. We are the only distributor in Thailand. This Classico Extra Virgin Olive Oil is the number 1 bestselling in Italy.

6. **Anfora Olive oil** (MONINI) is a blend of refined good quality Olive oil, obtaining the most advanced refined techniques, the light gold color oil is good for cooking in high temperature without any change of delicate taste, especially deep-frying and pan frying.

7. **Mild & Light Olive Oil** (MONINI) is obtained through the most advanced refining process with good quality of Olive oil. It has a special gentle and mild taste which makes it perfect for light taste cooking, baking and deep-frying and suitable for use as a substitute for butter and vegetable oil in high temperature cooking without any change of the delicate taste of food.

8. **Soybean Meal** is a key raw material for animal feed distributed under brand **"TVO Hipro - Meal"** and widely accepted by the livestock industries due to their consistently high quality and standard.

9. **Dehulled Soymeal,** under brand **"TVO Dehulled Soymeal"**, is produced from the husked soybean. It provides higher protein and nutritional benefits, appropriated for animal which requires high quality feed for growth and maximum yield.

10. **Full Fat Soy,** a high protein meal under brand **"TVO Full Fat Soy"**, is an ingredient mixed for animal feed used in piglet and poultry farming industries. It has the benefits of easy digestion, high protein and energy content, and rich in unsaturated fat essential for various types of raised livestock. It is particularly suited as a quality growth enhancer for younger livestock and especially for ensuring a higher proportion of lean meat.

11. **Dehulled Full Fat Soy,** the products under the **"TVO Dehulled Full Fat Soy"**, is the cooking of high quality of soybean, edible standard quality, extruded by thermal treatment process at proper heated to deactivate anti-nutrition factors without destroying its nutrient quality. It is for early stage animal such as wean pigs, egg laying hen, other poultry and aquatic animal such as shrimp and fish. It helps them absorb nutritional value, contribute its health and enhance its growth, including animal that needs high energy. TVO Dehulled Full Fat Soy is a best quality product that precisely response the demand of meal industry with high productivity at lowest cost.

12. **Lecithin** is an important ingredient for animal feed production such as shrimp, chicken and pig feed. It's containing phospholipids and a source of choline which is an important nutrient for the compound feed for shrimp and early stage animal which helps to increase the fat utilization efficiently, resulting in better nutrients absorption.

13. **TVO Soy Hull** is product that produced from soybean hull. It's a good source of fiber particularly ruminant feed and animal feed needed high fiber in some stage of ages.

Market and its competitiveness

Marketing Policy

To be a Southeast Asia leading soybean-processing company in the production and distribution of soybean oil and soybean meal, the Company has a marketing strategic plan as follows;

1. Producing high quality products with high nutritional quality, due to soybean, the raw material is full of high protein with linoleic acid which helps reducing cholesterol and unsaturated fat that does not cause fat in the blood and good for heart. The difference of quality makes our products acceptable by consumers.
2. Focus on researching and developing policy consistency to offer the best to our customers.
3. Develop new products to expand new market.
4. Established good and long relationship with customers with accountability policy to gain their trustworthy.
5. Manage risk from raw material supply to control the cost in order to keep competitive edge and maintain profit ratio at good level.
6. Improving technology and the production efficiency corresponding to market demand to obtain high quality product.
7. Establish new brands for market expansion.
8. High respond to customer satisfaction.
9. On time delivery policy to provide customers fresh products.

Customers and Distribution Channels

The Company's sales revenue mainly comes from domestic sales, approximately 97% of total sales revenue while the remaining sales revenue comes from exporting to neighbor countries such as Cambodia, Laos, Myanmar, Vietnam, Singapore, Malaysia, and South Korea. For all exports, the Company operates itself directly to all importers.

Customers and distribution channels can be divided as follows;

- Animal feed ingredients:

  Soybean meal, dehulled soymeal, full fat soy, dehulled full fat soy, lecithin and TVO soy-hulled are directly sold to feed meal manufacturer and livestock famer in domestic. The Company starts to expand the market into CLMV countries with the proportion of domestic and international sales at 95:5

- Cooking oil
  - **Brand "A-Ngoon"**, a vegetable oil that health conscious consumers choose, is distributed locally by the Company through wholesalers, discount stores, supermarkets, hypermarkets, convenience stores, and retail shops with 64%* of market share. (*Source : Kantar Worldpanel)
  - **Brand "Healthy Chef"** and "Queen", export brands, are vegetable oils that consumers in the international market who are interested in health choose. The Company has appointed an Exclusive Distributor in both Cambodia and Myanmar to distribute products throughout Cambodia and Myanmar through the channel of Sub-distributor, Wholesaler, Supermarket, Hypermarket, Convenience Store and general retail stores in the market. Presently, "Healthy Chef" has 70% of market share as No. 1 in Cambodia.
  - **Olive Oil - Brand "Monini"**, the Company is the sale distributor in Thailand importing Extra Virgin Olive Oil (Brand Monini) which is number 1 bestselling brand from Italy. The Company has a marketing plan and distribution plan through all distribution channels for target group.
  - **Industrial oil:** our customers are canned food industry, painting industry and others. The Company sells directly to clients and dealers.

Products Supply

Total production capacity is 6,000 ton per day with details of factories and headquarter as follows;

Head office	149 Ratchadapisek Road, (Thapra-Taksin) Bukkhalow Thonburi Bangkok 10600
Factory I	101/2 Moo 1, Tambon Khunkaew, Nakorn Chaisri District, Nakorn Pathom Province 73120
Factory II	36 Moo 3, Nakorn Chaisri District, Nakorn Pathom Province 73120
Factory III	(zone I) 81/7, 81/8, 82 Moo 1, Tambon Thaiyawas, Nakorn Chaisri District, Nakorn Pathom Province 73120
Factory III	(zone II) 89 Moo 1, Tambon Thaiyawas, Nakorn Chaisri District, Nakorn Pathom Province 73120

Raw Material Supply

Soybean is our major raw material. The Company shall buy domestic soybeans as first priority. However, due to the inadequate supply of domestic soybean, the Company must therefore import more than 90% of total soybean from Brazil and the United State of America, which import price of soybean depends on soybean price in the world market with an exemption from import duty on soybean import policy according to the agreement of World Trade Organization (WTO). For the purchase of domestic soybeans, the Company shall buy domestic soybeans from famers and traders. The major plantations are around Sukothai, Kampaengpetcn, Autaradit, Petchaboon, Chiangmai and Khonkaen. In addition, the Company also complies with government policy that stipulates the conditions for soybean importers to buy all domestic soybeans in proportion to the amount of imports among all importers at price and conditions specified in the contract determined by the Oil Vegetable and Vegetable Oil Committee.

The World average soybean production over the past ten years tended to increase according to the demand of soybean consumptions. Soybean is a commodity product which is widely traded over the world market and can be easily provided and has never suffered from shortage of soybeans until unable to buy soybeans but there might be some periods when soybean price went higher than normal according to demand and supply of the World market in that year. The trade war between the United States of America and China are still key factor that have both positive and negative impacts on the World soybean prices continuously. However, the Company has closely monitored the trade war situation at all times to take advantage of the opportunities to purchase soybeans at a competitive costs and to obtain good quality soybeans.

In general, the Company shall purchase soybeans approximately 3-4 months in advance according to sales and production plan by making forward contracts with various suppliers and agree to purchase from supplier offering the best condition to avoid risk of managements and delivery of raw material. The Company does not have a policy or obligation to buy from specified supplier. In addition, the price of soybean traded in the World market is in US dollars, in order to avoid risk of exchange rate, the Company therefore has a policy to make forward contract to manage the cost of raw materials in Thai Baht to be most effective.

Environment Impact

The Company operates business with responsibility and environmental concern. The Company has developed and improved the production process to be environment-friendly, also brings new technology in, provides good management, focuses on efficient energy and resources management along with efficent all employees to be responsible for utilizing energy and resources management. The operational framework to preserve the environment is in accordance with the Occupational Health, Safety and the Environment policy.

The Company's current production system uses technology to minimize waste occurring during production with a closed waste treatment system that controls waste from the system not to be released to the public, there will be no waste from working system to the public. The Company has a policy to bring wastes from the production process to be treated for using in production process to maximize the benefits and it is annual inspection of the production system scheduled every year by the government agency that is responsible for the environment.

By adhering to environment-friendly operations, the Company is certified "Green Industry" by the Ministry of Industry and received ISO 14001 and ISO 50001. The Company has established a environmental policy substantially and complies with the environment law strictly to maintain a good environment. Report on environmental activities was disclosed in the 2019 Sustainability Report.

Shareholding Structure

1. The Securities

The Company registered capital is Baht 808,610,985 with paid up capital 808,610,985 shares, with par value Baht 1 per share.

Distribution of Shareholders by Nationality (as of August 23, 2019)	Number of Shares	%
Thai Shareholders		
Ordinary Person	622,416,919	76.97
Juristic Person	137,091,063	16.96
Foreign Shareholders		
Ordinary Person	600,718	0.07
Juristic Person	48,502,285	6.00

2. Top 10 Major Shareholders (as of last Record date on August 23, 2019)

	Name of Shareholders		Number of Shares	%
1.	Miss Sudarath	Vitayatanagorn	61,110,800	7.56
2.	Mr.Vichai	Vitayathanagorn	58,767,228	7.27
3.	Mrs.Ratana	Chanpitaksa	45,000,000	5.57
4.	Thai NVDR Co., Ltd.		44,841,325	5.55
5.	Cheer Group Holdings Co., Ltd.		34,258,893	4.24
6.	Miss Aranya	Vitayatanagorn	18,384,869	2.27
7.	Nakornchaisri Oil Industrail Co., Ltd		19,774,740	2.44
8.	Mr.Taweelarp	Jamsai	17,000,000	2.10
9	Mr.Chaisith	Viriyamettakul	15,300,000	1.89
10.	Miss Voronud	Vitayatanagorn	14,954,010	1.85
	Top Ten Major Shareholders		329,391,865	40.74
	Other Shareholders		479,219,120	59.26
	Total		**808,610,985**	**100**

3. Dividend Policy

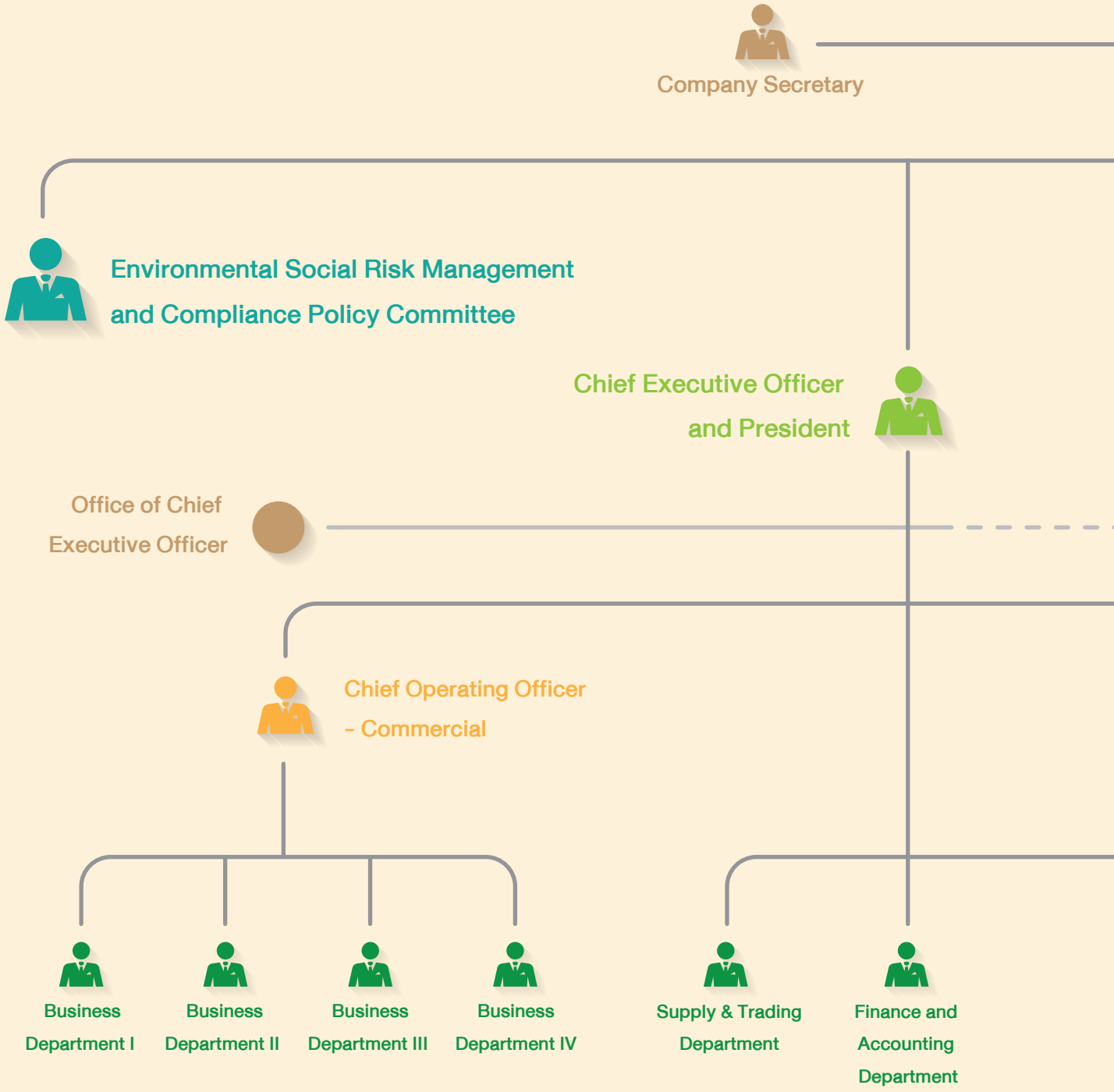
The dividend policy is not less than 60% of net profit after income tax deduction if there is no necessary reason not to do so. The Company shall propose to the Annual General Meeting of Shareholders to consider and approve. The annual dividend payment which will depend on the investment plan, necessity and other appropriateness as the Board of Directors deems appropriate. For the year 2018, the Board of Directors resolved to propose to the Annual General Meeting of Shareholders on April 24, 2020 to approve the annual dividend payment at the rate of 1.45 Baht per share or equivalent to 83.12% of net profit after income tax deduction.

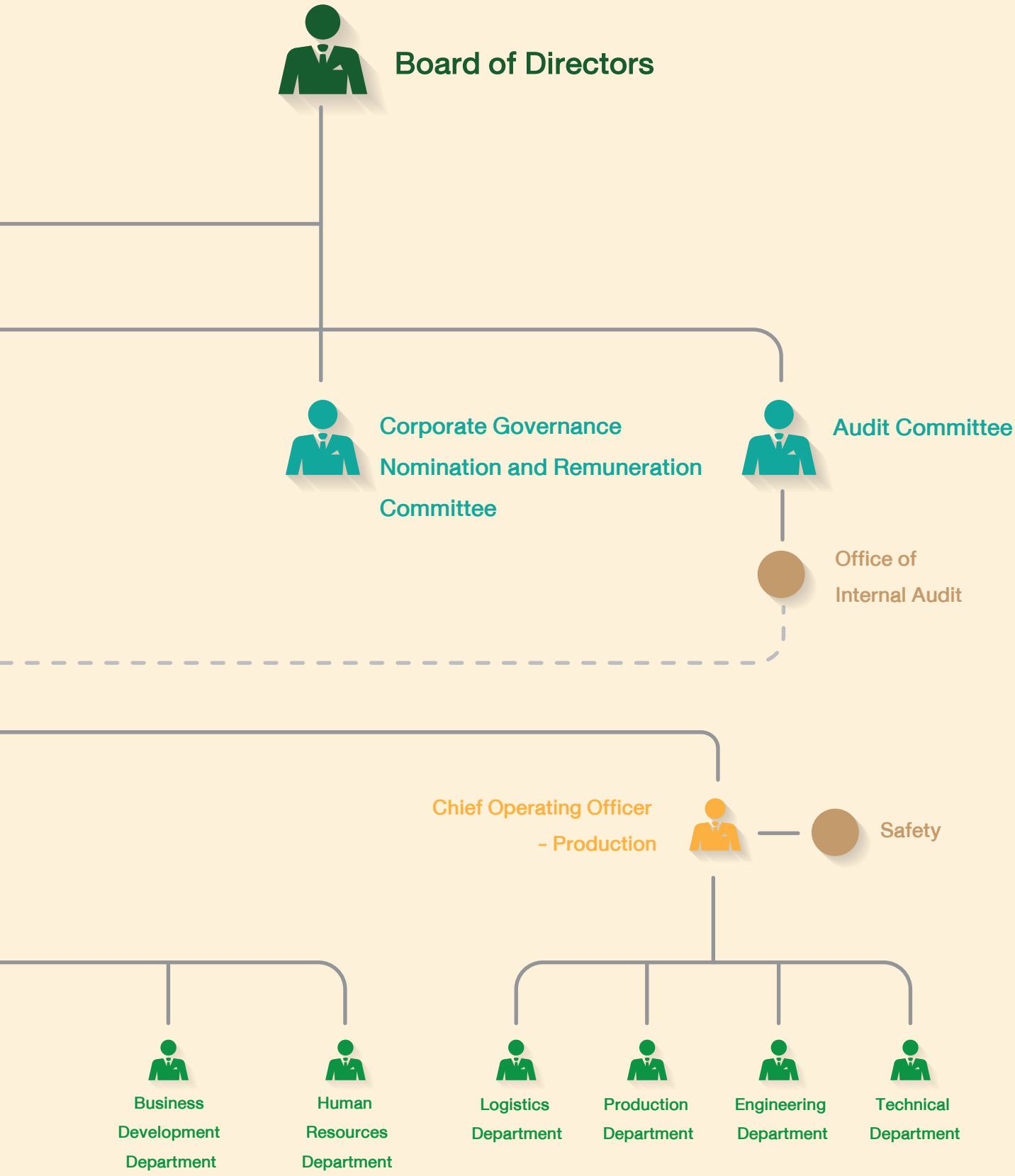
Dividend Payment	2019	2018	2017
Earnings per Share	1.74	2.31	1.64
Dividend per Share (Baht/Share)	1.45	1.90	1.43
Dividend Payout Ratio on net profit (%)	83.12	82.27	87.15

The subsidiary has a policy to pay dividend to Shareholders every year, depending on the Board of Directors of the subsidiary to consider and propose to the Shareholders' meeting of each subsidiary to consider and approve. The dividend payment is subject to the operating results, financial status and other key factors of each subsidiary without designated dividend payout ratio.

TVO
TVO is commited
to produce quality products
to enhance people's well-being

Organization Chart




Board of Directors
Corporate Governance
Nomination and Remuneration
Committee
Audit Committee
Office of
Internal Audit
Chief Operating Officer
- Production
Safety
Business
Development
Department
Human
Resources
Department
Logistics
Department
Production
Department
Engineering
Department
Technical
Department

Management Structure

Board of Directors

As of December 31, 2019, the Board of Directors is composed of 12 persons, which are 4 independent directors (equivalent to 1/3 of the total number of directors), 3 executive directors and 5 non-executive directors. The list of the Board of Directors is as follows:

1.	Mr.Sompol	Kiatphaibool	Chairman of the Board / Director (Independent)
2.	Mr.Bowon	Vongsinudom	Vice Chairman of the Board
3.	Mr.Apichart	Chirabandhu	Director (Independent)
4.	Dr.Chaipat	Sahasakul	Director (Independent)
5.	Assoc. Prof. Dr.Kitcha	Urairong	Director (Independent)
6.	Mr.Vichit	Vitayatanagorn	Director
7.	Miss Aranya	Vitayatanagorn	Director
8.	Mr. Vichai	Vitayathanagorn	Director
9.	Mr.Vachara	Vitayatanagorn	Director
10.	Mr.Pachai	Chanpitaksa	Director
11.	Mr.Ekarat	Wongsupbhasatigul	Director
12.	Mr.Vorravuth	Tangpiroonthum	Director

Sub-Committee

Audit Committee

As of December 31, 2019, the Audit Committee comprised of 3 independent directors as follows;

1.	Mr.Apichart	Chirabandhu	Chairman of the Audit Committee (Independent)
2.	Mr.Sompol	Kiatphaibool	Member of the Audit Committee (Independent)
3.	Dr.Chaipat	Sahasakul	Member of the Audit Committee (Independent)

Corporate Governance Nomination and Remuneration Committee

As of December 31, 2019, the Corporate Governance Nomination and Remuneration Committee comprised of 3 independent directors as follows;

1.	Mr.Sompol	Kiatphaibool	Chairman of the Corporate Governance Nomination and Remuneration Committee (Independent)
2.	Mr.Apichart	Chirabandhu	Member of the Corporate Governance Nomination and Remuneration Committee (Independent)
3.	Assoc. Prof. Dr.Kitcha	Urairong	Member of the Corporate Governance Nomination and Remuneration Committee *

Remark : * Appointed to be a member of the Corporate Governance Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting No. 9/2019 on August 8, 2019

Environmental Social Risk Management and Compliance Policy Committee

As of December 31, 2019, the Environmental Social Risk Management and Compliance Policy Committee comprised of 1 independent director and 2 executive directors as follows;

1.	Mr.Bowon	Vongsinudom	Chairman of Environmental Social Risk Management and Compliance Policy Committee
2.	Dr.Chaipat	Sahasakul	Member of Environmental Social Risk Management and Compliance Policy Committee (Independent)
3.	Miss Aranya	Vitayatanagorn	Member of Environmental Social Risk Management and Compliance Policy Committee (Independent)

The Executives

In 2019, there are 9 top executives of the Company as follows;

1.	Mr. Bowon	Vongsinudom	Chief Executive Officer and President
2.	Miss Aranya	Vitayatanagorn	Chief Operating Officer - Commercial
3.	Mr. Pairote	Uthaisup	Chief Operating Officer - Production
4.	Mr. Chanvit	Vitayatanagorn	Executive Vice President; Business Department 1 2 4
5.	Mr. Supachai	Vitayatanagorn	Executive Vice President, Business Development Department
6.	Mr. Pachai	Chanpitaksa	Executive Vice President, Supply & Trading Department
7.	Miss Sunanta	Tritepapiruk	Assistant Managing Director, Finance and Accounting Department
8.	Mr. Kamtorn	Ekmetipunt	Assistant Managing Director, Production Department
9.	Mr. Sakchai	Padungkiattivong	Assistant Managing Director, Business Department 3

Company Secretary

The Board of Directors shall consider to appoint the qualified person with knowledgeable, capability and appropriateness as the Company Secretary to help support relevant works to be carried out efficiently and effectively as required by law. The Board of Directors resolved to appoint Ms.Kanatsorn Bunditnate to be the Company Secretary from August 14, 2018 to act in accordance with the Securities and Exchange Act BE 2535

and the announcement of the Capital Market Supervisory Board with roles, duties and responsibilities as follows;

1. Giving advice to directors about rules and regulations, good governance principle as well as ethic that directors should follow (Providing basic advice to directors regarding laws, regulations and rules which the Board of Directors should know and follow as well as monitoring for the directors to perform correctly and regularly including reporting significant changes to directors)

2. Organizing the Annual General Meeting of Shareholders and the meeting of the Board of Directors in accordance with the law, Company regulations and related practices

3. Recording the minutes of meeting of the Annual General Meeting of Shareholders and the Board of Directors including following up to comply with the resolutions of the Shareholders' meeting and the Board of Directors' meeting.

4. Communicating with relevant regulatory agencies such as the Securities and Exchange Commission (SEC) to ensure the disclosure of related information is in accordance with the rules and regulations of SEC and the Stock Exchange of Thailand.

5. Coordinating between the Board and the management team and supporting the implementation of good corporate governance principles in accordance with regulations and notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission and the Capital Market Supervisory Board.

6. Ensure that the Board of Directors and executives perform their duties correctly and carefully, taking into account the rights of shareholders and equitable treatment for shareholders.

7. Preparing and storing important documents such as Director Directory, the invitation letter and the minutes of the Board of Directors' meeting, shareholders' meeting and other meetings including the report of conflict of interest of the Board of Directors and the executives, annual report and information disclosed to be in accordance with relevant laws and regulations.

8. Conducting orientation process, providing necessary documents and information of the Company to new director.

9. Ensuring that the disclosure of information to the regulatory agencies is in compliance with laws and regulations.

10. Performing other tasks as specified by the Capital Market Supervisory Board or assigned by the Board of Directors.

Education:

- Master of Business Administration,
  Srinakharinwirot University

Working Experience:

- Acting Director of Compliance and Sustainability Development Department,
  Thai Vegetable Oil PLC.
- Manager of Compliance Unit,
  Thai Vegetable Oil PLC.

Certificate:

- Company Secretary Program (CSP), Class 92/2018,
  Thai Institute of Directors
- Board Reporting Program (BRP), Class 21/2016,
  Thai Institute of Directors
- Company Secretary Program,
  The Stock Exchange of Thailand

In addition, the Company has encouraged the Company Secretary to receive training and knowledge development in various fields continuously to be useful for performing duties as the Company Secretary. In the year 2019, the Company Secretary attended the seminar on "Towards

the Sustainable Finance & Investment in Thailand" organized by the Securities and Exchange Commission (SEC) in collaboration with the Federation of Thai Capital Market, Thai Listed Companies Association and the Stock Exchange of Thailand in order to listen to the exchange of views and experiences in promoting the issuance of sustainability bonds for problems resolution and social and environmental development.

Remuneration of Directors and the Management

Director Remuneration

The Board of Directors has established the remuneration policy for directors fairly and reasonably according to the principles of good corporate governance by assigning the Corporate Governance Nomination and Remuneration Committee to be responsible for determining the remuneration to be reasonable and in accordance with the strategy, long-term goals, the Company's performance and other duties as assigned. To determine the remuneration to be at an appropriate level and sufficient to motivate and retain qualified directors, the Company uses the Director Compensation Survey Report of the Thai Institute of Directors and the Stock Exchange of Thailand for consideration including comparing with other listed companies in the Stock Exchange that are in the same industry group and similar size. Directors who are assigned to be members of sub-committees will receive additional remuneration based on responsibilities increased and executive directors will receive remuneration from working as employees of the Company. Annual remuneration shall be presented to the Board of Directors' meeting for consideration before proposing for approval from the Shareholders' meeting every year in order to adhere to the principles of good corporate governance. In this regard, the remuneration of directors is determined in the form of monthly remuneration, meeting allowance and special remuneration as follows;

- **Directors' Remuneration**

  The directors are entitled to receive remuneration per meeting allowance and / or receive monthly remuneration in an average of not more than Baht 600,000 per month by considering allocating at the discretion of the Board of Directors.

- **Sub-committee's Remuneration with details as follows;**

Sub-Committee	Position	Meeting Allowance
The Audit Committee	Chairman	50,000
	Member	40,000
The Corporate Governance Numeration and Remuneration Committee	Chairman	40,000
	Member	30,000
The Environmental Social Risk Management and Compliance Policy Committee	Chairman	40,000
	Member	30,000

- **Special Remuneration**

  The directors are entitled to receive an annual special remuneration in the amount not exceeding Baht 20 million by considering allocating at the discretion of the Board of Directors. In the year 2019, the Board of Directors considered determining the annual special remuneration in the amount of Baht 14 million.

- **Other**
  Directors' & Officers' liability insurance (limit of liability: Baht 100 million)

In the year 2019, the monetary remuneration for 12 directors equals to Baht 7.84 million, consisting of monthly remuneration of Baht 3,000,000, meeting allowance of Baht 3,820,000, remuneration for the Audit Committee of Baht 520,000, remuneration for the Corporate Governance Nomination and Remuneration Committee of Baht 400,000 and remuneration for the Environmental Social Risk Management and Compliance Policy Committee of Baht 100,000. The Company provides Directors' and Officers' liability insurance to the directors in addition to monetary compensation. The Board of Directors will present the directors' remuneration for the year 2019 to the 2020 Annual General Meeting of Shareholders on Friday, April 24, 2020 with the following details:

Director Remuneration 2019

Name	Monthly Remuneration	Meeting Allowance	Audit Committee Remuneration	Corporate Governance Nomination and Remuneration Committee Remuneration	Environmental Social Risk Management and Compliance Policy Committee Remuneration	Total
1. Mr.Sompol Kiatphaiboon	1,200,000	1,190,000	160,000	160,000		2,710,000
2. Mr.Apichart Chirabandhu	600,000	440,000	200,000	120,000		1,360,000
3. Dr.Chaipat Sahasakul	600,000	560,000	160,000		30,000	1,350,000
4. Asso. Prof. Dr.Kitcha Urairong[1]/	600,000	560,000		30,000		1,190,000
5. Mr.Bowon Vongsinudom		140,000			40,000	180,000
6. Mr.Vichit Vitayatanagorn		130,000				130,000
7. Miss Aranya Vitayatanagorn[2]/		140,000		90,000	30,000	260,000
8. Mr.Vichai Vitayathanagorn		140,000				140,000
9. Mr.Vachara Vitayatanagorn		110,000				110,000
10. Mr.Pachai Chanpitaksa		130,000				130,000
11. Mr.Ekarat Wongsupbhasatigul		140,000				140,000
12. Mr.Vorravuth Tangpiroonthum		140,000				140,000
Total	**3,000,000**	**3,820,000**	**520,000**	**400,000**	**100,000**	**7,840,000**

Remark: 1/ Appointed to be a member of the Corporate Governance Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting No. 9/2019 on August 8, 2019
2/ Vacated from a member of the Corporate Governance Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting No. 9/2019 on August 8, 2019

Top Executive Remuneration

Policy and Criteria on Top Executive Remuneration

The Company has a policy and criteria for determining remuneration which is relevant to the Company's performance in the form of Key Performance Indicators as well as evaluating the performance of the executives every year. The Chief Executive Officer and President shall consider the appropriateness in determining the remuneration and annual wage adjustment that reflects the performance management of each executive according to the work which is in line with the vision, mission and strategy of the Company as well as the guidelines and standards of other listed companies with similar size of business.

The remuneration of Chief Executive Officer and President has been defined appropriately. The guidelines are clear, transparent, fair and reasonable, taking into account the responsibilities and performance. The remuneration is considered on both short-term and long-term basis by considering the operating results of the Company compared to the business plan in each year for the short-term evaluation. The long-term consideration will be based on the ability to formulate strategies and operational direction to achieve the goal and mission according to the vision of the organization including the results of the performance evaluation of the Chief Executive Officer and President. The Board of Directors has assigned the Corporate Governance Nomination and Remuneration Committee to determine the annual remuneration of the Chief Executive Officer and President and present to the Board of Directors for consideration. The Chief Executive Officer and President also receives remuneration and benefits as the highest top management of the Company besides receiving as a director.

In 2019, there were 7 executives, including the Chief Executive Officer and President, according to the criteria of the SEC receiving remuneration from the Company in the form of salary, provident fund and bonus in the total amount of Baht 45.5 million.

Human Resource

As of December 31, 2019, there were 1,324 employees working with TVO, an increase of 29 employees from 2018 or increased by 2.24%, which is divided into 159 employees working at Head office while 1,165 employees were working at the product plants. Employee compensation is in the form of salary, bonus and provident fund and others totally Baht 530 million. In addition, the Company had policy on human resource development disclosed in Corporate Governance report, section 3.

Remuneration for employees

The Company has a remuneration policy for employees that is in line with the short-term and long-term performance of the Company in order to provide remuneration to employees fairly. The remuneration structure for each position is determined appropriately by considering from the performance and the level of responsibility responsible for the knowledge, ability and individual performance of each employee. Employees shall receive remuneration equally and fairly when compared within the organization, parallelly, the remuneration payment is also in accordance with the economic conditions, inflation, consumer price index and remuneration guideline of other companies in the same industry, however, remuneration for employees must be suitable for business expansion and the Company's growth rate. Employees shall receive remuneration in the form of salary, wages, contributions to the provident fund and bonuses, etc.

Salary and wage

Monthly remuneration paid to employees due to the individual performance by considering from the job position, duties and responsibilities towards the organization and in line with the industry average.

Provident Fund

The Company has set up a provident fund to provide benefits to employees and to promote savings in another way as well as being a motivation for employees to work with the Company for a long time. Employees who are members of the provident fund will receive monthly contribution to the fund from the Company at different rates depending on years of employment, concurrently, employees must accumulate money to the fund at the same rate. In case of the termination, employees will receive contributions including the average net benefit of the fund.

Membership	Contribution Rate
From 1 Year to 5 Years	3%
From 5 Years to 10 Years	4%
From 10 Years onward	5%

Bonus

Special monetary remuneration paid to employees based on the results of the year, which is not set as a fixed rate. The annual bonus must be approved by the Board of Directors.

Personnel Capability Development

Personnel development policy

The Company realizes that building a sustainable growth organization requires the support from efficient personnel. Personnel is valuable resource and success factor driving the success of the organization, therefore, the Company has formulated strategies and policies on human resources that focus on enhancing human resource management and development to be more efficient and suitable for the environment, technology and innovation in business operations as well as in accordance with the business operation according to the goals, policies and directions of the organization by starting from analyzing manpower requirement to support business expansion, strengthening competitiveness and supporting various changes as well as evaluating performance, potential and the ability of personnel at all levels continuously in order to create qualified person to be ready to face the challenges affecting business in the future from both domestically and internationally. (Details are disclosed in “Sustainability Report 2019”)

Change in Shares held by Directors and Executives in 2019 (As of December 31, 2019)

No	Name	Position	as of December 31, 2018	as of December 31, 2019	Increase/ (Decrease)	Percentage of Shares held (%)
1.	Mr.Sompol Kiatphaibool	Chairman of the Board	-	-	-	-
	Spouse and minor children		-	-	-	
2.	Mr.Bowon Vongsinudom	Vice Chairman of the Board CEO & President	-	-	-	-
	Spouse and minor children		-	-	-	
3.	Mr.Apichart Chirabandhu	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	
4.	Dr.Chaipat Sahasakul	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	
5.	Assoc. Prof. Dr.Kitcha Urairong	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	
6.	Mr.Vichit Vitayatanagorn	Director	11,005,800	11,005,800	-	1.36
	Spouse and minor children		-	-	-	
7.	Miss Aranya Vitayatanagorn	Director Chief Operating Office - Commercial	18,384,869	18,384,869	-	2.27
	Spouse and minor children		-	-	-	
8.	Mr. Vichai Vitayathanagorn	Director	58,767,228	58,767,228	-	7.55
	Spouse and minor children		2,261,850	2,261,850	-	
9.	Mr.Vachara Vitayatanagorn	Director	11,300,000	11,300,000	-	1.40
	Spouse and minor children		-	-	-	

No	Name	Position	as of December 31, 2018	as of December 31, 2019	Increase/ (Decrease)	Percentage of Shares held (%)
10.	Mr.Pachai Chanpitaksa	Director Executive Vice President	2,896,000	2,896,000	-	0.36
	Spouse and minor children		-	-	-	
11.	Mr.Ekarat Wongsupbhasatigul	Director	12,131,837	12,131,837	-	1.50
	Spouse and minor children		-	-	-	
12.	Mr.Vorravuth Tangpiroonthum	Director	7,100,000	7,100,000	-	0.91
	Spouse and minor children		240,000	240,000	-	
13.	Mr.Pairote Utaisup	Chief Operating Office - Production	-	-	-	-
	Spouse and minor children		-	-	-	
14.	Mr.Chanvit Vitayatanagorn	Executive Vice President	7,874,850	7,874,850	-	0.97
	Spouse and minor children		-	-	-	
15.	Mr.Supachai Vitayatanagorn	Executive Vice President	11,632,280	11,632,280	-	1.44
	Spouse and minor children		-	-	-	
16.	Mr.Kamtorn Ekmetipunt	Assistant Managing Director	-	-	-	-
	Spouse and minor children		-	-	-	
17.	Miss Sunanta Tritepapiruk	Assistant Managing Director	680,239	680,239	-	0.08
	Spouse and minor children		-	-	-	
18.	Mr.Sakchai Padungkiattivong	Assistant Managing Director	-	-	-	-
	Spouse and minor children		-	-	-	
19.	Miss Kanutsorn Buditnate	Company Secretary	-	-	-	-
	Spouse and minor children		-	-	-	
					Total	17.84

Report of the Corporate Governance Nomination and Remuneration Committee

The Corporate Governance Nomination and Remuneration Committee consists of 3 independent directors, namely, Mr. Sompol Kiatphaibool, Chairman of the Corporate Governance Nomination and Remuneration Committee, Mr. Apichart Chirabandhu and Assoc.Prof.Dr. Kitcha Urairong, are members of the Corporate Governance Nomination and Remuneration Committee. Ms. Sunanta Tritepapiruk, Assistant Managing Director of Finance and Accounting, is acting as Secretary of the Corporate Governance Nomination and Remuneration Committee.

The Corporate Governance Nomination and Remuneration Committee is responsible for the following important matters; supervising the Company to operate under good governance principles in order for the organization to grow sustainably and considering the selection of qualified persons to be directors and senior managements including considering the remuneration of directors and top management. In the year 2019, the Corporate Governance Nomination and Remuneration Committee held totally 4 meetings, which can be summarized as follows;

Corporate Governance

- Considered the Charter of the Environmental Social Risk Management and Compliance Policy Committee (ESRC) and considered the Corporate Governance policy, Disclosure policy, Human Right policy and Supplier Code of Conduct along with reviewed the charter, manuals and other policies; the Charter of the Board of Directors, the Charter of the Audit Committee, the Charter of the Corporate Governance Nomination and Remuneration Committee, Code of Conduct, Anti-Corruptions Manual, Compliance Policy and Tax policy, to be up to date and be suitable for business in accordance with the law and guidelines of the Stock Exchange of Thailand, Securities and Exchange Commission, Capital Market Board, as well as relevant regulatory agencies.
- Reviewed and evaluated the performance of the Board of Directors in order to evaluate their own performance as well as completed a review of the Board Skill Matrix in order to be aware of the components of expertise of the existing directors are appropriate and able to perform their duties completely, continuously and efficiently.
- Considered criteria for succession plan for the executive level.
- Reviewed the composition of the sub-committee
- Acknowledged the implementation of Corporate Governance Code (CG Code) to be presented to the Board of Directors' meeting.

Nomination

- Considered the qualified persons to be directors of the Company representing 4 directors who were due to retire by rotation. The Company provided Shareholders the opportunity to nominate qualified and appropriated persons to be as directors through the Company's website and SET portal of the Stock Exchange of Thailand between October 25, 2018 to January 25, 2019 but none of the Shareholders proposed names list of qualified persons to be considered as directors. The committee had a comment that Directors who were due to retire by rotation are fully qualified and being a qualified person with knowledge, ability and

experience that is beneficial to the business, and having a broad vision and good performed as a director including participating in expressing useful comments at the meeting, therefore, the committee deemed appropriate to re-appoint 3 directors for another term.

- Considered the election of directors in replacement of 4 directors who were due to retire by rotation, namely Dr. Chaipat Sahasakul, Mr. Vachara Vitayatanagorn, Mr. Pachai Chanpitaksa and Mr. Ekarat Wongsupbhasatigul to be re-appointed to their positions for another term and proposed to the Board of Directors' meeting and the Annual General Meeting of Shareholders for approval.
- Considered the appointment of member of the Corporate Governance Nomination and Remuneration Committee, Assoc. Prof. Dr. Kitcha Urairong (Independent Director), to replace Ms. Aranya Vitayatanagorn in order to comply with the principles of good corporate governance (CGR) that all members of Nomination and Remuneration Committee should be independent directors.

Remuneration

- Considered the 2019 remuneration for directors which consisted of monthly allowance, reward and remuneration for sub-committee such as the audit committee, the Corporate Governance Nomination and Remuneration Committee, the Environmental Social Risk Management and Compliance Policy Committee in order to be presented to the Board of Directors' meeting and the Annual General Meeting of Shareholders for approval.
- Considered the remuneration for the Chief Executive Officer and President.

In addition, the Company attaches great importance to good corporate governance, as a result in the year 2019, the Company received various Corporate Governance awards as follows;

- Awarded the "Set Awards 2019" in the category of Business Excellence Awards in the category of Best Company Performance Awards jointly hosted by the Stock Exchange of Thailand and Money & Banking magazine.
- Rated "Excellent" or 5 stars in CG score by Thai Institute of Directors for the evaluation of the corporate governance report of Thai Listed Companies 2019 and was ranked as 1 in 43 Top Quartile Companies in the Listed Companies with Market Capitalization ≥ Baht 10,000 million.
- Selected in the list of Thailand Sustainability Investment (THIS) or sustainable stock for the year 2019.
- Selected in the ESG 100 (Environmental and Social and Governance) of the Agricultural and Food Industry Group from Thaipat Institute for the 4th consecutive year by evaluating from environmental, social and governance information from all 771 listed companies.
- Certified Company of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in the year 2019, considered by the Private Sector Collective Action Coalition Against Corruption.
- Awarded "Best Public Company of the Year 2019" in the Agriculture and Food Group, organized by "Money & Banking magazine"

Assessment results and awards above is a reflection that the Company operates business with responsibility to stakeholders as well as being able to create balance between environmental, social and corporate issues by adhering to the principle of good corporate governance in order for the business to grow steadily and sustainably.

On behalf of the Corporate Governance Nomination and Remuneration Committee

(Mr.Sompol Kiatphaibool)
Chairman of the Corporate Governance Nomination and Remuneration Committee

CORPORATE GOVERNANCE

Thai Vegetable Oil Public Company Limited conducts business by adhering to the principles of good corporate governance and the business code of conduct in order to ensure that the operations of the Company are efficient, transparent, fair, creating confidence for all Stakeholders, supporting and promoting the competitiveness of the Company which leads to creating value for sustainable business.

Corporate Governance Policy

In order to ensure that the Company operates it business substantially in accordance with good corporate governance, at the Board of Directors' meeting no. 14/2019, held on December 19, 2019, the Board approved "Corporate Governance Policy" as proposed by the Corporate Governance, Nomination and Remuneration Committee. The Corporate Governance Policy is based on the principles of good corporate governance for listed companies in 2017 in accordance with the guidelines set by the Securities and Exchange Commission as a practice guideline for the Board, who is the most responsible person in the organization, to apply in corporate governance for the business to have good results in the long-term operation and to build credibility for shareholders and all stakeholders as well as to raise up the Company's competitiveness in order to create value for the business to grow sustainably.

The Corporate Governance Policy covers the structure and guidelines for good corporate governance, responsibilities of regulators and the operation policy regarding rights and equality of shareholders and stakeholders, role and responsibility of directors and their independency. The Company focuses on efficient of internal control and risk management system and internal audit, operating business with honesty and transparency, compliance with the relevant laws, rules and regulation as well as business ethic, anti-corruption, and adequate disclosure of the information. All these are important factors that will drive the business to operate sustainably and be accepted by all parties involved. The Corporate Governance Nomination and Remuneration Committee reviews policy once a year to be suitable for the current situation and to comply with good governance of the Stock Exchange of Thailand. There is monitoring systems to ensure the implementation will be done in accordance with the principle strictly and cover all 8 principle of practice in accordance with the guidelines set by the Securities and Exchange Commission. In addition, the Board of Directors has approved "Compliance Policy" to provide guidelines for executives and employees to comply with the laws, rules and regulations related to business operations in order to increase the efficiency of management and to level up the Company's corporate governance, which will result in the Company achieving its goals and building confidence among shareholders, investors and all interested parties as well. The Board of Directors and management as well as employees at all level must adhere to the Compliance policy as a standard operating procedure.

With strong determination to comply the principles of good corporate governance and the code of business conduct with the Company's operation continuously together with corporate governance that usually has been developed to be more efficient and suitable for the Company, therefore, the Company was evaluated by organizations as follows;

- The Company was evaluated from the corporate governance report of Thai listed companies 2019 at an excellent level (5 stars) and was ranked as one of the 43 Top Quartile Companies in the Listed Companies that have market capitalization (Market Cap.) Baht 10,000-30,000 million.

- The Company was selected to be in the 2019 Thailand Sustainability Investment (THSI) organized by the Stock Exchange of Thailand, which is the 3rd consecutive year.

- The Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption 2019 from the Private Sector Collective Action Coalition Against Corruption (CAC).

- The Company has been evaluated the quality of Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association with a score of 99 points categorized in the "excellent" level.

- The Company has been selected to be ranked in the ESG100 from outstanding environmental, social and governance operations by Thaipat Institute.

- The Company has been awarded FDA Quality Award 2019 in the food manufacturer category, type of business- Agro-industrial entrepreneurs, who operate with quality, ethics and social responsibility.

In 2019, the Board of Directors has supervised the implementation of the principles of good corporate governance and considered reviewing the principles of good corporate governance for listed companies 2017 (CG Code) issued by the Securities and Exchange Commission as a guideline for the Board of Directors, who are the leader or the most responsible person of the organization, to apply as appropriate for the Company and to practice along with the 5 main categories for good corporate governance guidelines that are reported to Shareholders every year. The Board of Directors' Meeting No. 2/2019, the Corporate Governance Nomination and

Remuneration Committee has reviewed the results of the CG Code implementation in each item to ensure that the operations are in line with the said practice as appropriate to the business. For practices that are not suitable for the current business context, the Board of Directors has considered the appropriate alternative measures which has been recorded as a part of the resolution of the Board of Director in order for the Corporate Governance, Nomination and Remuneration Committee to review and present to the Board of Directors for review annually. In the year 2019, there are issues that the Company has not implemented according to the principles of good corporate governance into business operations as follows:

Principles	The Company's Explanation
The Board of Directors should supervise the Company to set its corporate values as a guideline for everyone in the organization to move in the same direction.	The Board of Directors convened and scheduled the implementation of organizational values within 2020.
An independent director should not exceed accumulative term of nine years from the first day of service.	The Board has established the policy of holding independent positions for not more than 3 consecutive terms. In 2019, there are 2 independent directors who have been serving on the Board beyond nine years, namely Mr. Sompol Kiatphaibool. (Chairman of the Board), Dr. Chaipat Sahasakul, due to both of them have the knowledge, ability and experience that are required for the Company and be able to perform duties as the Chairman of the Board and independent directors very well and support the business operations to achieve the corporate goals and growth continuously. The Company is confident that both independent directors have appropriate qualifications and are still able to provide opinions independently.
The Board should consider that shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in the subsidiary's management.	The Company is considering the selection of suitable persons to be appointed as representatives in the subsidiary as directors or executives in order to manage the subsidiary in the same direction.
The Board should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years.	The Board has assigned the management to conduct the study and consider as appropriate.

Principles	The Company's Explanation
The Audit Committee must have at least 1 committee member who graduated in accounting.	The Board is of the opinion that all 3 members of the Audit Committee have performed their duties as the Audit Committee member in other listed companies and have understanding in accounting standards that have changed. All 3 members of the Audit Committee therefore have sufficient knowledge and experience to perform the duty of reviewing the credibility of the financial statements, even without an accounting qualification.
At least one of the independent directors should be a woman.	The Company has a policy to consider on board diversity regarding professional, skills, expertise and gender. Currently, the Board of Directors consists of 12 members, 11 male directors and 1 female director, which is appropriate for the size, type and business complexity. However, in case that the Company has an opportunity to find more independent directors, the Company is ready to apply the principles of good corporate governance in the selection of directors definitely.
The Board should consist of more than 50% independent directors.	The Company is currently studying the reengineering of the Board to consider as appropriate for the company's business.

Chapter 1 Rights of Shareholders

The Board of Directors values and respects the rights of all Shareholders equally and encourage Shareholders to fully exercise their rights especially the basic rights of Shareholders namely the right to sell, buy or transfer shares; the right to receive the profit sharing; the right to receive sufficient information; the right to propose agenda and nominate a person to be a director of the Company; the right to attend Shareholders' meeting to vote for appointing and removing directors; the right to freely express opinions in the meeting; the right to approve the remuneration of directors; appointment of auditor and any other significant matters that would impact the Company e.g., dividend payment, amendment of the Article of Association and the Memorandum of Association, capital reduction or capital increase including approval of any transactions that would impact on the direction of the Company's business. The Company shall not do any activities that violate or restrict Shareholders' rights. The Company sets the policy on Shareholders' rights as follows;

1.1 Right of sharing profit

The Company has a dividend payout policy to Shareholders not less than 60% of net profit after tax if there is no necessary reason not to do so.

- The interim dividend of 2019 operational performance was paid at Baht 0.70 per share or 89.27% of net profit of the first half year 2019.

1.2 Right to have information

In 2019, the Company provided essential, accurate, adequate, reliable information to Shareholders in

timely manner and ignored any actions that limits the opportunity of Shareholders to access the Company's information.

- In 2019, the Company provided essential information to Shareholders and general investors according to the laws and regulations of the Stock Exchange of Thailand through SET Portal and published other information through the Company's website (www.tvothai.com) which is a channel that can be accessed easily and conveniently.
- The Company regularly presented the operational performance, financial and non-financial information to analysts, investors and shareholders every quarter regularly and also provided the opportunity to meet the executives to ask questions to create better understanding in the business and strengthen the relationship between the Company and analysts, investors and shareholders throughout the year. (Further details are in Chapter 4: Disclosure and Transparency)
- The Company participated in the activities organized by the Stock Exchange of Thailand such as "SET Opportunity Day" and "Thailand Focus" to disseminate the Company's information and answer questions. (Further details are in Chapter 4: Disclosure and Transparency)

Shareholders and general investors can contact the Company for more information;

1. Finance and Accounting Department :
   Ms.Sunanta Tritepapirak
   Tel : 66 2 477 9020 Ext 266
   email : sunanta@tvothai.com
2. Investor Relation Department :
   Ms.Teerada Korsrilabutr or Ms.Sutatta Chaiyanboon
   Tel : 66 2 477 9020 Ext 542 or 822
   email : teerada@tvothai.com or ir@tvothai.com
3. Company Secretary: Ms.Kanutsorn Bunditnate
   Tel : 66 2 477 9020 Ext 122
   email : kanutsorn@tvothai.com

1.3 Right to attend the meeting

The Company has the policy for all Shareholders, including Institutional Investors, to exercise their right to attend the meeting and vote at most convenience and strictly avoid any activities that restrict Shareholder's opportunity to attend the meeting. The Company has set the guideline for organizing and conducting the Shareholders' meeting as follows;

- The Board of Directors oversees the information of date, time, venue, agenda of the meeting with explanations and reasons for each agenda is provided in the invitation letter including takes care of having the meeting venue convenient for traveling.
- The Board of Directors recognizes and respects the rights of Shareholders and shall not do anything that violates or reduces the rights of Shareholders and takes care of the interests of Shareholders fairly as well as supports and encourages all groups of Shareholders; Thai Shareholders, Foreign Shareholders, Individual Shareholders, Major Shareholders or Institutional Shareholders, to exercise their rights to access to information sufficiently and timely and the right to attend the Shareholders' meeting to determine the direction of operation and consider on matters that have a significant impact on the Company
- The Board of Directors shall not add any additional agendas or change any significant information without prior notice, particularly, important agenda that Shareholders need to study carefully before making decision.
- The Board of Directors invites Shareholders to propose agenda for Annual General Meeting, submit question in advance and nominate persons to be elected as directors before meeting date through the Company's website and SET Portal.
- During the meeting of Shareholders, Shareholders shall have the right to ask questions and express their opinions in the meeting freely. The Chairman of the meeting shall allocate the appropriate time for question and inquiry.

- The Board of Directors promotes the use of technology in the Shareholders' meeting in order to ensure accuracy, transparency, and voting in each agenda. Shareholders shall have the right to vote by agenda separately. For the agenda of election of directors, Shareholders shall vote for election of directors individually
- The Board of Directors provides Shareholders the right to approve the remuneration of directors every year and proposes policies and criteria for remuneration of each director by considering the responsibility, income and profit of the Company including the number of directors as well as comparing the remuneration of directors in other companies, which are the same or similar size in the same industry
- The Board of Directors disclosed the resolutions of the 2019 Annual General Meeting of Shareholders for the public to be informed about the voting results in each agenda in both Thai and English through the SET Portal system of the Stock Exchange of Thailand and published on the Company website on the meeting date, after the meeting.

In 2019, the Company organized Annual General Meeting of Shareholder to allow Shareholders to exercise their rights as follows;

Annual General Meeting of Shareholders

The Board of Directors requires that the Annual General Meeting of Shareholders shall be held every year within 4 months from the end of the Company's fiscal year and if there is a need to consider the special agenda related to rights and benefits of Shareholders, the Board of Directors will call an Extraordinary General Meeting of Shareholders as necessary and appropriate.

The Company has strictly complied with the laws along with good corporate practices according to the AGM Checklist of the Thai Investors Association and also taking into account the rights of Shareholders and equitable treatment of Shareholders in accordance with the principles of good corporate governance. In 2019, the Board of Directors held an Annual General Meeting of Shareholders on April 29, 2019.

Before the date of Annual General Meeting

- The Company provided an opportunity to Shareholders to propose agenda of the meeting and nominate qualified persons to be considered as a directors from October 25, 2018 - January 25, 2019 prior to the meeting date. The Company announced the criteria and procedures on the Company's website and informed via SET Portal of the Stock Exchange of Thailand. There was no Shareholder proposing the agenda and the person to be elected as a director in any way.
- The Company published the notice of the Annual General Meeting of Shareholders and the Proxy form A, B, C on the Company's website since March 27, 2019, 332 days prior to the meeting date so that Shareholders would have time to study information and submit inquiries to the Company in advance, including having the opportunity to appoint independent directors or other persons attending the meeting on their behalves in the event that they are unable to come by themselves. In this regard, the Company has announced the dissemination of such information via the SET Portal system of the Stock Exchange of Thailand for the shareholders to acknowledge.
- The Company invited Shareholders to submit questions in advance to the Company before the meeting date to inquire information related to the meeting agenda or other important information of the Company during October 25, 2018 - March 31, 2019, the Company has clearly defined the criteria for sending questions in advance and published on the Company's website and announced via the SET Portal of the Stock Exchange of Thailand, none of Shareholder submitted questions in advance to the Company.
- The invitation letter and supporting documents were prepared in Thai for Thai Shareholders and

English for foreign Shareholders. Thailand Securities Depository Co., Ltd., a Company's registrar, was responsible for sending the invitation letter by registered mail to Shareholders on April 5, 2019, 24 days prior to the meeting date. The invitation letter was enclosed with registration process, documents and evidence, proxy method, proxy form and the agenda. Each meeting agenda has had supplementary information including directors' opinion on each agenda. The invitation letter was published on Kaohoon, daily newspaper, on April 9-11, 2019, 3 consecutive days prior to the meeting date

- The Company facilitated institutional and custodian Shareholders to submit the details of securities holdings for verification and to send proxy to the Company in advance. Institutional Shareholders or custodians who appointed independent directors, the Company would return a copy of the proxy form with the signature of the independent director to the Shareholders after the meeting.

On the date of Annual General Meeting

- The 2019 Annual General Meeting of Shareholders was held on April 29, 2019 at 10.00 - 12.00 a.m., at 3rd floor, TVO Building, at 149 Ratchadapisek Road (Thapra-Taksin), Bukkhalow, Thonburi, Bangkok, where is the headquarters of the Company. The time of meeting was proper and the meeting place was convenient for attending. There were 353 Shareholders and proxies attended the meeting. The total share were 464,194,283 units or 57.41% of total shares. There was not any additional agenda without prior notice. Nobody proposed the agendas in advance as we invited.
- The Company allowed Shareholders to register to attend the meeting 2 hours in advance before meeting starts, which informed the Shareholders in the invitation letter already. The barcode system was used for registration and vote counting for accuracy, fast and accurate together with preparation on staff, copier and stamp duty in order to facilitate the Shareholders who appointed proxies.
- The Company facilitated Shareholders who were unable to attend the meeting by themselves to be able to attend the meeting and exercise voting rights by proxies for others to attend the meeting and vote on their behalf. The Shareholder chose to appoint a person or independent directors attending the meeting and voting on their behalf. In case of proxy to independent directors, the proxy form should be submitted to the Company in advance. In this regard, the Company had proposed 3 independent directors, namely, Mr. Sompol Kiatphaibool, Mr. Apichart Chirabandhu and Assoc.Prof.Dr. Kitcha Urairong as proxies to attend the meeting and vote on behalf of Shareholder. The Company has attached the information of all 3 independent directors in the meeting invitation letter to the Shareholders.
- The Chairman of the Board, Chairman of the Audit Committee, Chairman of the Corporate Governance Nomination and Remuneration Committee, Chief Executive Officer and President, Chief Financial Officer, Auditor and Independent Legal Consultant attended the meeting to answer various questions (In 2019, there were 11 directors from the total of 12 directors attending the Annual General Meeting, representing 91.67% due to the absence of Mr. Vichai Vitayathanagorn, the director, requested to leave the meeting as being on overseas business trip)
- The Chairman of the Board who acted as the Chairman of the meeting conducted the meeting according to the Company's regulations. The 2019 Annual General Meeting of Shareholders has considered various matters according to the agenda as specified in the invitation letter. There was no addition or amendment of the agenda other than those specified in the meeting invitation.
- The Company Secretary notified the quorum, the number and proportion of Shareholders who came by themselves and proxies as well as informed the participants about how to vote, how to count votes and processing with the barcode system. Shareholder was required to vote according to the agenda.

- The Company used voting ballots for every agenda and counting votes would be counted at the end of that agenda. For the agenda for the appointment of directors, voting was conducted individually. The independent legal advisors, Baker & Mackenzie Company Limited, and representatives of Shareholders who were not directly related to the Company were invited to audit a vote counting for transparency according to good governance principles. Voting procedures for each agenda, the Chairman of the meeting invited the Shareholders or proxies who disapproved and abstained to vote and sign on the ballot and then TVO Staffs collected ballots and recorded the votes of disapproval and abstention. Shareholders, who agreed, signed the ballot and then the TVO Staffs should collect all the voting ballots after the meeting.
- The Chairman of the meeting provided opportunity to the Shareholders to express opinions, suggestions or ask questions in each agenda as well as allocated appropriate and equal time on each agenda before voting. The Company Secretary recorded issues, questions, answers, suggestions, comments in the minutes.
- The voting results of each agenda was notified to the meeting after the voting process on each agenda completed. In the event that the vote counting took time longer than usual in any agenda, the Chairman of the meeting might ask the meeting to consider the next agenda first in order to continue the meeting. When the vote counting was finished, the meeting secretary notified the meeting of the voting results immediately. The resolution of the meeting in each agenda was divided into agreed, disagreed, abstained and voided ballots. No Shareholders objected or disagreed with the said resolution.
- The Company granted the rights to Shareholders, who attended the meeting after the Chairman of the meeting has opened the meeting, to be able to vote on an agenda being considered which has not yet been resolved and would be counted as a quorum starting from the agenda being attended, therefore, it might resulted in unequal votes in each agenda.

After the date of Annual General Meeting

- The Company Secretary recorded the resolution of the Shareholders' meeting and disclosed the resolutions of the Shareholders' meeting and voting results in each agenda in both Thai and English via the SET Portal system of the Stock Exchange of Thailand within the date of the Shareholders' meeting and published on the website of the Company on the next business day. The Company had a system for storing voting ballot that shareholders can check.
- The Company has provided VDO recording and pictures during the meeting and published on the Company website for Shareholders who did not attend the meeting to acknowledge.
- The Company Secretary prepared the minutes of the Shareholders' meeting correctly with complete details and important notes such as the list of directors who attended / did not attend the meeting including the cause of leave and important statement, procedures and methods of voting, questions or answers or summary comments, details of each agenda in accordance with the facts at the meeting. There were summaries of votes for each agenda, separated by agreed, disagreed and abstained according to the principles of good corporate governance of the Stock Exchange of Thailand. The minutes of the meeting was signed by the Chairman of the Board, who was the Chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Ministry of Commerce on May 13, 2019 (14 days from the date of the meeting) within the period of time prescribed by law. The information and pictures of the Shareholders' meeting were disclosed on the Company's website both in Thai and English for Shareholders to acknowledge and to check information without having to wait for the next meeting.
- After the Shareholders' meeting approved the dividend payment, the Company informed the meeting resolution including details of dividend payment to Shareholders via the SET Portal of the Stock Exchange of Thailand and coordinated with the registrar of Thailand Securities Depository Company

Limited so that Shareholders are confident that they will receive benefit according to the rights correctly and completely.

Chapter 2 Equitable Treatment of Shareholders

The Board of Directors has a policy to ensure that all shareholders to be treated equally and protect their basic rights and benefits equitably and fairly by proceeding as follows;

2.1 At present, the Company has only ordinary shares, so the voting rights are in accordance with the rights of ordinary shares. Each shareholder has one vote per share.

2.2 The Company invited Shareholders to propose agenda for the 2019 Annual General Meeting, and to nominate qualified person to be elected as director. The criteria and procedure was published on the Company's website as well as disclosed via SET Portal of the Stock Exchange of Thailand 3 months in advance. The Company opened to send any inquiry in advance via the Company's website.

The Company set the criteria for Shareholders who would like to nominate persons to be elected as directors in advance. The guideline was determined by granting the rights to one or several shareholders who hold shares of not less than 1 percent of the number of shares issued and paid up as well as hold shares for not less than 1 year on the date of nominating persons to be elected as directors of the Company.

For the 2019 Annual General Meeting of Shareholders, the Company published the criteria on the website, www.tvothai.com, under the topic "Shareholders Meeting" between October 25, 2018 to January 25, 2019 by notifying Shareholders through SET Portal of the Stock Exchange of Thailand on October 25, 2018.

It appeared during such period, there was no Shareholder proposing the meeting agenda and nominating person as a director and no questions submitted in advance. The Company Secretary reported to the Board of Directors for acknowledgment.

2.3 To comply with good corporate governance principles, the Company published the invitation letter for the 2019 Annual General Meeting of Shareholders which contained supplementary information on each agenda on the Company's website, www.tvothai.com, in advance from March 27, 2019, 33 days before the meeting date, and sent the invitation letter both in Thai and English to Shareholders 24 days before the meeting date via registered mail. In addition, the Company announced in the newspaper for 3 consecutive days, 20 days before the meeting date.

2.4 The Company shall treat and facilitate all Shareholders equally. The Company allowed the Shareholders who were unable to attend the 2019 Annual General Meeting of Shareholders to be able to exercise their voting rights by authorizing others to attend and vote on their behalf. The Company sent proxy form B along with the invitation letter and nominated 3 independent directors who had no interest in the meeting as an option for Shareholders to appoint proxies. There was clearly specified on the evidence used in the proxy to facilitate Shareholders who did not attend the meeting by themselves.

Shareholders could select any proxy form A, form B or form C which published on the Company website, www.tvothai.com, for Shareholders to download. (Form C was designed for foreign shareholders who appointed custodians in Thailand to act as a depository and trustee). The Company provided stamp duty to facilitate Shareholders for attaching the proxy form without any charge.

2.5 The Company Secretary informed the meeting regarding the rules and procedures for voting clearly. The Chairman of the Board presided over the meeting and conducted the meeting according to the agenda specified in the meeting invitation. There was no addition or amendment of the agenda other than those specified in the meeting invitation for fairness to Shareholders who did not attend the meeting. Voting ballot was provided for every agenda for transparency and verification.

2.6 In 2019, there were 11 directors of the Board from the total of 12 directors attending the Shareholders' meetings (representing 91.67 percent of all directors, there was 1 director who was absent due to overseas business trip). Directors and executives attending the meeting were the Board of Directors, Chief Executive Officer and President and all executives from various departments including the sub-committee, namely the Audit Committee, the Corporate Governance Nomination and Remuneration Committee, the Risk Management Policy Committee to announce operating results and answer questions from Shareholders. Shareholders were allowed to question on various issues, to inquire information and to suggest freely without time limited. The Chairman of the meeting allocated appropriate time and encouraged Shareholders to have an opportunity to express their opinions and ask questions at the meeting on matters related to the Company.

2.7 The Company prepared the minutes of the 2019 Annual General Meeting of Shareholders within 14 days according to the time required by law and sent a copy of the minutes to the Stock Exchange of Thailand and the Ministry of Commerce and published via the Company's website. The minutes was recorded correctly and completely and was systematically stored for Shareholders to review.

2.8 The Board of Directors established rules and regulations regarding the acquisition or disposal of securities of directors, executives and auditors of the Company by reporting securities holdings and changes in the securities holding of the Company to the Securities and Exchange Commission within 30 days after the date of appointing the position or within 3 working days from the date of purchase, sale, transfer or accept the transfer of securities under Section 59 of the Securities and Exchange Act BE 2535 and with amendments.

2.9 The Company Secretary has a duty to report changes in securities holdings of directors and executives to the Board of Directors' meeting every time that there is a change before considering the meeting agenda to acknowledge as a regular agenda in the Board of Directors meeting every month. The policy / regulation regarding this matter has been included in the Business Code of Conduct. In the year 2019, there was no notice of any offense of the directors or top executives.

The Company has established preventive measures and penalties for insider trading of related persons, including directors, executives and employees related to information. (Including spouses and underage children of such persons) and prohibited such person from trading the Company's securities during the 1-month period (Blackout Period) before disclosing quarterly financial statements and annual financial statements or other information that may affect the stock price of the Company and until 24 hours after the disclosure of such information to the public which was declared in the Company's Code of Conduct. The Company Secretary will notify via letter or email to the relevant person to be aware of the said period. The directors and senior executives are required to notify the Company Secretary 1 day in advance before trading in order to report to the Board of Directors' meeting. In 2019, the Board of Directors and the executives did not trade securities using inside information.

2.10 The Board of Directors has established a policy on connected transactions between the Company, subsidiaries and related persons according to Section 89 of the Securities and Exchange Act BE 2535 and additional amendments. The directors, executives and those who involved are required to report their own interests within 30 days after the date of appointing the position or within 14 working days from the date of change. The Company Secretary is assigned to summarize the transaction report and report to the Board of Directors and the Audit Committee at least twice a year to verify and control the interest of directors and executives in order to achieve good corporate governance of the Company. The Company has disclosed the said policy in the annual information disclosure form of the Company (Form 56-1) and the 2019 annual report. The Company does not violate the rules on related party transactions and there is no financial assistance to other non-subsidiary companies.

2.11 To prevent conflicts of interest, the Board of Directors has established a policy for overseeing transactions that may cause conflicts of interest clearly by designating the procedures for connected transactions approval in written form in the related transaction policy. The Compliance Department is to give opinions on the necessity and reasonableness of such transactions and propose to the Audit Committee to consider such transactions that have been done fairly according to the market price and in accordance with the normal business in order to propose to the Board of Directors and/or the Shareholders' meeting (As the case may be) to consider approving the transaction. The executives or directors who have an interest will not participate in the approval of such transactions.

Chapter 3 Role of Stakeholders

The Board of Directors realizes that successfulness of business and its sustainable growth depends on all stakeholders. Hence, the Board of Directors commits to promote the cooperation among stakeholders, together with safeguard and preserve their right and benefit fairly according to their right, relevant laws and agreement. The Company will not take any action to violate stakeholder's right and intellectual property, fair practice, including set guidelines for anti-corruption. The Company has established the stakeholder policy and guidelines in Business Code of Conduct and published to Directors, Executives and employees to adhere to the guideline for treating stakeholders to ensure that Stakeholders will be treated fairly. The Company has disclosed "Business Code of Conduct" under the "Good Corporate Governance" on the Company's website.

In 2019, the Company had strictly followed its principle and had done various activities related to stakeholders detailed as follows;

Shareholders

The Company respects the basic rights of Shareholders, treats all shareholders equally and creates maximum satisfaction for Shareholders such as Right to attend the Annual General Meeting of Shareholders, Voting rights, Proposing the agenda and nominating persons to be elected as directors, Listening to opinions and suggestions from Shareholders, including providing channels for Shareholders to contact via the website and email as disclosed in the section entitled Rights of Shareholders and Equitable Treatment of Shareholders.

The Company values Shareholders as business owners, therefore, the Board of Directors as the representative of the Shareholders including the executives and employees are required to conduct business in accordance with the principle of good corporate governance for maximum benefit and value added to shareholders in the long-term as well as to respect the basic rights of the Shareholders as specified by laws, regulations, the Code of Conduct

and relevant rules. All Shareholders are treated equally. The Company aims to create the greatest satisfaction for Shareholders by taking into consideration the sustained growth of the Company and reasonable, fair and consistent returns, as well as a transparent management system and a reliable accounting system. The Company maintains its assets, controls related transactions and provides preventive measures against conflict of interest and misuse of internal information. Shareholders can believe that they will have correct information. The details regarding Shareholders rights are shown in chapter 1, Rights of Shareholder and chapter 2, Equitable Treatment of Shareholders.

In 2019, the Company agreed to pay an annual dividend at the rate of Baht 1.45 per share. Total is Baht 1,172,485,928.25, or 83.12 percent of net profit of the year, which paid from net profit of the business. The Company paid interim dividends for 6 months to Shareholders at a rate of Baht 0.70 per share. However, the remaining dividend payment at the rate of Baht 0.75 per share is uncertain as it has not yet been approved from the 2020 Annual General Meeting of Shareholders.

The Company has reported the results of quarterly operations accurately, completely and truly and disclosed the transaction with the connected person in the same conditions as the third party through the SET Portal of the Stock Exchange and the Company's website.

Employees

The Company always realizes that personnel are valuable assets of the Company which is a key factor driving the Company's success, therefore, the Board of Directors has established various policies to improve working environment, welfare and quality of their life based on the guidelines prescribed by law, human rights respect and in accordance with the direction and strategy of the organization. The Company has a policy to encourage employees to have unity and solidarity among colleagues, to cooperate and coordinate in a way that is favorable to the job and to the Company. The important policies regarding personnel are as follows;

Remuneration Policy : The Company has a policy to compensate employees at all levels for both short-term and long-term appropriately and fairly. The short-term remuneration is considered from the suitability according to knowledge and ability, labor market conditions and practices in the same industry together with the Company's yearly performance linked to the Key Performance Indicators according to the Balanced Scorecard principles, by considering the operations throughout the organization measuring four main aspects of a business consisting of finance, customer, internal process and learning and growth, by the time that considering the appropriateness of long-term remuneration based on performance evaluation and potential each employee along with the Company's performance according to the long-term business plan and career development path in line with the Company's succession plan. The Company established and contributed a provident fund as well as ensures that employees receive welfare appropriately in order to persuade employees to loyalty work and enable the Company to retain its personnel. The Company evaluates performance once a year to consider compensation and bonuses.

In 2019, the Company paid remuneration to employee as follows: 1) Short-term remuneration that is consistent with the Company's performance such as salary, which is increased once a year and annual bonus based on the Company's performance and individual assessment. 2) Long-term remuneration such as retirement benefits, which the Company has reserved a provision for long-term employee benefits of Baht 152 million and has paid the benefit during the year total Baht 14 million.

Safety Policy: The Company has established Safety, Occupational Health and Working Environment Policy that encourages employees to work safely and to have good hygiene by providing the necessary facilities to perform the duties in order for all employees and workers to get safety and good health under good working environment conditions and always focusing on prevention of accidents

and training employees. The Company appointed the Safety, Occupational Health and Working Environment Committee with its policy as follows;

1. To produce standardized products for customer satisfactions
2. To maintain the quality of environment and prevent the pollution caused by raw materials and production process including other related activities
3. To comply with laws and regulations related to the business strictly
4. Use of energy and resources efficiency is the duty of every employee
5. To support and provide resources sufficient and appropriate; human resource, budget, tools and equipment which is necessary for improving and problem resolving in regard to the quality, safety, health, environment and security.
6. Commit to prevent injuries and disease from work and develop health and safety management system continuity
7. Quality, safety, health, environment and society policy is distributed to employees and stakeholders
8. Encourage all employees to participate in activities or projects regarding occupational health, safety and environment of the Company and to make suggestion on how to improve their working condition and safety.
9. Review and update policy continually to be suitable for the current situation by considering the impacts of employees and stakeholders

The Company has disclosed its policy on website and always comply with such policy. In 2019, there was man-days sick leave by working, 0.0045 percent decreased from 2018, in which there was man-days sick leave by working at 0.012 percent. There was no any violation of labor law or any labor dispute cases.

Welfare Policy: The Company has established the Provident Fund for employees' long-term benefits to promote the money saving for their future as well as to persuade employees to loyalty work for the Company. For members of the Provident Fund, they will receive monthly contributions from the Company at different rate depending on years of membership (contribution rate of 3-5 percent), and they must also pay the same amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the average net profit of the fund.

The Company has appointed a welfare committee in the workplace with a 2-year term to be employee representative and center to cooperate between employee and the Company. The committee is for helping and reliving employees' trouble besides welfare benefits provided by the Company. The welfare committee also provides consul and listens to employees' opinion. The Company pays attention to welfare and employees' safety. As a result, the Company set welfare and basic benefits in compliance with laws such as holiday, annual leave, including social security, compensation fund, and provident fund. Said benefits are continually communicated to employees as follows;

1. Provident fund
2. Welfare benefits for employees in case of death and grants for the funeral of employee's family
3. Fever visit baskets in case of sickness
4. Annual health checkup by leading hospital. The examination program is arranged individually to suit the job characteristics and the age of each employee with special price
5. Accident insurance for risky job such as driver
6. Medical and dental expenses other than social security
7. Uniform
8. Annual Company Trip

Human Resource Development Policy: The Company has a policy to promote personnel development by encouraging employees to develop knowledge, ability through training and seminar. The Company sets annual training plans for employees at all levels, particularly competency and skills to gain expertise in their career

path to develop the capabilities of the executives and employees continuously to be consistent with the direction of the organization both in the short term and long term.

In 2019, the Company conducted and reviewed to ensure that the operation is to comply with the human resource management policy, regulations regarding the work and the guidelines addressed in the welfare manual completely and regularly. There was 60.65 percent of employees who attended both in house training and other external courses.

Customers and Consumers

The Company operates its business under the philosophy: We will be a quality, sustainable and stable growth Company who produces high quality products for better quality of life of people and will generate value added to shareholders, with responsibility to society and environment. The Company focuses on quality of product starting from the purchasing of raw material, production process until the delivery to customers and consumers. The Company constantly researches and develops to improve its quality of products. In addition, the Company is committed to maintain good relations with customers by organizing various activities such as arranging meetings with customers to provide information about products and services and discuss on product development to respond to customer needs including establishing whistleblowing system to receive complaints through the Company's website. Currently, the Company is certified by international production standards, e.g., GMP, HACCP, ISO 9001, ISO 22000, ISO/TS 22002-1, FSSC 22000, ISO/IEC17025, ISO 50001, ISO 14001, Halal, Kosher, Carbon Footprint of Products, Carbon Footprint Reduction etc.

The Company shall treat our customers and consumers by doing business with fair and integrity, paying attention to the interest of business partners, customers and consumers fairly in order to give them the best interest. The policy is to;

1. Commit to the development and delivery of products with high standard quality in order to meet customers' need with modern and high technology, and having quality control system at each step with fair conditions
2. Provide accurate information of product and services sufficiently and timely in order for customers to have useful information to make decision. Ignore any actions that cause misunderstandings or believing in product quality exaggeratedly.
3. Maintain customer confidential information including not using the information for their own benefits or other related parties
4. Respond to customer's demand quickly and punctual to maximize customers satisfaction
5. Provide a process to receive problems and complaints from customers and do the best to respond our customers quickly including creating customer satisfaction evaluation form to further improve and develop products and services
6. Do not pay any benefit to customers for the purpose of acquiring or hijacking the customer by using dishonest means or violate the requirements of the law

In 2019, the Company had no any case that violated the interest of consumer and trade competition. There was no significant complaints from customers. As for other complaints, the Company has analyzed the cause to carry out corrective, prevent and follow-up of the entire system and apply to the entire organization so that the defect does not occur again.

In addition, the Company has a process to obtain good relationships with customers by conducting annual customer satisfaction surveys in each business group in order to be aware of expectations and satisfaction of customers and to get the survey results analyzed to develop and create further new innovations. In 2019, the Company has the overall satisfaction survey result at 86% from the survey of customer satisfaction on products, transportation services and sales department service.

Business Partners, Creditors and Competitors

The Company operates its business in accordance with the competitive framework transparently, fairly and honestly subject to legal requirements and other related matters by adhering to business standards, trade terms and stipulated contracts strictly. In addition, the Company has established a policy on intellectual property management to clearly specify prevention guidelines for non-infringement of intellectual property, in which all executives and employees have a responsibility directly to comply with the policy. Therefore, the Company has never violated any laws related to business partners, creditors and competitors with the following guidelines;

Policy to Business Partners

The Board of Directors treats partners with equality and mutual benefits to maintain a lasting relationship and mutual trust with policies and guidelines for dealing with partners as follows;

1. Treat trade partners equally, transparently and fairly based on fair returns to both parties
2. Comply with contracts, agreements or conditions with partners strictly. In the case that it is not possible to do so, it must notify the partners in advance to jointly consider finding solutions and prevent damage
3. Shall not claim or receive any offers and benefits that are unethical trade in business negotiations with business partners
4. The Company complies with the procurement policy with clear procedures along with the criteria for selecting partners with acceptable standards in the industry, the business code of conduct, standard quality system certificate, financial liquidity and evaluating partners every 6 months in order to conduct business with partners with efficiency, appropriateness and fairness in accordance with good corporate governance principles.
5. The Company has no policy to support any person or organization that do illegal business
6. Anti-corruption and fraud policies are announced to partners.

With awareness of the importance of operating a quality and sustainable business, the Board of Directors intends to promote business partners to conduct their business in line with the Company's business operations. In 2019, the Board of Directors has resolved to approve the supplier code of conduct covering human rights, labor, environment, and anti-corruption issues including legal compliance, related regulation to be a guideline for sustainable business partnership.

Policy to Creditors

The Company has a policy to treat all creditors equally and fairly by strictly complying with the contract and conditions with the creditors and building a relationship with creditors. The financial status is disclosed accurately on time to create confidence and trust as follows;

1. Follow the agreement, requirement, terms or conditions to debtors strictly especially regarding the conditions of guarantees and capital management to have an appropriate structure.
2. Repay the loan with interest to all creditors completely and in accordance with the agreed deadline. In the case that it is unable to comply or causes a default, the creditors will be informed in advance to work together to find solution and prevent damage
3. Shall not call or receive any benefits dishonestly in business negotiations with debtors
4. Report accuracy and completed financial information to the creditors regularly and shall not concealing any important information or facts that may cause damage to creditors

Policy to Competitors

The Company has a policy to treat competitors fairly according to the trade competition law framework by adhering to conducting business under ethics with transparency and without violating the confidentiality or knowing the competitor's trade secrets with fraudulent method, therefore, the Company set policy to competitors as follows;

1. Follow the rules of good competition
2. Do not seek confidential information of competitor through dishonest or inappropriate manner
3. Do not ruin the reputation of competitor with malicious accusations without truth
4. Do not do anything to violate the intellectual property of competitor

In 2019, the Company did not have any disputes or lawsuits from partners, creditors and competitors.

Regulator

The Company commits to comply with the rules, regulations, and practices prescribed by law. The Company operates business with transparency and discloses complete and accurate information as prescribed by the regulators.

Policy to Regulator

1. Practice and follow strictly in accordance with the intent of the laws and regulations issued by regulators
2. Refrain from any action with help or support to avoid laws or regulations
3. Collaborate with regulators and report information about violation or non-observance of any law or regulation against them.

Society Community and Environment

The Board of Directors is committed to conducting business in accordance with good corporate governance, responsibility to society, community and the environment, for well-being and life quality of the public by integrating with the vision, mission, strategy and goals of the Company to create sustainable value and supporting the efficient operation. In 2019, The Company changed our Sustainability structure, appointed the Environmental and Social Working Group which operated under the supervision of the Environmental, Social, Risk Management and Compliance Committee - Enterprise (ESRC-E). The roles and responsibilities of the Environmental and Social Working Group are as follows:

- Prepare the operational plan regarding the environment and social responsibility, suitable and consistent with the Company's policies and business plans, to submit for approval of ESRC-E. The environmental work should include the impact reduction towards environment, air, water, odor, noise and resource usage.
- Follow up the operation, assess, review and improve the operational plan to suit the situations.
- Report the operational results to ESRC-E for acknowledgement, consideration and suggestion to ensure that the results are effective as planned.
- Communicate and execute the environmental operation and social responsibility to be a part of normal operation and procedure as a whole.
- Arrange regular meetings to follow up the environmental operation and social responsibility.

Society and Community

The Company has established the "Community Relations Committee". The unit is a result of collaboration between Government agencies including Nakhon Chaisri District Chief, Local community leaders in Nakhon Chaisri district, Village headman, Local administrative organizations, Representatives from the civil society and TVO community relations team. A quarterly meeting enables all parties to have a communication channels to listening to suggestion and a feasible impact of the Company's operations on the community to find a way out.

The Company aims to evolve into a good organization by caring and sharing to the society. For this reason, in 2019, we continued the scheme "Caring & Sharing with our Hearts for the Sustainable Thai Society" to perform various activities. It concerned social development and promoted sustainable living. The Company offered educational support for underprivileged youth, improved the well-being of the community and society, promoted culture and tradition and joined hands with community members in countless activities.

The Company has a policy of recruiting people in the area around our factories as employees, as well as supporting activities that help strengthen the relationship between factories, employees and people in the community. In addition, the Company aims to raise awareness and enhance our employees to be good citizens with responsibility for the community and society as a whole.

The Board of Directors attaches importance to support health and hygiene of people in the community. In 2019, the Company supplies medical tools and devices such as the endoscopic biliary and pancreas examination equipment, other medical devices and donated some money to renovate the patients' special room at the Cardio Center project and to tackle the lack of medical devices at Nakhon Pathom Hospital improve the outpatient and inpatient department at Nakhon Chaisri Hospital which is a community hospital that locals and TVO employees are treated. The project aimed to acquire medical equipment to help address ailment in time and more efficiently. It was expected to be more efficient and convenient medical service to residents and TVO's employees. The project also helped to revamp standard medical services.

Environment

The Company realizes the importance of environmental conservation. In order to prevent and be responsible for potential effects which may occur in the operations of the Company, the Company has established the "Environmental policy" which was announced on the Intranet and the Company's website in order to encourage continuous improvement, support the invention of new innovation that reduces the impact of the production process along with preparing various measures for the most efficient usage of resources. In addition, it also helps to solve climate change problems, organizes campaigns to reduce deforestation, promotes efficient water management, and protects the ecosystem and biodiversity.

Environmental operations are under supervision of the Environmental and Social Working Group which consists of representatives from the relevant departments, production department, occupational health, safety and environment department, sustainable development department, human resources department, and community relations department, and needs to report all aspects of operations to the ESRC-E Management Team, consisting of CEO and managing directors, in order to achieve efficient coordination, reduce negative effects from production processes, promptly tackle problems and complaints from the effects, and realize the sustainable development model, accomplishing both goals and policies as planned.

In 2019, the Company has a Zero Accident Campaign to reduce accidents in the workplace. There is a Management & Production Line Walk activity where executives conduct a safety survey and well-being of employees as well as being a good model. In addition, the Company also provides safety training courses for operators to encourage employees to be aware and assess the nature of significant environmental problems which leads to environmental management and preliminary working risk assessment.

The Company has established an Environmental policy to encourage all employees to use resources efficiently, appropriately and to maximize benefits. The Management of the use of existing resources for maximum benefits is communicated and educated to employees to create awareness through organizing various activities. In addition, there is a project to improve production efficiency continuously and manage an efficient waste system to reduce environmental impacts and to minimize the waste for sustainable development. There is committee to analyze the potential risks to the organization and the surrounding community.

The Company is committed to environmentally friendly operations and has an environmental and energy management system according to ISO 14001 and ISO

50001 standards. The Company has also been certified "Green Industry" from the Ministry of Industry. For projects and activities on Social, Community and Environment are disclosed in Sustainability Report (separated book) and published on the Company's website.

Innovation Management

The Board of Directors attaches importance to supporting and promoting of useful innovative creation in order to create value to the business along with be responsible to all stakeholders. The Company has determined innovation strategy to be in line with the organization's direction and the rapidly changing digital age by initiating and developing innovation in both production processes and new products to upgrade the business competitiveness. The Company has a research and product development department responsible for researching and developing product properties in order to be in line with the changing consumer needs, with a focus on reducing the impacts on society and the environment as well as researching new innovations to increase the production efficiency and develop production processes with modern technology that helps to reduce work procedures and production costs. Meanwhile, the business development department is responsible for planning and determining management strategies in order to create a competitive advantage for the business

To enable the Company to adapt itself to changing industry appropriately and to support the production capacity expansion, In 2019, the Company has improved work processes with regard to environmental issues along with taking care of society and the surrounding community together.

Human Rights

The Board of Directors attaches importance and fully respects Human Rights strictly and has established Human Right policy be a guideline for treating labor fairly and equitably and promoting equality throughout organization in nationality, religious, sex, skin color, language, non-child labor and anti-sexual harassment. The Company realizes that human resource is a significant factor to add value and increase productivity. Thus, the Company frequently provide environment and working condition to improve their quality of life, develop their skills to improve the potential as well as working skills, and educate them to understand about human right to behave properly. The Company has never violated human right. In 2019, according with labor law, the Company has employed 13 handicap labor living in Nakhon Pathom province, which is approximately 0.98 percent of the total of 1,324 employees in the Company, though it reached as required by Empowerment Of Persons With Disabilities Act, B.E. 2550 (2007), (2nd ed) B.E. 2556 (2013)).

In addition, in 2019, the Company assisted in the "Disable Career Training Center" Project in Nakhon Chaisri District, Nakhon Pathom. The training center operates under the Universal Foundation for Persons with Disabilities headed by Foundation Chairman Professor Viriya Namsiriphongph and Project Manager, Mr. Arthorn Limpan, the Lamut Subdistrict Administrative Organization Chief. The project objective is to help in creating a career for the disabled who come to train, gain knowledge and try out real practice until they can return to their own career. Currently, there are planting houses for switching economic crops such as Japanese melon, organic salad vegetables, Bhutanese oyster mushroom, etc. TVO team analyzed the projects feasibility such as water systems design in the training center, inspecting the quality of raw water in ponds to formulate a water filter system, buying melon grown by people with disabilities to serve as part of a break at important meetings of the company, etc.

As for 2020, the Company plans to complete the full water system by installing water system in the entire areas of farming houses, residential buildings, training buildings and toilets for the disabled which will help facilitate people with disabilities who attend career trainings and residents at the training center.

Fraud Prevention

The Board of Directors conducts business with transparency and fairness in accordance with the principles of good corporate governance and prioritize to anti-corruption in all forms with confidence that it will be a strong support for the Company to grow sustainably. Risk management and audit process are provided to prevent and suppress corruption and misconduct as well as to support the creation of an organization culture to adhere to honesty and righteousness.

Anti-corruption Policy

The Board of Directors approved and announced anti-corruption policy and measures manual since 2016 for the executives and employees to comply strictly in accordance with the business intent. The Board of Directors' Meeting no. 9/2019 scheduled on August 8, 2019, the Board of Directors reviewed and revised the policies and manuals to be appropriate and in line with current business operations by prohibiting directors, executives and employees from demanding, executing or accepting corruption in any forms either directly and indirectly for the benefit of the Company, self, family, friends and acquaintances which covers all businesses and all related agencies. The Board regularly reviews the compliance with this anti-corruption policy as well as guidelines and operational requirements to be consistent with the changes of business, rules, regulations and legal requirements. All executives and employees must sign and acknowledge in the anti-corruption measures manual.

With a commitment to prevent an anti-corruption in all forms, both directly and indirectly, the Company has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption 2019 from the Private Sector Collective Action Coalition Against Corruption (CAC) on Friday October 18, 2019.

Risk assessment

In 2019, Enterprise Risk Management Committee (ESRC-E) assessed the potential risk of corruption according to risk management plan and overseen the operation to be in line with risk assessment, then, reported to the Environmental Social Risk Management and Compliance Policy Committee (ESRC) to formulate policies, govern and control risk management and report to the Board of Directors respectively.

Training and communication

The Company has planned an annual training program to educate employees on anti-corruption policy as well as related policies such as business code of conduct, no gift policy or customer reception. In 2019, the Company arranged training for executives and employees to provide better understanding of the implementation according to anti-corruption policy on December 10, 2019. Every employee can reach such policy via intranet system and communication board. The Company also communicated anti-corruption policy to its business partners and those who related, and as well as business representatives via appropriate channel for having same practices and acknowledgement.

Practices on governance, prevention and monitoring risk from corruption

The Company prescribes anti-corruption practices regarding governance and monitor risk from corruption as follows;

1. Office of Internal Audit provides examination process, the internal control system assessment, risk management covering important work system such as procurement system, sales system, accounting system, payment system etc. These are to prevent and monitor risk from corruption including provide appropriate opinion on solving guidelines.

2. Provide channels for receiving information on clues, complaints, offenses, violations of laws, regulations, or anti-corruption policies. The policy is to protect the whistleblower and keep the information of the whistleblower as confidential including having measure to investigate. The Company also imposes disciplinary action and relevant legal penalties.
3. The head of the relevant department is responsible for monitoring the implementation or improvement of defects (if any) and report to the supervisor.

No Gift Policy

The Board of Directors set guidelines for receiving or giving gifts, reception or any other benefits to comply with the anti-corruption policy and announced throughout the organization for personnel to practice strictly in order to avoid actions that may affect decisions making on duty and also communicated to outsiders who are involved in the Company business and published on the Company's website.

Whistleblowing and Complaints

The Board of Directors attaches importance to good corporate governance and provides opportunity to stakeholders to provide information and complaints about illegal actions, ethics, financial reports, internal control system and anti-corruption policy. The complaint regulation is announced as guidelines for implementation and published on the Company's website by receiving complaints through the Office of Internal Audit or the Chairman of the Audit Committee via the following channel. The Company will appoint an investigation committee on a case-by-case basis.

Post : **Office of Internal Audit**
Thai Vegetable Oil Public Company Limited
149 Ratchadapisek road (Thapra-Taksin),
Bukkhalow, Thonburi, Bangkok 10600
Telephone: 02-477-9020
E-mail : ac@tvothai.com

Or through the Audit Committee

Post : **Chairman of the Audit Committee**
Thai Vegetable Oil Public Company Limited
149 Ratchadapisek road (Thapra-Taksin),
Bukkhalow, Thonburi, Bangkok 10600
E-mail : acchairman.tvo@gmail.com

Measures to protect complainants and informers

Complainant, whistleblower or informer will be protected according to the following criteria;

1. Complainant, whistleblower or informer will be protected fairly and appropriately. The Company will not disclose any personal information that can identify the informer, then, proceeded to investigate the underlying truth.
2. Complaint recipients and relevant parties that have acknowledged the subject or information relating to the complaint must keep the information and documents provided confidential. Shall not disclose information to people who do not have relevant duties, unless it is disclosed according to the law which can be disclosed as necessary if deemed to be likely to cause damage or insecure.
3. Those who reject corruption or bribery will be protected without degrading their positions, punishing or giving any negative results that affects work duties.
4. Complainant, whistleblower or informer, the affected people will be mitigated by appropriate and fair procedures.

Implementation of the anti-corruption measures

In 2019, the Company did not receive any clues or complaints of wrongdoing or corruption. In this regard, the Company has prepared a summary report on the implementation of anti-corruption measures and reported to the Audit Committee and the Corporate Governance Nomination and Remuneration Committee and disclosed to Shareholders in the annual report as well.

Chapter 4 Disclosure and Transparency

The Board of Directors shall disclose essential information of the Company such as financial and non-financial information and other significant information in both Thai and English accurately, adequately and transparency in ample time, and follow strictly in accordance with rules and regulations regarding disclosure of Securities and Exchange Commission and Stock Exchange of Thailand. Investors and all stakeholders, both domestically and internationally, can access information equally, which is reliable and sufficient, for making decisions through SET Portal of the Stock Exchange of Thailand and the Company's website under the investor relations section. In 2019, the Company disclosed the significant information as follows;

4.1 Disclosure of Financial Statements, Annual Report, and form 56-1, through SET Portal of the Stock Exchange of Thailand and on the Company's website in both Thai and English, the information always keeps updated.

The management is responsible for the financial statements, financial information and financial reports which was prepared in accordance with accounting standard including the internal control system and asset safeguard system. The Audit Committee is responsible for quality of financial report and suitability of the internal control environment managed by the Company's management which is an effective system. Hence, the Management ensured that its internal control environment and current internal control system was making the financial report and corporate property management as of December 31, 2019 reliable one.

The Board of Directors is responsible for the consolidated financial statement of the Company and its subsidiary and financial information disclosed in the annual report by providing financial report and the reports of the Board's Responsibility to financial reports so that the information presented in the financial statements is accurate and in accordance with accounting standards and is reviewed by independent auditor. In 2019, the Company submitted the Quarterly and Annual Financial Statements accurately, completely, and timely as required by laws and regulation.

4.2 Disclosure of Corporate Governance Policy, Compliance Policy, Business Code of Conduct Manual, Supplier Code of Conduct, the Company's Regulation, Board Charter, Sustainability Policy, Human Right Policy, Disclosure Policy, Anti-Corruptions Manual, Complaints Regulation, Tax Policy, Quality Safety Health and Environmental Policy, Environmental Social Risk Management and Compliance Policy, in which the Company reported its implementation results including the reason for not being able to comply with said policy in annual report, form 56-1, sustainability report and corporate website.

4.3 Disclosure of Shareholding Structure and Report of Securities Holdings of Directors and Executives including spouses and underage children. The reports is arranged in accordance with laws; relating to directors and executives, and reported to SEC as follows;

- Report of Holdings of the Company's Securities when being appointed as director or executive for the first time. The report (Form 59-1) must be submitted within 30 working days from holding the position.
- Report of Changes in the Holding of the Company's Securities every time when buying, selling,

transferring or receiving transfers. The report (Form 59-2) must be submitted within 3 working days from transaction date.

- Information with Representation and Warranty of the Company's Director and Executive and their Consent. The report (35E-1) must be submitted within 7 working days from holding the position.

In 2019, the Directors and Executives including spouse and underage children are requested to report the Company's Securities Holdings to the Board of Directors twice a year for acknowledgement. The report was summarized and disclosed in annual report in the section "Management Structure", form 56-1 and the Company's website.

4.4 Disclosure of Role and Responsibility of the Board of Directors and Subcommittee, number of meeting, the 2019 attendance record of each person including continuing professional training and development of the Board is in annual report and form 56-1.

4.5 The Board of Directors and Executives are required to submit the report on the interests of themselves and related persons who are interested in the business management of the Company with measures and policy to comply with the criteria defined as follows;

- Report when being appointed as director or executive for the first time
- Report every time when there is a change of interest
- Report every year-end
- In case of termination and reappointment as the Director in a consecutive way, the Director shall not submit new report if there is no change of interests.
- The Directors and Executives should present report of interests to the Company Secretary within 1 month after being elected/ appointed, changes and keep the information updated every year.

In 2019, the Directors and Executives have not traded their securities and have completed their report of changes of interests.

4.6 Disclosure of Auditing fees and other services fee provided by the Auditor is in the annual report and form 56-1

4.7 Directors Remuneration and the form or nature of the compensation has matched with the industry' standard and also reflect the duties and responsibilities of each person. The amount of remuneration shall be approved by Shareholders and disclosed in the annual report and form 56-1

4.8 Executives Remuneration and the form or nature of the compensation such as salary, bonus and others depends on responsibility and accountability which is according to corporate performance, and comparison with other companies in the same industry is disclosed in the annual report and form 56-1

4.9 The Company has a policy on related party transactions as required for business efficiency and cost management, which has been done fairly according to the market price and in the normal business. Such transactions must be considered by the Audit Committee and approved by the Board of Directors to eliminate conflicts of interest carefully, reasonably and for the best interest of the Company and Shareholders. The approved transactions are disclosed in details in the annual report and form 56-1 which is in accordance with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission

In 2019, all connected transactions were approved by the Board of Directors in compliance with the prescribed rules and did not exceed the approved credit line. Details are provided in "Related Transaction"

4.10 The Board of Directors should ensure the establishment of dedicated Investor Relations function to represent the Company in communicating information and activities of the Company, according to the policy and guideline for information disclosure, which is useful in making decisions to Shareholders, Investor, Analysts and those interested in the Company to acknowledge and shall treat all investors equally and fairly. The Company discloses information in accordance with relevant laws and regulations accurately, adequately, timely and in accordance with the regulations of the Stock Exchange of Thailand to create confidence and correct understanding of the business operations of the Company for investors.

At the Board of Directors' Meeting no. 14/2562, the Board has approved the disclosure policy to be a practice guidelines for disclosing information to the third parties including authorizing executives who can be able to disclose information to ensure that the Company's information was disclosed appropriately, correctly transparently, reliably, fairly and equitably.

The top management who was authorized to be a spokesperson shall allocate time to participate in investor relations activities and meet with investors in order to announce policies and business directions, exchange comment and answer various questions usually. The Company organizes activities to promote relationship between investors, analysts such as Company visit, Management discussion panel, Analyst meeting to disclose Company's information as well as news and activities.

The Company has set a period to refrain from communicating with analyst and investors to provide information regarding the Company's performance (Silent Period) for 30 days before the date of the Company's Quarterly and Annual Operating Results Announcement to the Stock Exchange of Thailand to avoid giving unfair information which may affect the price of the Company's securities.

In 2019, the Executives had opportunity to meet Shareholders, Analysts, Investors and Media through various activities to present the operating results regularly which summarized as follows;

- Quarterly Analyst Meeting, 4 times on March 4, 2019 / May 24, 2019 / August 19, 2019 and November 15, 2019
- Participated in activities organized by the Stock Exchange of Thailand to disclose the Company information on the "Opportunity Day" on March 20, 2019 and "Thailand Focus" on August 28, 2019.
- Organized meetings with executives according to the appointment of institutional investors and analysts in total 17 times
- Participated at dbTISCO Thailand Food & Commerce Sector Corporate Day 2019 organized by Tisco Securities Co.,LTD on June 28, 2019 to meet institutional investors
- Provided information and conducted meeting with media throughout the year, total 7 times (Money Talk, Money Plus, MoneyandBanking, Thunhoon, Kaohoon, Sweet FM)

In addition to the information disclosure via the channel of the Stock Exchange of Thailand, the Board of Directors has encouraged to apply technology to disseminate information by making document in both Thai and English for disclosure to the public via the Company's website. Shareholders and general investors can contact the Investor Relations Unit at;

Investor Relations:
149 Ratchadapisek road (Thapra-Taksin), Bukkhalow, Thonburi, Bangkok 10600
Telephone : 02-477-9020 Fax : 02-477-8022
E-mail : ir@tvothai.com

Information Technology Governance

The Company has established the regulatory framework and corporate information technology management that is in line with the business requirement and ensured that information technology is used to increase business opportunities and to develop operations as well as risk management is provided by covering risks of information technology so that the business can achieve its objectives and main goals.

In order to use computers and computer networks appropriately and efficiently, the Company therefore has established a working regulation to be a guideline for all employees to follow in the same direction and to prevent problems that may occur from incorrect use. Guidelines for information technology governance are as follows;

1. Ensuring and inspecting the use of information technology in accordance with the law, regulations, related standards and term of use on computers and computer networks to ensure that computers and computer networks are used correctly, completely in accordance with the policy and procedure and within the authority and responsibility framework as specified.
2. Maintaining data security and information technology systems by having intrusion prevention system (Firewall) from external network, Authentication system, Authorization system, Audit Log system. The Company has set security measures in accordance with the security policy of the Company's information technology.
3. Backuping data on a daily basis and testing the accuracy and completeness of the information as well as formulating plans for emergency situations and testing the said plan to be confident that it can be implemented effectively.
4. Ensuring that the computer reporting and auditing system has clear procedures and can be audited.

In addition, the Company foresees the importance of the information technology control and governance, therefore, has established an audit plan and conducting audits in the area of information technology management and the information technology systems security management and specified in the annual audit plan.

Chapter 5 Board of Director Responsibility

The Board of Directors plays an important role in overseeing the setting of the Company's objectives and main goals as well as supervising on strategies, policies, operational plans and monitoring the management's work for the best interest of the Company and fairness to stakeholders and society as a whole with consideration to good corporate governance principles.

In the year 2019, the following cases had never happened to the Company;

- Severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand
- Corruption action or violation of ethics
- Resignation of a non-executive director due to the reason of good governance
- Loss of creditability due to the Board of Director's failure in monitoring the business

Structure of the Board

The Board Structure consists of the Board of Directors and Sub-Committee; the Audit Committee, the Corporate Governance Nomination and Remuneration Committee, the Environmental Social Risk Management and Compliance Policy Committee, which facilitate the operations to be appropriate, auditable and counterbalanced.

Composition of the Board

The Board of Directors consists of qualified members from professional fields with the experience in vegetable oil industry and in other areas which are beneficial to the business. They devote time and effort on their duties. They set up policy and corporate overview both short-term and long-term with the Executives, and play major role to monitor, supervise and evaluate in order to make the business operation corresponding to corporate goal.

According to the Company's Articles of Association, at least 5 directors must be appointed, not less than half of which must reside in Thailand. As of December 31, 2019,

there are 12 members of the Board of Directors consisting of 11 male directors, 1 female director according to good corporate governance principles for listed companies which the number of directors is appropriate for the size, type and business complexity.

In addition, the Board of Directors consists of independent directors with a proportion of one-third out of total number of directors in accordance with the regulations set by the Capital Market Supervisory Board and the Stock Exchange of Thailand. The independent directors respond in examining the operation of management team, expressing the opinion, supporting policy that benefit to shareholders or opposing the unfair or ambiguous that may effect to benefit of shareholders and stakeholders. The independent director also monitors on dissemination of related transaction to ensure that Company and shareholders have the best interest. Non-executive directors have experience in the main business or industry in which the Company operates. All directors are qualified with skills and expertise that are useful in accordance with the business of the organization. The Board Structure can be divided as follows;

- 9 Non-executive directors (representing 75 percent of the total number of directors)
  - 4 independent directors (not less than 1 in 3 of the total number of directors)
  - 5 other directors who are not involved in the routine management of the Company
- 3 Executive directors (equivalent to 25 percent of the total number of directors)

In 2019, the Board of Directors meeting no 9/2019 passed the resolution to review and add details in the charters of the Board of Directors according to the proposal of the Corporate Governance Nomination and Remuneration Committee to comply with CG Code and the Section 225 of the Securities and Exchange Act (No. 5) B.E. 2559.

Qualifications of the Board of Directors

- Not being prohibited by the Public Limited Companies Act B.E. 2535 or other related laws as well as the requirements of the SET, the SEC and the Company's regulations
- Being a qualified person with leadership, visionary, morality and ethics, knowledge, ability, useful experience and understanding of the nature of business and industry in which the Company operates.
- Being responsible and able to fully devote time to perform the duties as the directors of the Company

Qualifications of the Independent Directors

The number of independent directors is not less than one-third of the total number of directors. At present, the Board of Directors consists of 4 independent directors who are fully qualified according to the criteria set by the Capital Market Supervisory Board as follows;

1. Shall not hold shares exceeding of one percent of the total number of voting shares of the Company, or the parent company, subsidiary company, associated company, major shareholder, or controlling person, whilst the number of shares held by any related person of such independent director must also be counted.
2. Shall not a director participating in management role, or an employee, an officer, an advisor who receives regular salary, or a person having controlling power, of the Company or the parent company, subsidiary company, associated company, a subsidiary company in the same level, major shareholder, or controlling person, unless such an independent director has not possessed the characteristics referred to above for at least two years, provided always that such prohibited characteristics shall not apply to an independent director who used to be a government officer or an advisor to a government authority, which is a major shareholder or the controlling person of the Company.
3. Shall not a person related by blood or legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child of other directors, management person, major shareholder, controlling person, or the person being nominated to be a director, management person or a controlling person of the Company or the subsidiary company.

4. Shall neither have and have ever had any business relationship with the Company or the parent company, subsidiary company, associated company, major shareholder, or controlling person in the manner in which his/her independent discretion might be affected, and is not and has not been a significant shareholder or a controlling person of the person that has business relationship with the Company, or the parent company, subsidiary company, associated company, major shareholder, or controlling person, unless such an independent director has not possessed the characteristics referred to above for at least two years.
5. Shall not be nor have ever been an auditor of the Company or the parent company, subsidiary company, associated company, major shareholder, or controlling person, and is not a significant shareholder, a controlling person, or a partner of any auditing firm of which the auditor of the Company, or the parent company, subsidiary company, associated company, major shareholder, or controlling person is working, unless such an independent director has not possessed the characteristics referred to above for at least two years.
6. Shall not be nor have ever been any professional service provider, including legal or financial advisor who obtains fee of more than Baht two million per year from the Company or the parent company, subsidiary company, associated company, major shareholder, or controlling person, and not be a significant shareholder, or a controlling person, or a partner of any of such professional service provider, unless such an independent director has not possessed the characteristics referred to above for at least two years.
7. Shall not be a director appointed as a representative of the Board of Directors, major shareholder, or shareholder who is a related to major shareholder of the Company.
8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
9. Shall not have any other characteristics which may restrict such person from offering independent opinions regarding the Company's operations.

Director's Term of Office

The Company's Articles of Association stipulates the director's term of office in accordance with the Public Limited Companies Act B.E. 2535 that at the Annual General Meeting of Shareholders each year, one-third of directors shall vacate office. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third shall vacate office. In the first and the second year, directors to vacate office shall draw lots. In subsequent years, the directors who remained in office for the longest time shall vacate office. However, the Board of Directors has a 3-year term of office and may be re-elected as the Board of Directors deems appropriate. The director vacating office may be re-elected.

The Company established the terms of independent director not to exceed 3 consecutive terms, as indicated in the Charter of the Board of Directors. Should any directors are suitable to be appointed longer than the specified period, the Board of Directors shall consider the period of such appointment based on the efficiency of the performance, expertise and knowledge and understanding of business and/or specialization that is beneficial to the Company in consideration of the best interests of the Company. In the year that independent directors are due to retire by rotation, the Board of Directors will propose the list of such independent directors together with the reasons for the Annual General Meeting of Shareholders to consider and approve the re-election of such director back to be an independent director.

In 2019, Dr. Chaipat Sahasakul served as an independent director for the 9th consecutive year, but because he is knowledgeable and expert in Futures Market, which is an important and beneficial to the Company's business operations as well as he was able to perform duties and provided opinions independently in accordance with the relevant criteria. The Corporate Governance Nomination and Remuneration Committee is of the opinion that Dr. Chaipat Sahasakul can express opinions independently and have the experience required by the Company, therefore, the Board of Directors deemed it appropriate to propose to consider extending the term of independent directors for another term.

Scope of Duties and Responsibilities of the Board of Directors

According to the Board Charter approved by the Board of Directors' meeting no. 9/2019 on August 8, 2019, the Board of Directors is responsible for the policy and direction of the Company and to monitor and supervise the management to be in compliance with policy established efficiently and effectively with care and honesty to achieve the maximize value of business and to generate good profit to Shareholders with responsibility and accountability in the business operation by taking into account the interests of all shareholders equally to preserve benefit for Shareholders. The information was disclosed to the investors accurately, completely, standardized and transparent with details covered as follows;

1. Members of the Board must perform their duties with responsibility, caution, honesty (Duty of Care and Duty of Loyalty) and ensure that the Company's operations in compliance with the law, regulation, objective, the Article of Associations of the Company, resolutions of Shareholders' meeting and protection of Corporate and Shareholders' best interests carefully.
2. Member of the Board has authorization to consider and approve all matters about Company operation with major responsibilities as follows:

- Establishing business policies, visions, missions, strategies, long-term goals and review in accordance with the business environment every year in order for the executives and employees to have the same direction.

  In the Board of Directors Meeting no. 13/2019, the Board reviewed and approved the vision, mission, strategies, goals and business directions of the Company to be suitable and in line with the current business environment.

- Defining and reviewing the structure of the Board of Directors and approval authority to be suitable for the Company's business as well as supervising the process of nomination and election of directors in a transparent manner and determining the appropriate remuneration for directors.

  In the Board of Directors Meeting no. 2/2019, the Board considered persons who have been approved by the Corporate Governance Nomination and Remuneration Committee in order to propose to the 2019 Annual General Meeting of Shareholders to consider appointing as a director of the Company. In addition, In the Board of Directors Meeting no. 9/2019, the Board reviewed and approved the Board Charter to comply with the good corporate governance principles.

- Defining organizational structure or management structure suitable for business operations and ensuring that the Company's operations are in accordance with the law, manuals and business policies set by the Company of which are consistent with the good corporate governance principles. Corporate culture is encouraged to adhere to ethics and morality. Being a role model to ensure that the current structure and practices paves the way for appropriate corporate governance and good ethical operations.

  In 2019, the Board of Directors considered good corporate governance policy and review important policies to be appropriate and consistent with

business operations in accordance with good corporate governance principles as follows; Business Code of Conduct, Supplier Code of Conduct, Corporate Governance Policy, Compliance Policy, Human Right Policy, Disclosure Policy, Tax Policy and Quality Safety Health & Environment Policy.

- Approving strategies, important policies, operation plan and the annual budget of the Company as well as monitoring the implementation of the Company's strategy to comply with the plan and supervising the management to report the performance to the Board of Directors regularly.
  In 2019, the Board of Directors assigned the management to report the Company's performance, operating results and work plans according to the strategy on a quarterly basis. The Board has approved the yearly business plan 2020 at the Board of Directors' Meeting no. 13/2019.

- Defining the structure of approval authority and the authority of the management appropriate to the responsibility.
  The Board of Directors ensures that the current organization structure is suitable according to job and business type which is similar to other listed companies in the same industry group and enhances the leadership role of the committee as well as has clearly divided roles and responsibilities between the Board and management.

- Establishing investment policy for financial management including policy and credit limit for financial instrument trading (Option). As well as approving significant items such as credit limits from financial institutions, loan, guarantees, new investment projects in accordance with the rules and regulations of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand and related laws.
  In 2019, the Board of Directors considered approving the credit facilities from financial institutions as working capital and preventing foreign exchange risk, and approving the policy as a framework for trading financial instruments (Option) as well as tools for managing risk from price fluctuations in raw material in order to reduce the impact on the Company's performance.

- Monitoring to ensure that accounting system, financial report and accounting audit are reliable, including disclosure of important information accurately, adequately, timely, in accordance with relevant rules and practices as well as ensuring that the assessment of internal control and internal audit are adequacy and monitoring the implementation to be effective.
  In 2019, the Board of Directors agreed with the proposal from the Audit Committee to propose to the Annual General Meeting of Shareholders to consider the appointment of the auditor for the year 2019 to oversee the quality of financial information so that the disclosed financial information to the public is accurate, transparent, beneficial to investors and in line with international standards.

- Ensuring that the management is responsible for monitoring and assessing the Company's financial status, financial liquidity and debt servicing ability, establishing a mechanism to support operations under tight financial constraints in the event that the business encounters financial problems and to report the Board of Directors regularly.

- Overseeing to ensure that the effective risk management policy is covering the entire organization with reviewing and assessing the system regularly.
  At the Board of Directors Meeting no. 7/2019, the Board of Directors resolved to appoint the Environmental Social Risk Management and Compliance Policy Committee instead of the Risk Management Policy Committee to ensure that the corporate governance covers responsibilities to the community, society, environment, and relevant rules.

- Overseeing and promoting innovations that create value for the business together with benefits for all stakeholders.
  In 2019, the Board of Directors has promoted and supported innovation that creates value to the business and supervised the managements to conduct research and development in order to expand the product and improve production efficiency

- Ensuring that IT management, IT security policy and procedure are in place.
  In 2019, the Board of Directors supervised the management to ensure that the Company's operations are in accordance with the regulations for using the Computers and Computer Network and annual audit plan is scheduled annually.

- Approving the appointment of sub-committees and its charter such as the Audit Committee, the Corporate Governance Nomination and Remuneration Committee and the Risk Management Policy Committee to consider specific issues, information verification and propose guidelines for consideration.
  In 2019, the Board of Directors reviewed and approved the Sub-Committee Composition and its Charter such as the Audit Committee, the Corporate Governance Nomination and Remuneration Committee and the Environmental Social Risk Management and Compliance Policy Committee in order to be appropriate and consistent with the business operation according to the principles of good corporate governance.

- Encouraging the Company to operate in all forms of anti-corruption to promote good governance principles and supervising to have a mechanism for receiving complaints and actions in case of whistleblowing.
  In the Board Meeting no. 9/2019, the Board of Directors reviewed and approved the Anti-Corruption manual to be appropriate and consistent with current business operations and improve the channels for receiving complaints to be more accessible.

- Monitoring and managing potential conflict of interest among the management, directors, and shareholders, including the improperly use of assets and other transactions of connected person by focusing on the best interests for shareholders and stakeholders.
  In the Board Meeting no. 2/2019, the Board of Directors has considered, reviewed, and approved the connected transaction policy to be suitable and consistent with the principles of good corporate governance.

- Assessing the performance of the Board of Directors annually by performing as a whole and self-assessment including overseeing to have the performance assessment of Sub-committee, the results of assessments and the review of the performance assessment form every year.
  In 2019, the Corporate Governance Nomination and Remuneration Committee reviewed the Board's evaluation form and presented to the Board of Directors to consider evaluating the performance of the Board of Directors as a whole and individually including the evaluation of sub-committees and report the evaluation results to the Board of Directors' meeting no. 2/2020.

- Ensuring that the Chief Executive Officer's performance is evaluated annually, and the remuneration of the Chief Executive Officer is in line with the Company's operating results.
  In 2019, the Corporate Governance Nomination and Remuneration Committee reviewed the evaluation form and presented to the Board of Directors to consider evaluating the Chief Executive Officer's performance and reporting the evaluation results to the Board of Directors Meeting No. 2/2020 to determine the annual remuneration of the Chief Executive Officer

- Overseeing to ensure that top executives is remunerated appropriately and consistent with the Company's performance to create motivation both in the short and long term.
  The Board of Directors assigned the Corporate Governance Nomination and Remuneration Committee to consider and determine the remuneration policy and criteria for the high-level executives as appropriate that linked to the Company's performance by assigning the Chief Executive Officer to consider the appropriateness that reflects the performance of each executive.

- Ensuring that the development program and the succession plans of senior managements has been established for continuity of management.
  In 2019, the Board of Directors assigned the Corporate Governance Nomination and Remuneration Committee to prepare a succession plan for senior executives with the Chief Executive Officer and the Chief Operating Officer to propose to the Board of Directors for consideration.

- Ensuring that the Company's governance framework and policies extend to its subsidiaries and considering the appropriateness of the person to be sent as a director in the Company's subsidiary.
  The Board of Directors has assigned the management to consider the suitability of the person representing the Company to be a director or executive in a subsidiary company.

- Setting up framework for resource management together with development and budget.

- Supervising and encouraging employees to have knowledge and understanding of money management and provident funds.

- Considering the appointment of the Company Secretary to be responsible for the works relating to the Board and to manage the important tasks of the Company in accordance with relevant laws and regulations.

Corporate Governance

As a leader who shall govern the organization to have good management, the Board of Directors has authorized the Corporate Governance Nomination and Remuneration Committee to be responsible for establishing policies related to the Company's good corporate governance, and to review Regulatory Compliance Policy every year for improvement in accordance with the Corporate Governance Principles of the Stock Exchange of Thailand.

At the Board of Directors Meeting no. 9/2019, the Board of Directors reviewed Compliance policy to be appropriate and consistent with the business. In addition, the Board of Directors also considered and approved the Corporate Governance policy in the Board of Directors Meeting no. 14/2019, as a guideline for the directors to ensure that the Company's operations is appropriate and in accordance with the principles of good corporate governance.

Business Code of Conduct

The Board of Directors is responsible for executives and every employee to understand the ethical standards that the Company uses in conducting the business. Manual of Business Code of Conduct has been made in written form and regularly reviewed every 2 years as well as announced and communicated to everyone in order to acknowledge and adhere to work. It is in the Company's orientation program and published on website. The Company also organizes activities on this issue regularly to instill employees to have conscience in this regard.

The Board of Directors Meeting No. 9/2019 considered and reviewed the Business Code of Conduct manual in order to be suitable for the current business situation and environment that may be changed and organized a training for employees on Tuesday, December 10, 2019 in order to encourage all employees to adhere to the same guidelines. In addition, The Board also considered and approved Supplier Code of Conduct in the Board

of Directors Meeting no. 14/2019 to encourage business partners to operate their business sustainably and in line with the Company's operations. The Company has published Business Code of Conduct and Supplier Code of Conduct including the complaint channels through the Company's website for the benefit of all interested parties.

Conflicts of Interests

The Board of Directors has set the policy regarding conflicts of interest and related transactions between the Company and its subsidiary. Considerations of any transactions including the approval of such transaction must comply with regulations of the Office of the Securities and Exchange Commission according to the announcement of the Capital Market Supervisory Board and are subject to normal business conditions with the best interest of the Company and Shareholders. The Company must avoid any actions that cause conflicts of interest. The Company requires those who have a conflict of interest or connected with the considering transaction to inform the Company regarding their relationship or connected person before considering the agenda of the Board of Directors' Meeting and be recorded in the minutes and not participate any meeting of such approval, and have no authority to approve such transaction. The Audit Committee is responsible for overseeing any conflicts of interests to be corresponding with the policy by concerning requirements, procedures and disclosure of transactions that may cause conflict of interest properly.

In the meeting of the Board of Directors no. 2/2019, the Board considered and reviewed the connected transaction policy to be suitable and consistent with the principles of good corporate governance and considered that the directors and top executives have to prepare their conflict of interests in relation report and submit to the Company Secretary annually.

Internal Control system

The Board of Directors has established an Internal Control System in terms of operations, report preparation and compliance with the rules and regulations relating to the business operations including the determination of authority of the sub-committees and management clearly. The internal audit department is assigned to inspect the internal control system and monitor the performance of each department according to the annual audit plan to create an effective and independent monitoring system as independent department to monitor and track corrective action in order to ensure that the Company operates in line with guidelines established under the Internal Control system and the risk management effectively and report the results directly to the Audit Committee.

Risk Management

The Board of Directors oversees that the Company has an effective and reliable risk management policy and system. At the Board of Directors Meeting no. 7/2019, the Board resolved to appoint the Environmental Social Risk Management and Compliance Policy Committee (ESRC) instead of the Risk Management Policy Committee to ensure that the supervision covers responsibilities to the community, society, environment, and relevant regulations.

The ESRC Policy Committee is responsible for formulating policy and risk management framework to be appropriate and consistent with the business plan policy as well as providing relevant comments and suggestions. The ESRC Policy Committee appointed the ESRC-E Management Committee consisting of executives from various departments responsible for overseeing the Company's risk management throughout the organization to enable risk management to be efficient and effective. The ESRC-E Management Committee analyzes and assesses the surrounding risks both external and internal factors that may affect the business goals and prepares a risk management plan that specifies risk management measures so that the risk levels are acceptable and then reports to the ESRC Policy Committee meanwhile the Company has organized risk management meetings regularly. The ESRC Policy Committee shall report to the Board of Directors at least 2 times a year.

The Board of Directors' Authority

- Approving vision, strategy, policies, short-term and long-term business plan
- Appointing advisory and management team from Executive Vice President and above
- Considering the meeting allowance and directors' remuneration in order to propose to the Shareholders
- Approving budget with credit limit of over Baht 25 million or more
- Approving annual budget plan including goals and criteria for finance and investment
- Approving the loan to other companies or other persons for corporate business objective
- Approving the loan and issued Bank of guarantee and its credit line
- Approving to open and close bank account with financial institution and setting credit line and authorizing person for account payment
- Approving the criteria for connected and related transactions
- Approving the interim dividend payment to Shareholders

  Performing any other duties according to laws and Company Articles of Association

Roles and Responsibilities between the Board of Directors and the Management

The Board of Directors and the management have clearly separated roles, duties and responsibilities in order to counterbalance and review the business management. The Board of Directors will consider and approve the overall policy, corporate governance strategy while the management is responsible for operating daily works in accordance with the policies set by the Board of Directors.

- **The Chairman of the Board** is not the same person of Chief Executive Officer. The authority and function are separated to counterbalance between the Board and the Management team. No one has absolute power. The Chairman of the Board shall be an independent director, non-executive director and shall not be associated with management, and shall not hold any corporate shares.

  Role and Responsibility of the Chairman of the Board are as follows;

  1. Advising on the Corporate policy and strategy
  2. Governing the structure of the Board of Directors to be suitable for business according to good corporate governance
  3. Overseeing the Board and Sub-committee to participate in creating an ethical corporate culture and good corporate governance to achieve the objectives and main goals of the organization according to the plan effectively and effectiveness
  4. Supervising all directors to participate in promoting a corporate culture with ethics and good corporate governance.
  5. Being the leader of the Board and presiding over the meeting of Board of Directors including approving matters to be included in the agenda of the Board of Directors' meeting together with the Chief Executive Officer with measures to ensure that a) important matters are included in the meeting agenda and b) directors receive complete and sufficient information prior to the date of Board's meeting as well as allocating sufficient time for discussion of important issues and encouraging directors to exercise discretion carefully and express opinion independently.
  6. Strengthening good relations between executive directors and non-executive directors and between the Board and management.
  7. Being a casting vote at the Board of Directors' meeting in the case that the votes are equally
  8. Presiding over the Shareholders' meeting and conducting the meeting toward agendas, which is according to the Company's Article of Associations and relevant laws.

- **Chief Executive Officer** is responsible for day-to-day operation of the Company under the policies set forth by the Board of Director. The scope of authority of the Chief Executive Officer is clearly defined as follows;

1. Ensuring the Company's operation is in line with policies set forth by the Board of Directors, under the laws, conditions, the Company's rules and regulations
2. Setting the guideline for business operation, development and expansion according to the Board of Directors' policy
3. Appointing the executives as necessary and appropriate, except the position of Executive Vice President and above and setting the scope of duties and responsibilities to perform duties efficiently
4. Being authorized to approve the expenses related to investment and procurement within the limit not exceeding Baht 25 million per time
5. Being authorized to approve the raw material procurement as follows:
   - 5.1 Raw material purchase budget - within USD 50 million per time
   - 5.2 Loan or credit procurement - within Baht 2,000 million time
   - 5.3 Financial tools for risk management of foreign exchange rates - within the limit of no more than 5 ships (USD 50 million per ship)
6. Hiring talented personnel and preparing the executive development and succession plans t for the Board of Directors' consideration
7. Ensuring that the organization has proper system and policies for on-time accurate information disclosure, as well as the financial report is prepared and presented correctly, with necessary information for investors
8. Being authorized to approve any action necessary to the Company's normal business operation, the details of which are as follows:
   - 8.1 Being authorized to approve the orders, rules, announcements and notes for the operation consistent to the Company's policy and interests and to maintain the organizational disciplines
   - 8.2 Approving the appointment of advisors as necessary to the operations
   - 8.3 Performing any other duties as assigned by the Board of Directors

- **The management team** is responsible for managing the Company in various fields. The Chief Executive Officer is as the head and the leader of the management team to operate business according to the policy by covering the following matters;
  1. Controlling and managing the general work of the Company including having the authority to act as a boundary under the approved scope of authority in order to comply with the objectives, policies and regulations of the Company
  2. Considering investment plans and presenting to the Board of Directors for approval
  3. Performing any actions as assigned by the resolution of the Board of Directors' meeting and the resolution of the Shareholders' meeting

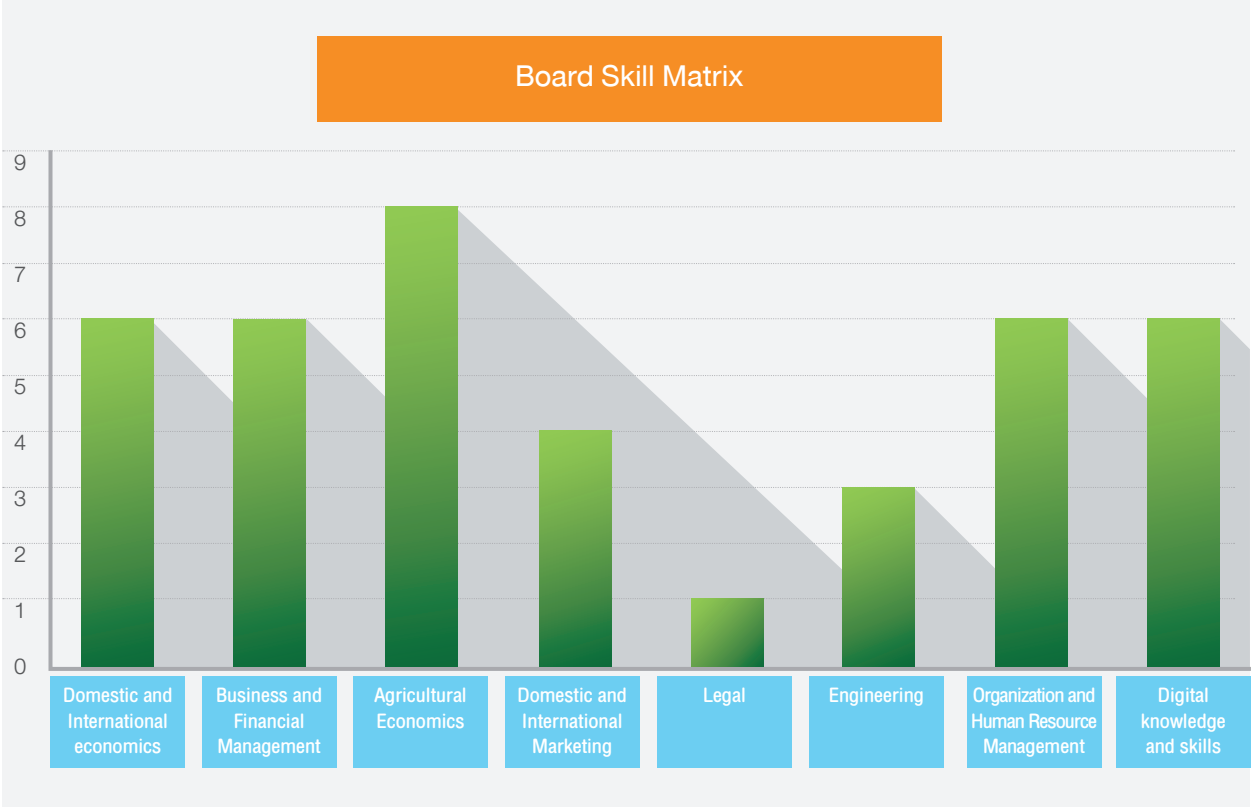
Nomination and Appointment of the Directors and Top Executives

Nomination of New Directors

The Board of Directors has assigned the Corporate Governance Nomination and Remuneration Committee to recruit and select qualified persons to be appointed as directors and top executives. The policy and selection criteria are considered from the appropriateness of the number of directors and Board Diversity and in accordance with the business strategy in order to specify the qualifications of the directors required by the Company and with consideration from the Director Pool Database from a credible institutions such as the Thai Institute of Directors (IOD) or consulting companies, as the case may be, by taking into account the missing of necessary skills, experience, specialized knowledge and expertise that is beneficial to the Company in order for the Board Composition is complete absolutely and is in the best interest of the Company. Meanwhile, the appointment of retiring director, the Corporate Governance Nomination and Remuneration Committee will consider past performance and time devoted by each director as well.

Board of Directors Selection Criteria

The Corporate Governance Nomination and Remuneration Committee has determined the criteria of directors selection by considering the nature of the business and the strategy of the Company, therefore, has defined the qualifications of the directors to be appropriate and consistent with the business strategy of the Company by considering the necessary skills that are still lacking and the Board Diversity in professional skills, gender, specialized expertise, knowledge including work experience to determine the appropriate person with experience, knowledge and ability that will benefit the Company to become a director or executive.



The Company has established a Board Skill Matrix and reviewed the Board Diversity annually and considered the performance evaluation of the current committee in order to review the structure of the Board which is used as information for consideration of nomination of directors to ensure that the Board of Directors is qualified in accordance with the Company's business direction. The person who is appointed to be the director or executive must be fully qualified according to Section 68 of the Public Company Act B.E. 2535 (including the amendments) and the SEC's announcement and must not have prohibited characteristics as Securities Act (Including additional amendments), other laws and related regulations.

The Board of Directors currently consists of 12 members, which is suitable for the business. All directors have work experience or have ever worked as the top management positions of government agencies and business sectors. Most of directors have experience in the vegetable oil industry and animal feed ingredients that are beneficial to the Company. Most of directors graduated in business administration and have knowledge in commodity markets and agricultural futures markets. There is a director who has graduated in law as well. The current Board of Directors is composed of qualified persons with experience, expertise from a variety of professions.

The Company invites minority Shareholders through website to nominate qualified person who are not

possessing any prohibited characteristics as prescribed by the law concerning public limited companies, the law concerning securities and the stock exchange and according to the criteria set by the Company every year to be selected as a director of the Company. The Corporate Governance Nomination and Remuneration committee will consider and propose to the Board of Directors or Shareholders' meeting, as the case may be.

Directors Appointment

In every Annual General Meeting of Shareholders, one-third of members of the Board shall vacate office, if the number of directors cannot be divided exactly by three, the directors in a number closest to one-third shall vacate office, and then new members shall be elected by Shareholders based on following criterion:

1. One shareholder has votes in a number equal to number of shares.
2. Each shareholder may use all his/her votes under (1) to elect one or more than one director but may not distribute his/her vote varied for persons.
3. Persons equaled to number of directors to be appointed with highest subsequent votes shall be elected as members of the Board of Directors. In cases where the persons elected in descending order are equal vote, exceeding number of directors to be elected at that time, Chairperson shall cast a deciding vote.

In the case of a vacancy of directorship for reason other than expiration of term of office, the Corporate Governance Nomination and Remuneration Committee shall elect a person possessed of qualifications and not possessed of disqualifications according to the law as the replacement director in the Board of Directors' meeting within the period specified by law unless the remaining term of office of the vacating director is less than 2 months. The replacement director may hold only for the remainder of term of office of the director whom be replaced. In this regard, the resolution must be supported by votes not less than three-fourths of the number of the remaining directors.

Recruitment and Appointment of Top Executives

The Corporate Governance Nomination and Remuneration Committee is responsible for selecting qualified persons with knowledgeable and experiences that is beneficial to the Company's operation to be the Chief Executive Officer and senior executives from the level of Executive Vice President upwards in order to propose to the Board of Directors for approval as well as establishing a succession plan Chief Executive Officer by considering the experts both inside and outside the organization in order to conduct business continuously and strengthen personnel to be ready according to succession plan. The Board of Directors resolved to appoint Mr. Bowon Vongsinudom as the Chief Executive Officer and President effective since July 1, 2018, since he is a knowledgeable person with ability and experience that is essential to the Company's business operations.

Recruitment of top executives in other positions except from the level of Executive Vice President upwards, the Chief Executive Officer is responsible for selecting and appointing persons who are qualified for the position and responsibilities including knowledge, ability, business understanding and experiences that are beneficial to the Company's operation. The selection is in accordance with the recruitment rules of the Human Resources Department.

Board Meeting

The Board of Directors requires that the meeting shall be not less than 6 meetings per year, with the meeting dates set in advance for the whole year and assigned the Company Secretary to submit the schedule and agenda of each Board meeting in advance. However, the date of the meeting may be changed as appropriate depending on the importance of the agenda to be considered. In year 2019, the Board of Directors held totally 14 meetings with the proportion of meeting attendance of the entire Board of Directors was 95.24 percent. The attendance report of the Board of Directors' meeting was disclosed on the page 93. For the Board of Directors' meeting in 2020, the Board of Directors has scheduled the meeting

date in advance throughout the year and notified the said schedule to each director so that the directors can arrange the time and attend the meeting. If there is no Board meeting in any month, the management will report the operational results to the Board of Directors through electronic channels (e-mail) so that the Board is able to monitor, control and supervise the managements' operations continuously and in a timely manner.

Chairman of the Board and Chief Executive Officer jointly consider the matters into the meeting and set the meeting agenda. Each director is allowed to propose his own agenda to be considered as the meeting agenda. In addition, Executives who are involved in important matters may be assigned to attend the Board meetings to provide additional necessary information.

Company Secretary is responsible for sending the meeting invitation together with supporting documents for the meeting agenda to the directors at least 7 days prior to the meeting in order for the directors to have sufficient time to study the information, unless there is an urgent matter.

Board Meeting Quorum

In a meeting of the Board of Directors, the presence of not less than one-half of the total number of directors is required to constitute a quorum. The meetings are conducts in a manner of presentation, consideration and discussion in appropriate forms of deliberation. Chairman of the Board, as Chairperson of the meeting, will give an opportunity for the Committee to freely express opinions. Management team will join the meeting in some agenda to present an important information as related persons and acknowledge policy directly from the Board of Directors themselves in order to have it implemented efficiently.

In the Board meeting with important agenda to be approved, the quorum must consist of not less than two-thirds of the total number of directors presenting at the time of voting to jointly consider important agenda. The resolution of the Board of Directors' meeting shall be by a majority votes, each director shall have one vote, except the director having interests in any matter who shall have no right to vote in such matter. In the case of an equality of votes, the Chairman of the meeting shall give the casting vote.

The Company Secretary shall attend the meeting to take minutes of meeting which will be certified correctly by the Chairman of the Board and proposed to the next meeting for approval. The Company Secretary is also a data collector regarding certified documents or other all meeting documents for easy reference in searching.

The Board of Directors encourages non-executive directors to convene meeting among themselves without management team attending the meeting. The meeting is independently to discuss business issues, including improvements of the Company. The meeting results shall be reported to the Board of Directors. In 2019, there was 1 meeting of independent directors, without participation of the management, on August 4, 2019 to discuss on the Company's sustainability amid changes in the future and present the meeting result to the Board of Directors' meeting for acknowledgment.

Board Attendance Report								
No.	Name	Position	BOD	AC	CGNR	RMC	ESRC	Non-Executive Directors
1.	Mr.Sompol Kiatphaibool	Chairman of the Board (Independent)	14/14 (100%)	4/4	4/4	-	-	1/1
2.	Mr.Apichart Chirabandhu	Director (Independent)	11/14 (78.57%)	4/4	4/4	-	-	1/1
3.	Dr.Chaipat Sahasakul	Director (Independent)	14/14 (100%)	4/4	-	3/3	2/2	1/1
4.	Assoc.Prof.Dr.Kitcha Urairong [1]/	Director (Independent)	14/14 (100%)	-	1/1	-	-	1/1
5.	Mr.Bowon Vongsinudom	Vice Chairman / CEO and President	14/14 (100%)	-	-	3/3	2/2	-
6.	Mr.Vichit Vitayatanagorn	Director	13/14 (92.86%)	-	-		-	-
7.	Miss Aranya Vitayatanagorn [2]/	Director COO-Commercial	14/14 (100%)	-	3/3	3/3	2/2	-
8.	Mr.Vichai Vitayathanagorn	Director	14/14 (100%)	-		-	-	-
9.	Mr.Vachara Vitayatanagorn	Director	13/14 (92.86%)	-		-	-	-
10.	Mr.Pachai Chanpitaksa	Director Executive vice President	11/14 (78.57%)	-		-	-	-
11.	Mr.Eakarat Wongsupbhasatigul	Director	14/14 (100%)	-		-	-	-
12.	Mr.Vorravuth Tangpiroonthum	Director	14/14 (100%)	-		-	-	-
		ToTal	95.24%					

BOD
Board of Directors

AC
Audit Committee

CGNR
Corporate Governance Nomination and Remuneration Committee

RMC
Risk Management Policy Committee

ESRC
Environmental Social Risk Management and Compliance Policy Committee *

Remark: * The Board of Directors Meeting No. 7/2019, on July 24, 2019, has approved the appointment of the Environmental Social Risk Management and Compliance Policy Committee (ESRC) in place of the Risk Management Policy Committee (RMC).

1/ Appointed as a member of the Corporate Governance Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting no. 9/2019 on August 8, 2019.

2/ Vacated as a member of the Corporate Governance Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting no. 9/2019 on August 8, 2019.

Sub-Committees

In accordance with good corporate governance principles, the Board of Directors has appointed 3 sub-committees consisting of the Audit Committee, the Corporate Governance Nomination and Remuneration Committee and the Environmental Social Risk Management and Compliance Policy Committee (ESRC) in order to consider screening important operations specifically with discretion and efficiency and to provide opinions to the Board of Directors including disclosing operation performance in the annual report for shareholders to acknowledge as well as having the authority to consider and decide on some important matters authorized by the Board of Directors as specified in the charter, which is to define the duties and responsibilities of each committee. This is to ensure the Company's operations are in accordance with the principles of good corporate governance. The Board of Directors has reviewed the composition of the sub-committees in the Board of Directors Meeting no. 9/2019. Names and roles of sub-committees as at December 31, 2019 are as follows;

Audit Committee

The Board of Directors shall appoint the Audit Committee, which consists of at least 3 Committee members, who are independent directors only, with qualifications and duties in accordance with the rules prescribed by the Capital Market Supervisory Board by having at least 1 Committee member with sufficient knowledge and experience to be able to perform the duty of reviewing the reliability of financial statements.

The Audit Committee has a 3-year term. The members who are due to retire by rotation may be re-appointed as the Board of Directors deems appropriate. The Audit Committee is responsible for overseeing the Company's operations by using the method of auditing and reviewing the management of the Company for the benefit of the shareholders as a whole. The Audit Committee Meeting is scheduled to be held at least 1 time per quarter. The minutes of the meeting is recorded in writing and the certified minutes is stored perfectly for verification.

In 2019, the Audit Committee convened 4 meetings and held a meeting with the auditor without the management attending the meeting 1 time to request opinions from the auditor on various matters. In addition, the Audit Committee also held a meeting between the Audit Committee and the Internal Audit Department 1 time.

The Audit Committee, presently consisting of 3 independent directors who are knowledgeable, expertise and adequate experience in reviewing financial statement, was appointed according to the Board of Directors' Meeting no. 10/2018 on November 12, 2018.

1. Mr.Apichart Chirabandhu Chairman (Independent)
2. Mr.Sompol Kiatphaibool Member (Independent)
3. Dr.Chaipat Sahasakul Member (Independent)

Scope and Authority of the Audit Committee

1. Verifying the accuracy and adequate disclosure of the financial statement in coordinate with external auditor and management who is responsible of financial report quarterly and yearly.
2. Verifying the efficient and appropriateness of internal control system and internal audit system, as well as considering the independence of the internal audit department in performing duties as responsible for reviewing the effectiveness of the risk management system and internal control, and considering the appointment, rotation and termination of the internal auditor and whom may be responsible for internal audit work.
3. Verifying the Company's operations to comply accurately and appropriately with relevant standard and laws on securities and stock exchange and regulation of Stock Exchange of Thailand and relevant laws related to the business.
4. Nominating, appointing, re-appointing and terminating the independent person with qualifications that have been accepted and approved by the SEC to act as the Company's auditor and setting their fees also attending the meeting with auditor without management team at least once a year.
5. Verifying the connected and related transactions to

prevent a conflict of interest according to the rules and regulations of the Stock Exchange of Thailand to ensure that transactions are reasonable and for the best interest to the Company.

6. Preparing an Audit Committee Report, signed by Chairman of the Audit Committee, which is disclosed in annual report with following necessary contents;
   - 6.1 The accuracy, adequacy and reliability of corporate financial statements
   - 6.2 The adequacy of Risk management and internal audit control system
   - 6.3 The compliance of rules and regulations of Stock Exchange of Thailand and relevant business laws
   - 6.4 The suitability of the Auditor
   - 6.5 The conflict of interest transactions
   - 6.6 Number of the audit committee meeting and attendance of each member of the Audit Committee
   - 6.7 Overall opinion and observations that audit committee has received from performing their duties according to the Audit Committee Charter
   - 6.8 The review of the Company's compliance with private sector's anti-corruption and certified program, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.
   - 6.9 Other transactions that shareholders and investors may acknowledge under responsibility assigned by the Board of Directors.
7. During performing duty, if there are any suspicious transactions which may significantly affect to financial status and operational performance, the Audit Committee shall have the authority to invite the management, executives or relevant staff to provide opinions, attend meetings or submit documents as deemed necessary and report to the Board of Directors to improve within proper time as deemed appropriate by the Audit Committee
   - 7.1 Conflict of interest transaction
   - 7.2 Fraud, corruption or any other essential flaw from internal audit system
   - 7.3 Violation against Securities and Exchange Act, regulations of the Stock Exchange of Thailand or other laws related to the business.

   If any above-mentioned transaction is not rectified by the Board or Executives as scheduled, the Audit committee shall report to the Securities and Exchange Commission and Stock Exchange of Thailand in that case.
8. Supporting and monitoring the Efficiency and adequacy of Risk Management system,
9. Reviewing Audit Committee Charter annually to propose to the Board of Directors for approval as well as approving the annual internal audit plan.
10. Audit committee shall consult any professional advisors if necessary, the Company is responsible for the costs incurred.
11. Reviewing the Company's anti-corruption process to be in line with the guidelines of regulatory agencies effectively and verifying the accuracy of the reference documents and the self-assessment form of anti-corruption measures of the Company in accordance with the Thailand's Private Sector Collective Action Coalition Against Corruption.
12. Reviewing to ensure that the Company has internal process of whistleblowing and complaint that has investigation system independently, properly pursuing, confidentially concerning in order to protect those who complain,
13. Any other duties assigned by the Board of Directors with consent of Audit Committee.

Corporate Governance Nomination and Remuneration Committee

The Corporate Governance Nomination and Remuneration Committee is appointed by the Board of Directors, consisting of at least 3 independent directors and the Chairman is an independent director. The Corporate Governance Nomination and Remuneration Committee has a 3-year term. The retired directors may be re-appointed. The Corporate Governance Nomination and

Remuneration Committee is responsible for proposing, reviewing and supervising on corporate governance, considering and nominating qualified person for the position of the Company's directors and top executives and performing other duties as assigned by the Board of Directors with the scope of duties and responsibilities as specified in the Corporate Governance Nomination and Remuneration Committee Charter.

The Corporate Governance Nomination and Remuneration Committee requires to hold a meeting at least once a quarter to get the good corporate governance policy improved up-to-date, to consider criteria and methods for recruiting people and to review the performance evaluation system of the Board of Directors and executives including recruiting top executives if necessary. In 2019, there were 4 meetings of the Corporate Governance Nomination and Remuneration Committee.

As of December 31, 2019, the Corporate Governance Nomination and Remuneration Committee consists of 3 independent directors as follows;

1. Mr.Sompol Kiatphaibool Chairman (Independent)
2. Mr.Apicahrt Chirabandhu Member (Independent)
3. Assoc.Prof.Dr. Kitcha Urairong* Member (Independent)

Remark * Appointed to be a member of the Corporate Governance Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting no. 9/2019, held on August 8, 2019.

Scope and Authority of Corporate Governance Nomination and Remuneration Committee

Corporate Governance

1. Defining the scope and policy of Corporate Governance to propose to the Board of Directors as well as always consider improving it up-to-date continuously
2. Providing Corporate Governance guideline and supervising the Company to comply with the corporate governance policy including reviewing the Company's corporate governance policy annually
3. Formulating criteria and process of recruiting directors and executive
4. Reviewing and revising the Charter of the Corporate Governance Nomination and Remuneration Committee in accordance with the business situation in order to propose to the Board of Directors for approval

Nomination

1. Defining criteria, policies and procedures for recruiting directors and top executives and reviewing the criteria and methods of nomination of directors as well as considering the structure of the Board of Directors to propose to the Board of Directors prior to the nomination of directors whose term has expired including considering the results of the performance assessment of the directors who completed the term in the case that the retired director is nominated for re-election.
2. Determining qualification, considering the background and selecting the appropriate person to be a director of the Company in accordance with the business strategy by considering the Board Diversity in order to propose opinions to the Board of Directors and / or the Shareholders' meeting to approve the appointment.
3. Working with Chief Executive Officer to determine qualification and selection of person(s) who is suitable for senior management positions from Managing Director and above and approving the person(s) who is proposed by Chief Executive Officer.
4. Working with Chief Executive Officer to prepare a succession plan for the position of Chief Executive Officer and senior management in order to propose to the Board of Directors for consideration annually.

Remuneration

1. Defining criteria and policies for monetary and non-monetary compensation of the Board of Directors and Sub-Committees to be suitable for their responsibilities and in accordance with the Company's strategy and long-term goals as well as considering meeting allowances and reward for directors by comparing with the compensation rates of other companies in the same industry in order to propose to the Board of Directors and / or the Shareholders' meeting for approval (as the case may be)

2. Formulating policies and criteria for consideration of remuneration to be in line with the operating results of the Company and the performance of individual executives.
3. Considering the performance assessment in order to determine compensation, annual bonus and annual salary adjustment of senior executives from the level of the Managing Director and above.

Risk Management Policy Committee

The Board of Directors appoints the Risk Management Policy Committee, consisting of at least 3 directors, with the objective of providing the risk management structure and the separation of duties and responsibilities in risk management work appropriately and clearly by separating duties between supervision and policy assignments and risk management tasks at the management level. Reporting and communication are both top-down and bottom-up, which are monitored consistently by functional level to corporate level in order to increase the value of the business and build confidence for all stakeholders and create value for the organization in the long term, which helps to reduce the potential impact on the organization and helps the organization to achieve its objectives by reducing unexpected or risks in terms of economic, social, environmental and emerging risks and takes advantage of opportunity quickly and efficiently.

The Risk Management Policy Committee is responsible for establishing risk management policies and procedures that are in line with the objectives, goals, business plans and acceptable risk to be a framework for risk management for everyone in the organization. Compliance with risk management processes is under control and monitor in accordance with laws and relevant standards. The process is reviewed and improved regularly to be suitable for business operations with the scope of authority, duties and responsibilities specified in the Risk Management Policy Committee Charter.

The Risk Management Policy Committee has a 3-years term. The directors who are retired by rotation may be re-appointed to the position. The meeting shall be called at least once a quarter. In 2019, the Risk Management Policy Committee conducted 3 meetings.

At present, the Risk Management Policy Committee consists of 3 directors as follows;

1. Mr.Bowon Vongsinudom Chairman
2. Dr.Chaipat Sahasakul Member (Independent)
3. Ms.Aranya Vitayatanagorn Member

In order to operate the Company's business to cover the community, social and environmental responsibility and compliance of related regulations aspects, the Board of Directors' meeting no. 7/2019 resolved to appoint the Environmental Social Risk Management and Compliance Policy Committee (ESRC) in place of the Risk Management Policy Committee, effective on July 24, 2019 onward, in order to help the Board of Directors in determining policies, govern the environmental and social responsibility, risk management and compliance, follow up the operation, assess, review and improve the working systems in accordance with the policy, business plan and good corporate governance, which is the groundwork of sustainable development.

The ESRC Policy Committee is consisting of at least 3 directors and has a 3-years term. The directors who are retired by rotation may be re-appointed to the position. The meeting shall be called at least twice a year. In 2019, The ESRC Policy Committee conducted 2 meetings.

At present, the ESRC Policy Committee consists of 3 directors as follows;

1. Mr.Bowon Vongsinudom Chairman
2. Dr.Chaipat Sahasakul Member (Independent)
3. Ms.Aranya Vitayatanagorn Member

Scope and Authority of the ESRC Policy Committee

1. Inviting the management team or related employees to join the Board of Directors' meeting and/or request any of its unit to explain and/or clarify the information in written to the ESRC Policy Committee, regarding Environmental and Social responsibility, Business Risk, Compliance and their own duties and responsibilities and other matters that the Committee deems necessary and appropriate to perform their duties.
2. Assigning any units of the Company to action or operate as the Committee deems necessary in order for its targets, strategies and procedures according to the ESRC Committee Charter are always reached or to allow the Committee to be able to accomplish any other duties assigned by the Board of Directors.
3. Considering and providing opinions on the draft policy and the scope of work on environmental and social responsibility, organizational risk management and compliance.
4. Being acknowledged, considering and providing opinions on the operational results of environmental and social responsibility, regulatory compliance, risk assessment, risk management guideline and measures and action plan for the residual risk management, in order to ensure that the Company has adequate and appropriate operations regarding environment and social responsibility, regulatory compliance and risk management.
5. Considering and providing opinions on the determination of the organization's risk appetite and risk tolerance.
6. Providing suggestions and supporting the ESRC-E Committee and top management regarding environment and social responsibility, organizational risk management and regulatory compliance along with encouraging and supporting the improvement and development of the related operations Continuously and consistently.
7. Communicating and reporting the operational results to the Board of Directors and the related parties.
8. Performing other duties as assigned by the Board of Directors.

In the case of necessity and appropriateness in order to accomplish the duties and responsibilities successfully, the ESRC Policy Committee may request opinions from independent consultants and receive trainings and educations concerning the environmental and social responsibility, risk management and compliance

In addition, the ESRC Policy Committee has appointed the ESRC-E Management Committee, consisting of the management team from many departments, whether from the headquarter or plants, to support the performance of the ESRC Committee and closely monitor the procedures of environment and social responsibility, organizational risk management and regulatory compliance.

Scope of Duties and Responsibilities of the ESRC Management Committee

1. Being responsible for establishing policy regarding Environment, Society, Risk management and Compliance in order to present to the ESRC Committee
2. Monitoring operations in environment, social responsibility, risk management and regulatory compliance aspects as well as following up on evaluating, reviewing, and improving a working systems to be in accordance with the policies, business plans and good corporate governance, which serve as the foundation of sustainable development.
3. Being in charge of risk assessment, and preparing and monitoring the execution of functional risk management and corporate risk management plan to ascertain that appropriate risk management measures are put in place and consistent with the strategies and business plans of the Company
4. Following up the identification process and company-wide critical risk assessment. Identifying external and internal risks factors that may derail operations. Evaluating the aftermaths and opportunities of identified risks and analyzing key risk factors that could affect the Company to ensure that a risk management plan and risk management measure are active so

that the Company is able to respond to changes and several uncertainties properly and in line with the strategies and business plans of the organization

5. Promoting, supporting and dispensing necessary resources for operations on environmental, social, risk management and compliance aspects sufficiently
6. Communicating and advocating for policy on environmental, social, risk management and compliance to be applied on a company-wide scale and to become a part of the corporate culture
7. Preparing a meeting to review and monitor performances and proposing corporate risk management plans including reporting performance regarding environment, society and compliance matters to the ESRC Policy Committee for acknowledgment and consideration regularly and consistently
8. Performing other duties as assigned by the ESRC Policy Committee.

Remuneration

The Company has a remuneration policy to pay for directors and executives at an appropriate level and consistent with the Company's strategy, short-term and long-term goal, operation results and comparable with the same business or industry and according to their duties and responsibility. The directors who are assigned to be sub-committees, which has increased duties and responsibilities, should receive appropriate remuneration according to the duties and responsibilities assigned to them.

To comply with good corporate governance principles, the Company should have a clear policy and remuneration criteria for consideration. In the Board Meeting no. 9/2019, the Board considered and approved the remuneration policy for Directors and the Chief Executive Officer to be a guideline in determining remuneration fairly and reasonably. Director remuneration should consist of monthly remuneration, meeting allowance and bonus. The remuneration of the Board of Directors considered by the Corporate Governance Nomination and Remuneration Committee will be presented to the Shareholders' meeting for approval. Remuneration for directors and executives is disclosed in the annual report and Form 56-1 under management structure.

The remuneration for Chief Executive Officer and other executives is in accordance with the principles and policies set forth by the Corporate Governance Nomination and Remuneration Committee in the form of salary, provident funds and bonus which are considered based on the Company's performance in line with its vision, mission and strategy as well as guidelines and standards of other companies which has similar size of business by having an annual performance evaluation based on roles, duties and responsibilities of each executive. The Corporate Governance Nomination and Remuneration Committee will consider the suitability of both short-term and long-term remuneration and annual salary adjustment for the Chief Executive Officer and present to the Board of Directors for approval while the Chief Executive Officer will consider the suitability of the remuneration and annual salary adjustment reflecting the individual performance of each executive.

Limitation of Director's positions in other Company

The Board of Directors has a definite policy on a limitation of number of Companies that a director should not be holding as a director in other listed companies exceeding than 5 companies in order to have adequate time to do their own duties.

In 2019, there was no director holding any position as a director in more than 5 listed companies.

The Position of Chief Executive Office and President in other Companies

The Board of Directors has a definite policy on other positions of Chief Executive Office and President in other companies by considering that the business must be supported by the business of the Company for example; position in the Company's subsidiary in order to control them.

However, being a director in other listed companies of the Chief Executive Officer and President must not be an obstacle to the performance of the Chief Executive Officer and President of the Company and that business must not be the same nature as the Company and not in competition with the Company and also bring knowledge and experience from being a director in other companies to help enhance the Company.

In 2019, Chief Executive Officer and President of the Company holds positions in other 2 listed companies. In this regard, Chief Executive Officer was appointed as a director in other listed companies before being Chief Executive Officer of the Company.

Directors and Management Development

In order to obtain the Board of Director's efficiency in the operation, the Board of Directors has a policy to encourage the Directors and Executives to have received training courses that are beneficial to the performance of duties continuously with both in-house training and external training in other organizations such as Thai Institute of Director (IOD) and overseas trainings by assigning the Corporate Governance Nomination and Remuneration Committee together with the Company Secretary to consider the necessary training courses for each director involved in the duties and responsibilities of each director continuously in order to bring knowledge and experience to develop the organization towards. Human Resource Department has policy and development plan for the executives individually in order to develop personnel in the organization to have potential and readiness to work in line with the Company's expansion plan.

Current directors and executives

The Company is aware of the importance of knowledge development for current directors and supports the directors to attend training courses related to the roles and responsibilities of directors organized by the Thai Institute of Directors (IOD). Presently, 12 directors have passed the preliminary training program with the IOD or out of a total of 12 directors, representing 100% including other courses related to directors' roles and the Company's business. The Company also encourages managements to gain knowledge about the legal, relevant regulations related to executive function as well as seminars that are beneficial to the organization and participants.

In 2019, directors and executives have passed the training courses organized by the Thai Institute of Directors Association (IOD) and other courses organized by various institutions as follows;

Training Development of Directors and Executives in 2019

Name	Program	Organization / Lecturer
1. Mr.Apichart Chirabandhu	Corporate Governance for Executives (CGE 15/2019)	Thai Institute of Directors Association (IOD)
2. Mr.Pachai Chanpitaksa	Boards that Make a Difference (BMD 9/2019)	Thai Institute of Directors Association (IOD)
3. Mr.Ekarat Wongsubhasatigul	Strategic Board Master Class (SBM 6/2019)	Thai Institute of Directors Association (IOD)
4. Mr.Vorravuth Tangpiroonthum	Strategic Board Master Class (SBM 6/2019)	Thai Institute of Directors Association (IOD)
5. Ms.Aranya Vitayatanagorn	African Swine Fever (ASF)	Assoc. Prof. Dr. Jowaman Khajarern
6. Mr.Chanvit Vitayatanagorn	African Swine Fever (ASF)	Assoc. Prof. Dr. Jowaman Khajarern
7. Mr.Supachai Vitayatanagorn	African Swine Fever (ASF)	Assoc. Prof. Dr. Jowaman Khajarern

Name	Program	Organization / Lecturer
8. Mr.Kamtorn Ekmetipunt	African Swine Fever (ASF)	Assoc. Prof. Dr. Jowaman Khajarern
	International Feed Ingredients Course 2019 (iFIC2019) : First Time In Asia	Thai Swine Veterinary Association
9. Ms.Sunanta Tritepapiruk	Credit Analysis Strategy 3-6/2019	Settaluck Co.,Ltd
	Income and Expense Recognition Problems, Corrective action according to accounting principles	Dharmniti Seminar and Training Co.,Ltd
10. Mr.Sakchai Padungkiattivong	Credit Analysis Strategy 3-6/2019	Settaluck Co.,Ltd
11. Ms.Kanutsorn Bunditnate	Seminar : "Toward the Sustainable Finance & Investment in Thailand"	The Stock Exchange of Thailand

New Directors

The Company has established guidelines for newly elected directors regarding the preparetion to perform their duties by organizing the orientation program for a new director in order to prepare in performing duties as a director. The Company Secretary is responsible to organize program to visit the plants and its production process, prepare Director's handbook as an introduction to the Company such as vision, goal of the Company, industry overview as well as the Company's regulations, related laws including operation framework, scope of duties and responsibility of the committees including matters under consideration by the Board as references for a new director to be able to search initially. In addition, the Board has assigned the Company Secretary to arrange a meeting with the Chairman of the Company, other directors or managements to inquire and receive in-depth information about the Company's business operations.

Relevant parties in corporate governance

The Company has a policy to encourage those supporting the Board of Directors work, such as Company Secretary, the secretary to the Audit Committee, and those doing relevant jobs, to be developed consistently and continuously by receiving training and seminars in courses related to their duties organized by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), Thai Listed Companies Association, Thai Institute of Directors (IOD) and other institutions continuously.

Succession Plan

In order to be prepared for a continuation of the business, the Board of Directors, therefore, requires the management to have a succession plan of the Chief Executive Officer and senior executives by assigning the Corporate Governance Nomination and Remuneration Committee to be responsible for succession plan for important positions together with Chief Executive Officer and to present to the Board of Directors for consideration including determining the knowledge, ability and experience of positions that are important and affecting the business as well as to prepare assessment plans of knowledge, capabilities, weakness, strengths and readiness of the Executive Vice President and above especially the Chief Executive Officer position in order to find qualified people to participate in individual development programs, which is to develop the knowledge of potential executives to be ready to manage the business in the future. The Chief Executive Officer is responsible for reporting the succession plan to the Corporate Governance Nomination and Remuneration Committee to summarize and report to the Board of Directors at least once a year.

Board of Directors Self-Assessment

The Board of Directors shall oversee the performance assessment of the Board of Directors and sub-committees annually at least once a year by dividing the assessment into 2 types which are Board as a whole evaluation and

Board self-assessment including the evaluation of the Chief Executive Officer's performance by assigning the Corporate Governance Nomination and Remuneration Committee to be responsible for assessing performance of the Board of Directors, both as a whole and self-assessment. The Company Secretary is responsible for submitting the assessment form to all directors in order to evaluate their own performance of the Board of Directors and sub-committees in which they hold as member, then gather back to assess and propose to the Corporate Governance Nomination and Remuneration Committee for consideration to report the results to the Board of Directors, which the Board of Directors will analyze the results and find conclusions in order to determine measures to improve the performance of the Board of Directors.

For the evaluation criteria, the percentage is calculated from the full score of each item as follows;

Score	Meaning
From 90 percent or more	Excellent
From 70 percent or more	Very Good
From 50 percent or more	Good
Less than 50 percent	Need Improvement

Performance Assessment of the Board of Directors

The Corporate Governance Nomination and Remuneration Committee is responsible for assessment process of the Board of Directors by applying the assessment form of the Stock Exchange of Thailand to be adapted to suit the nature and structure of the Board of Directors in which the assessment forms will be reviewed annually in order to be used as a framework for monitoring the performance of the Board of Directors. The assessment results will be further considered for the suitability of the Board composition. In this regard, the performance assessment of the Board of Directors has the following topics as follows;

Topic of the entire Board Assessment

1. Structure and Qualification of the Board of Directors
2. Role and Responsibility of the Board
3. Board Meeting
4. Directors' Duties
5. Relation with management
6. Self-development of directors and executive

Topic of Individual Assessment

1. Structure and Qualifications of the Board of Directors
2. Meeting
3. Roles, duties and responsibilities of the Board of Directors

Sub-committee Self-Assessment

The Board of Directors requires that the sub-committees, consisting of the Audit Committee, the Corporate Governance Nomination and Remuneration Committee and the Risk Management Policy Committee shall have a self-assessment of their performance and shall report the assessment results to the Board of Directors meeting every year to review the performance of the sub-committee. The evaluation form of the sub-committee is prepared in accordance with the scope of authority, duties and responsibilities in accordance with the charter of each sub-committee and reference to the form from the Stock Exchange of Thailand, which has topics about the structure, and qualifications of sub-committees, roles, duties and responsibilities of sub-committees.

In 2019, the Board of Directors and all sub-committees have performed their duties with knowledge, ability, according to the scope of authority and responsibility assigned by the Charter and in accordance with the best practices of the regulatory authorities. The Company Secretary has summarized the evaluation results of the Board of Directors both the entire Board and individual including the evaluation results of each sub-committee and reported to the Corporate Governance Nomination and Remuneration Committee to present to the Board of Directors Meeting No. 2/2020 on February 28, 2020. The assessment results of the Board of Directors are as follows;

Board of Directors	Score (%)
As a whole assessment	85.8
Individual assessment	89.0
Sub-committee	
The Audit Committee	93.7
The Corporate Governance Nomination and Remuneration Committee	79.3
The Risk Management Policy Committee	89.0

Assessment of Chief Executive Officer and President

The Board of Director shall arrange to evaluate the performance of the Chief Executive Officer every year on the topic of leadership, formulation and implementation of strategic plans, financial planning and performance, relationship with the Board, succession plan, risk management, internal control and corporate governance by using the guidelines from the Stock Exchange of Thailand. The said evaluation criteria have been approved by the Corporate Governance Nomination and Remuneration Committee including executive directors and non-executive directors.

The Company Secretary is responsible for submitting the assessment form to all directors including non-executive directors to evaluate the performance of the Chief Executive Officer and compiling the assessment results, reporting to the Corporate Governance Nomination and Remuneration Committee to present to the Board of Directors for determining the annual remuneration of the Chief Executive Officer. A discussion session is provided to give comments on performance improvement. The assessment result of the performance of the Chief Executive Officer and the President for the year 2019 was very good.

Supervision of Operation of Subsidiaries and Affiliated Companies

The Company has a policy to assign qualified directors or managements to be as a director in subsidiary company to enable the overall management to be in the same direction. This is an agreement between the Company, its subsidiaries and affiliated companies to participate in formulating an important policy and supervise its subsidiaries to have proper internal control system and mechanisms of governance in various aspects under the same criteria as the Company. Its subsidiaries are responsible for submitting financial statement to the Company to make consolidated financial statement.

Auditor's Remuneration

1. Audit Fee
   The Company and its subsidiary paid Baht 2,650,000 for audit fee to EY Office Limited, which was appointed as the auditor in the fiscal year 2019.

2. There was no any other fee.

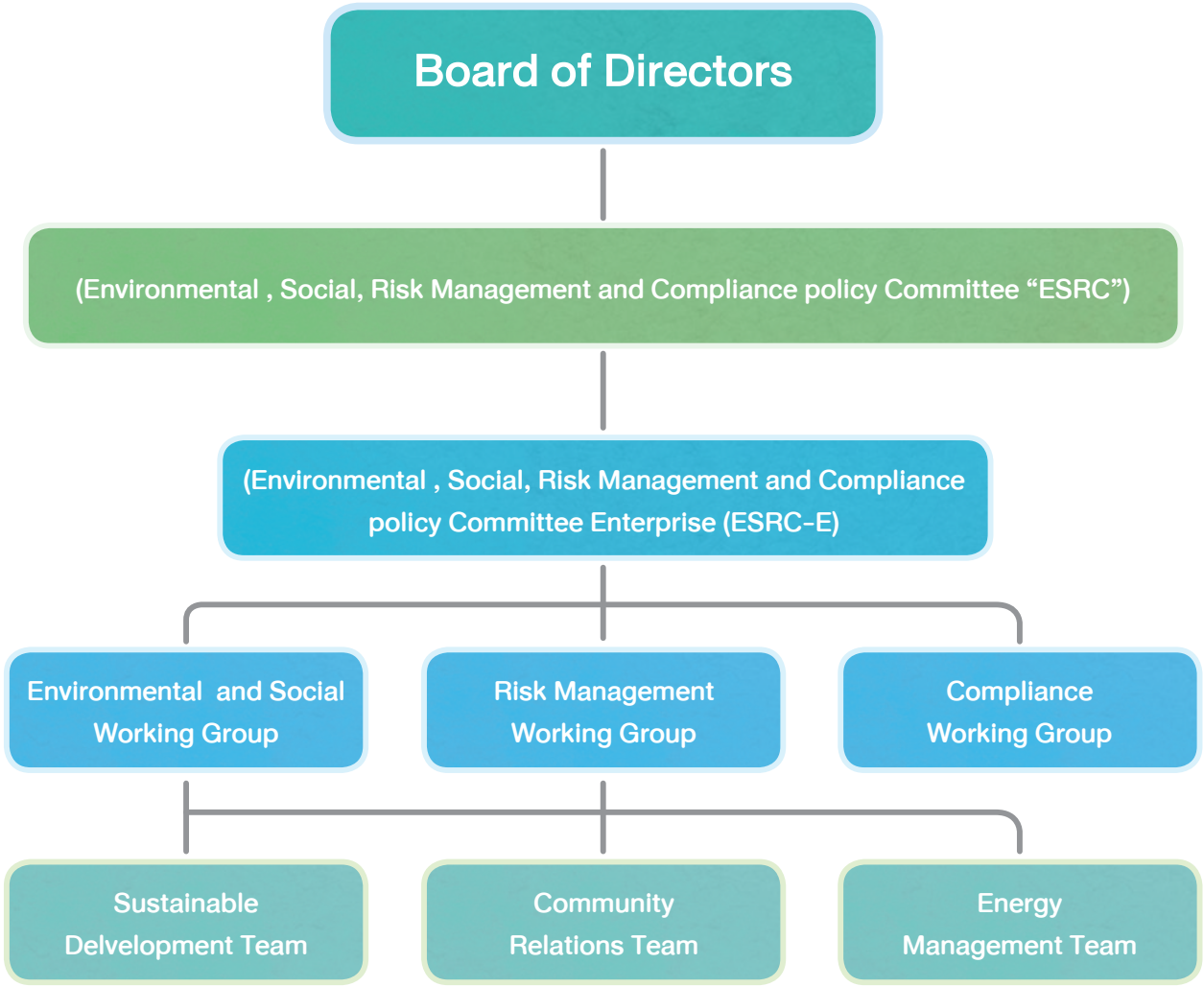
Sustainability Policy

The Board of Directors is committed to conducting business in accordance with sustainable development guidelines and in line with the principles of good corporate governance. Therefore, they assign sustainability management as one of the core strategies of business operations based on international standards of sustainability practices, integrating into the company's work processes.

"TVO aims to conduct operation for the purpose of stable growths, deliver good quality of life to consumers, employees, communities and society; bring the highest satisfaction to all stakeholders, starting from raw material procurement process, production process to product delivery to consumers; adhere to good governance; and look after the environment, leading to the joint sustainability."

The implementation of the Sustainability Policy takes into account the responsibility for the impacts that may occur from business operations in the economy, society and environment, including with good corporate governance and fair competition in business, anti-corruption, respect for human rights, fair employment of labor, responsibility to consumers, environmental preservation, community or society development, supporting and dissemination of innovations and integrating into the operation process to support sustainable development together with all stakeholders.

In 2019, the Board of Directors has appointed the Environmental, Social, Risk Management and Compliance Committee (ESRC) to determine the policy, govern the environment-related work, social responsibility, law compliance, risk assessment, risk management guideline and measure, and action plan for the Company's existing risks, together with following up the operation, assessing, reviewing and improving the work systems to be in line with the policy, business plan and good corporate governance, which are the basis of sustainable development.



To realize effective and agile operation, the ESRC Committee has established the Environmental, Social, Risk Management and Compliance Committee - Enterprise (ESRC-E) to operate the policies set by the ESRC Committee, leading to management-level operation. The ESRC Committee was an important role in supporting the ESRC-E and top executives regarding to environment, social responsibility, organizational risk management, compliance governance and assigned the Environmental and Social Working Group to be key drivers for sustainable development operations.

In 2019, the issues of sustainability are as follow: Risk and Crisis Management, Corporate Governance and Business Ethics, Customer Relationship Management, Business Performance and Growth Capability, Quality products and Support well-being life for everyone, Innovation, Responsible Supply Chain Management and Sustainable Procurement, 8. Employees Stewardship and Development, Respect for Human Rights, Occupational Health and Safety, Good Citizenship and Participation in creating a pleasant society, Climate change and greenhouse gas emissions, Energy Management, Waste Management and Water management.

Strategy for Sustainability

TVO has conducted the business according to our philosophy, organization vision and mission for quality and sustainable growths; deliver good quality of life to stakeholders, prevent and be responsible to the impacts from operations towards communities, societies and environment, under the corporate governance operation, according to the United Nations' SDGs. The strategy towards sustainability is as follows:

1. Create economic values with quality products within the good governance

TVO is committed to create values to the business, which is not just the increase of profits but also the transparent, fair and accountable business operations, under the good corporate governance and risk management, along with quality product delivery, raw material selection, production process which concern to environment, safety and occupational health management with high edge innovations and technologies, for quality products with proper nutrition of the people.

2. Quality personnel

As the employee is the heart of business propel, TVO focuses on developing human resources by providing trainings to improve skills, knowledge and potentials, in order to increase the competitive ability, catch up with the changing situations and keep to appropriate labor practice and human rights, keep up a good relationship between executives and employees to be the organization of sharing and achieving goals.

3. Social responsibility

TVO conducts the business with morality and responsibility towards the society to participate in development of life quality by creating jobs and enhancing the community economy, education sponsorships, arts and cultures and taking care of health and safety of community members and stakeholders.

4. Environment conservation for sustainable and harmonious living

TVO focuses on environment, natural resources, energy conservation, water management, waste treatment and weather change by integrating the resource conservation and maximization to every step of our operation with the target to keep the balance of ecology system and sustainable coexistence.

The Company has communicated with the Sustainability Policy to encourage all employees to realize the efficient usage of resources and maximize benefits, through all types of communication channels and this is included in the orientation for new employees. In order for our employees realized their duty in responsible for delivering good quality of life to consumers. The Company has disclosed the corporate social responsibility in the Sustainability Report, as part of the Disclosure Report (form 56-1), Annual Report and the Company's website.

Report of the Audit Committee

The Audit Committee of Thai Vegetable Oil Public Company Limited consists of three independent directors; Mr.Apichart Chirabandhu, Mr.Sompol Kiatphaibool, Dr.Chaipat Sahasakul and has manager of Internal Audit Department as the secretary of the Audit Committee.

The Audit Committee performed its duties independently under the Board-assigned scope and its own charter, which aligns with the regulations of the Stock Exchange of Thailand (SET). In 2019, the Audit Committee met four times this year as well as attending meeting with auditors without the attendance of the management, in which all members of the Audit Committee attended every four meetings. The results of the meeting were reported to the Board of Directors.

The audit committee has an opinion in summary as follows;

1. The Company's financial statement are accurate, complete and reliable.

2. The Company has sufficient internal control systems.

3. The Company has complied with the securities and exchange law, regulations set forth by the Stock Exchange of Thailand or relevant laws to the Company's business.

4. The Audit Committee has considered, selected and appointed the Auditors and the audit fee by considering based on the audit quality, the independence and the reputation of the Auditors including the qualification and the remuneration of the Auditors. The Audit Committee deem appropriate to appoint Mrs.Cholaros Suntiaswaraporn or Ms.Siraporn Ouaanunkun or Mr.Chatchai Kasemsrithanawat from EY Office Limited as the Company's auditors for the year 2020 and proposed to the Board of Directors for consideration and the Annual General Meeting of Shareholders to consider the appointment and approve the audit fee.

5. Related Transaction or Conflict of Interest Transaction is in accordance with the requirements of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand

6. The Audit Committee has performed duties and responsibilities as specified in the Audit Committee Charter as approved by the Board of Directors.

(Mr.Apichart Chirabandhu)
Chairman of the Audit Committee
March 5, 2020

Internal Control

The Board of Directors recognizes the importance of internal control systems according to international standards - The Committee of Sponsoring Organizations of the Tread way Commission (COSO) in order to achieve the objectives of internal control in all 3 areas, namely operation, reporting, and compliance with the rules and regulations relevant to the Company's business operations. The management is encouraged to establish operational procedures and working structure divided by duties to counterbalance between each other, to set clear written operational authority and to provide a performance tracking system. The Audit Committee has been assigned to monitor and review the internal control system to be effective according to international standards. The internal control system has been reviewed by the internal audit department.

The internal audit department is independent and directly reports to the Audit Committee. The Audit Committee is responsible for approving the appointment, rotation or termination and evaluation the performance of the head of the internal audit department. In this regard, the internal audit department is able to freely access the information necessary for the audit, perform inspection and assess the adequacy, appropriateness and efficiency of the internal control systems of various processes and work systems according to the internal audit plan which is prepared according to the risk-based approach approved by the Audit Committee and report the audit results and progress of the management directly to the Audit Committee on a regular basis.

In 2019, the internal audit department conducted an evaluation of the adequacy of the Company's internal control system by an independent internal auditor from P&L Corporation Limited, according to the assessment form of the Office of the Securities and Exchange Commission (SEC) prepared by the management along with and the review result of the internal control system assessment, the Audit Committee has considered that the Company's internal control system is sufficient and appropriate, in which the Company has sufficient personnel to operate. The Company's internal control system management can be summarized by components of internal control as follows;

1. The Board of Directors and executives support an organizational culture that focuses on honesty and ethics, monitor the Company's business operations in accordance with the vision and mission, provide a good internal control environment and facilitate operations, establish an appropriate organizational structure in order to make the management more efficient and operate in the same direction, segregate duties in significant areas in order to create counterbalances between each other as well as assign duties and responsibility, delegate appropriate authority according to the organizational structure, encourage all employees to be aware of their roles, authority and responsibilities, establish policies and procedures covering all operational activities and establish a good Corporate Governance policy, Compliance Policy, Anti-Corruption Guidelines and business Code of Conduct manual for the Board of Directors, Executives and employees of the Company to adhere as operational guidelines. All personnel are responsible for internal control and maintaining a good internal control system. The Company regularly communicates and publicizes the said policy with all Executives and employees.

2. The Board of Directors and Executives attach importance to risk management in order to increase the business value, to build confidence to achieve the Corporate's short and long term goal and to build confidence for all stakeholders and to create value for the organization in the long term. The Board therefore has appointed an Environmental, Social, Risk Management and Compliance Policy Committee (ESRC) to set policies, appropriate risk management framework in accordance with the business plan and policy, and provide related comments and suggestions and propose the ESRC-E management team to be appointed by the Chief Executive Officer to oversee the Company's risk management throughout the organization to be effective and effective. Management guidelines are as follows;
   - Conducting risk management throughout the organization according to the COSO-ERM framework and establishing a risk management policy in order to manage risks that may affect the achievement of the organization's objectives.
   - Managing risks throughout the organization by analyzing and assessing various risks from both internal and external factors including the possibility of fraud and corruption that may affect business goals. Preparing a risk matrix and mitigation management plan that specify measures to cover all processes throughout the organization, in which all departments are responsible for managing risks to an acceptable level. Providing a process of review, follow up the implementation of risk management measures on a regular basis which is considered a part of work that all Executives and employees must be aware of and pay attention to.
   - Applying the Key Risk Indicator (KRI) and systematically recording the statistics of actual risk cases for analysis and monitoring of changes in various risk factors in order to define and review risk management measures to respond to changes effectively and timely manner.
   - Providing a risk communication channel throughout the organization by announcing a communication channel through the Company's network

3. The Company has specified control activities with due regard to good internal control principles such as separation of duties, determination of approval and operational authorization in order to inspect and counterbalance, policies and guidelines relating to transactions that may have conflicts of interest, transactions and approvals that is transparently, fairly and auditable by taking into account the best interests of the company, etc. The Company's regulations, policies, requirements, operation manual are in written by clearly defining the scope of authority of personnel at each level and procedures to be an operational guide. The operation review is conducted in accordance with the rules, policies, requirements and various operation manual regularly. In addition, the information control is also specified such as Access Control to determine the operational rights in the SAP system in accordance with the principles of good segregation of duties, Firewall systems to prevent an access from external threats from all channels, Solution Firewall backup to install all Anti-Virus programs to prevent data loss or data loss from being infected with viruses, etc.

4. Information and Data Communication, the Company has implemented the SAP ECC 6.0 program in collecting and processing business data in both core and supporting activities in order to reduce data redundancy in the use of many information systems and can summarize the report to the management quickly. The Board of Directors, Executives, employees and stakeholders are provided with appropriate communication such as the delivery of important material relating to the Company's operations and meeting documents to the Board of Directors in advance before the meeting to allow the Board of Directors to be able to analyze the information adequately before making a decision and information requirement from relevant departments or persons for consideration. For other communication channels such as internal communication through the organization's intranet, communication via electronic

mail, communication for external stakeholders via website, electronic mail, Facebook. In addition, there are guidelines for complaints management and channels for receiving complaints (Whistleblower System) clearly so employees and outsiders can be confident that complaints will be considered transparently, fairly and confidentially within a timely manner.

5. The Company has a process for monitoring and evaluating the adequacy of the internal control system, as well as determining the development guidelines to ensure that the Company's internal control systems are efficient and effective. In 2019, the Company has evaluated the adequacy of the internal control system by an independent internal auditor and has an internal audit department to review the audit results to ensure that the existing internal control is sufficient and appropriate and consistent. Various activities were audited in accordance with the internal audit plan approved by the audit committee. The management acknowledged and implemented internal control improvements based on the recommendations received. The audit results will be reported to the Audit Committee on a quarterly basis as well as ongoing compliance monitoring in order to improve the operations in accordance with the rules and regulations related to the Company's business operations. In addition, in 2019, the Company was certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) through a self-assessment process every 3 years, reviewed and signed by the Company's Audit Committee to confirm that the Company has established policy, guidelines, and measures to prevent corruption in accordance with the criteria specified by CAC.

From the assessment, the Company found no significant defects in the internal control system that may affect the achievement of the Corporate's main objectives. corruption or violation of laws related to the Company's business operations.

The internal audit department headed by Mr.Krit Kongkaew, manager of internal audit department who is appropriate to perform duties and understand the business of the Company.

Education Background :

Bachelor of Accountancy,
Rajamangala Institute of Technology

Professional Certificate :

- IIA'S Endorsed Internal Auditing Program (EIAP)
  Chulalongkorn University
- Certified Professional Internal Auditor in Thailand
- ISO Internal Quality Audits Certificate
- OHSAS 18001:2007 Internal Audit Certificate

Training

- Introduction to Control Self-Assessment
  The Institute of Internal Auditors of Thailand (IIAT)
- Skill for the New Auditor-in-charge
  The Institute of Internal Auditors of Thailand (IIAT)
- Mini MBA Thammasat University
- Enterprise Risk Management : What's New? What's Next

Related Transaction

Related Transaction Policy on reports between the Company, Subsidiary and its Related Parties

The Company has set Related Transactions Policy that it shall be based on necessity in order to achieve business efficiency goal, cost and expense management which will specify the pricing policy between them clearly. The management can approve related transactions in the normal course of business or supports normal business with general trading conditions that are appropriate and fair, taking into account the best interests of the Company and Shareholders as a whole. Transactions between the Company and / or its subsidiary with their connected persons and related parties must be done with prices and conditions that are not inferior to the market price and trade terms in the nature that any man shall made with his partner in the same situation without asserting influence from one's position as a director, executive, or related person.

Procedures of related transactions approval

The Board of Directors recognizes the importance of preventing related party transactions or connected transactions that may have a conflict of interest, and determines the criteria for considering the size of the transaction and conditions as specified in the Notification of Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions of the Board of Governors of the Stock Exchange of Thailand. Whenever, there is a connected transaction in a business that may cause a conflict of interest, Directors and Executives and all concerned parties must consider the necessity, the reasonableness of the transaction by comparing the prices of products or services with external prices under market price conditions and must inform the Company Secretary to inform the Chief Executive Officer. The Audit Committee will advise on the necessity and reasonableness of such transactions to the Board of Directors and/or Shareholders meeting (as the case may be according to the criteria for calculating the size of transactions as specified by the SEC) so they can consider approving the transactions.

Reviewing connected transactions by providing a summary transactions report between the Company and the connected persons, which shall be reported in the Board meeting every quarter. In the case that the Audit Committee is not qualified to advise on the related transactions, the independent experts or the Company's auditors will advise on those transactions for the decision-making of the Board of Directors or the Shareholders, as the case may be. Anyhow, the conflict of interest person will not partake in the approval process.

During the year 2019, the Company and its subsidiary had significant transactions with related parties, which were in accordance with commercial trade terms and conditions as agreed between the Company and those related parties, which were in the normal business. The Independent Directors did not have different opinions from the directors' resolution and the transactions were disclosed in the notes to the financial statements, Annual report and the Company's annual information disclosure form (form 56-1).

Policy and Future Trend of Related Transaction

The Company has a policy to enter into related party transactions that are in accordance with normal business operations or to support regular businesses that occur regularly in the future. The Company has a policy to manage such related transactions to be in the best interest of the Company by setting conditions to be in accordance with the normal business operation.

Details of Related Transactions occurred in 2017 and 2018

(Unit : Million Baht)

Related Company	Relation	Transaction	Size (million)		Conditions and price policy
			December 31, 2018	December 31, 2019	
Prodigy PCL.	• The Company holds 31.85% of shares • Directors of the Company and their connected persons hold 8.88% of shares in Prodigy PCL. • There are two common directors. • The two directors of the Company are authorized persons of Prodigy PCL.	• Purchase of packing material, PET bottle, to contain vegetable oil for sale.	Purchase 328.97 Rebate 2.13 Trade Payable 55.36 Other Receivable 2.13	Purchase 311.03 Rebate - Trade Payable 53.64 Other Receivable -	• In each purchase in 2018, the Company received rebate 0.5 - 1.5% from the purchase amount, but in 2019 the said discount rate was reduced to 0.25% which the purchase amount of the Company did not meet the specified criteria, therefore the Company did not receive the said rebate. • One-time order No long-term contract
Thai Ha PCL.	• Directors of the Company and their connected persons hold 4.20% of shares in Thai Ha PCL. • There are one common director • The one director of the Company is the authorized persons of Thai Ha PCL.	• Sell vegetable oil for Thai Ha PCL to resell	Sales 20.85 Trade Receivable 3.82	Sales 16.47 Trade Receivable 3.14	• The Company always treats Thai Ha PCL as one partner company, like other distributors. The Company therefore has defined trade terms with Thai Ha PCL, which is not different from other distributors. • One-time order No long-term contract
Golden Thread Co., Ltd.	• Director and management of the Company and their connected persons hold 31.37% of shares. • The director of the Company is the authorized persons of Golden Thread Co.,Ltd.	• Sell vegetable oil to Gloden Thread Co.,Ltd as a staff's welfare. • Purchase of some threads to sew sacks of goods package.	Sales 0.28 Trade Receivable 0.10 Purchase - Trade Receivable -	Sales 0.20 Trade Receivable 0.01 Purchase 0.13 Trade Receivable 0.14	• The selling price to Gloden Thread Co.,Ltd is similar to the price offered to wholesale customers in order to be welfare. • One-time order No long-term contract • In each purchase, the Company has process to review the price and conditions of other threads manufacturers

Related Company	Relation	Transaction	Size (million)		Conditions and price policy
			December 31, 2018	December 31, 2019	
					• The Company will buy threads from Golden Thread Co., Ltd. when price and trade conditions that the Company receives are better and more suitable when compared to the conditions of other manufacturers
Thai Edible Oil Co., Ltd.	• The Company holds 14% of shares.	• Prodigy PCL, a subsidiary of the Company, sells PET bottle to Thai Edible Oil Co., Ltd for vegetable oil packing	Sales 27.11 Trade Receivable 2.97	Sales 29.71 Trade Receivable 3.10	• No contract for this transaction • Price and trade conditions are according to the market.
Cheer Group Holdings Co., Ltd.	• Director and management of the Company and their connected persons hold 27.86 % of shares • There is one common director • The one director of the Company is the authorized person of Cheer Group Holdings Co., Ltd.	• Sell vegetable oil to Cheer Group Holdings Co., Ltd. to distribute as a gift	Sales 0.02 Trade Receivable -	Sales 0.01 Trade Receivable 0.01	• The Company always treats Cheer Group Holdings Co., Ltd. as one partner company, like other distributors. The Company therefore has defined trade terms with Cheer Group Holdings Co., Ltd., which is not different from other distributors. • One-time order No long-term contract
New Wave Asia Co., Ltd	• Director and management of the Company and their connected persons hold 73.33% of shares in New Wave Asia Co., Ltd • There is one common director • The one director of the Company is the Chairman and the authorized person of New Wave Asia Co., Ltd.	• Provide notification service for customer products to New Wave Asia Company Limited • Order products for the New Year's basket as a give to the Company's sponsors.	Service Fee 0.26 Trade Receivable 0.09 Purchase 0.11 Trade Payable 0.12	Service Fee 1.02 Trade Receivable 0.09 Purchase 0.05 Trade Payable 0.06	2 Years' service contract, expiring on October 1, 2018 • The Company has a review process to compare prices and trade terms with other suppliers. • One-time order No long-term contract
Fila Plus Co., Ltd	• Director and their connected person hold 92.50% of shares in Fila Plus Co., Ltd • There is one common director • The one director of the Company is the authorized person of Fila Plus Co., Ltd.	• Sell vegetable oil to Fila Plus Co., Ltd to be resold to employees as a benefit oil for employees.	Sales 0.03 Trade Receivable 0.03	Sales 0.03 Trade Receivable 0.03	• The selling price to Fila Plus Co., Ltd is similar to the price offered to wholesale customers in order to be a welfare • One-time order No long-term contract

Report of the Board of Directors' Responsibilities for Financial Statements

Board of Director authorizes the management to be responsible for the financial statements and financial reporting contained in this annual report. The financial statements were prepared in accordance with Thai Financial Reporting Standards that includes the use of careful judgment and the best estimates. Management is also responsible for establishing and maintaining effective internal control for financial reporting and safeguarding of assets.

The Board pursues its responsibility for quality of risk management system, internal control system, and corporate governance system to ensure that the financial information is accurate, complete and sufficient to maintain the assets of the Company as well as to prevent risks from operations. The Board of Directors has appointed the Audit Committee, Risk Management Committee and Corporate Governance Committee to be responsible for the quality of financial reports, the adequacy of the internal control environments, risk management and good corporate governance made by the management. The working committee is reported to the Board of Directors' meeting quarterly.

With the effective financial report, internal control system, risk management and good corporate governance including the existing work system, the Board of Directors believes that the financial report, internal control, risk management, good corporate government and work systems provide reasonable assurance as to the integrity and reliability of financial reporting and safeguarding of assets as of December 31, 2019.

Mr.Sompol Kiatphaibool
Chairman

Mr.Bowon Vongsinudom
Chief Executive Officer and President

Management Discussion and Analysis (MD&A)

Operating Results Overview

Operating results of the Company and its subsidiary for the years ending December 31, 2019 and 2018 are as follows:

Unit: Million Baht	2019	2018	Increase (Decrease)	
			Amount	%
Sales	23,225	24,496	(1,271)	(5.19)
Sale of packing materials	362	373	(11)	(2.95)
Total sales	**23,587**	**24,869**	**(1,282)**	**(5.16)**
Cost of sales	21,231	22,069	(838)	(3.80)
Gross profit	**2,356**	**2,800**	**(444)**	**(15.86)**
Profit (loss) on exchange rate	56	89	(33)	(37.08)
Other income	157	160	(3)	(1.88)
Selling expenses	514	513	1	0.19
Administrative expenses	247	241	6	2.49
Reversal of reduction of inventory to net realizable value	(2)	(12)	10	(83.33)
Financial cost	3	3	-	-
Profit before income tax expenses	**1,807**	**2,304**	**(497)**	**(21.57)**
Income tax expenses	352	398	(46)	(11.56)
Net profit attributable to equity holders of the Company	**1,411**	**1,867**	**(456)**	**(24.42)**
Non-controlling interests of the subsidiaries	45	39	6	15.38

In 2019, the Company and its subsidiary had a net profit Baht 1,411 million, decreased by Baht 456 million or down by 24.42% from Baht 1,867 million when compared to the year 2018. The Company had a total sales revenue from selling products of Baht 23,225 million, decreased by Baht 1,271 million or down by 5.19% from the previous year. The Company's subsidiary had a total revenue from sales of packaging materials of Baht 362 million, decreased by Baht 11 million or down by 2.95% from Baht 373 million when compared to the previous year. The Company and its subsidiary's cost of sales was Baht 21,231 million, decreased by Baht 838 million or 3.80% from Baht 22,069 million when compared to 2018. This is resulting in the Company and its subsidiary has a gross profit of Baht 2,356 million, decreased by Baht 444 million or 15.86% from Baht 2,800 million when compared to 2018.

Analysis of Operating Performance

Sales Revenue

For management purposes, the Company and its subsidiary are organized into business unit based on its products and services and have three reportable segments as follows;

- The manufacture and distribution of products from soybean segment; soybean meal and soybean oil.
- The manufacture and distribution of packaging products.
- Other segment, which is a distribution of consumer products.

Unit : Million Baht	2019	2018	Increase (Decrease)	
			Amount	%
Revenue from sales of soy products and others	**21,970**	**23,111**	**(1,141)**	**(4.94)**
- Animal feed industry	15,146	15,979	(833)	(5.21)
- Refined Soybean Oil	6,824	7,132	(308)	(4.32)
Revenue from sales of packaging materials	**362**	**373**	**(11)**	**(2.95)**
Revenue from sales of other products	**1,255**	**1,385**	**(130)**	**(9.39)**
Total revenue from sales	**23,587**	**24,869**	**(1,282)**	**(5.16)**

1. Sales Revenue

The Company and its subsidiary had a total sales revenue of Baht 23,587 million, decreased by Baht 1,282 million or 5.16% from Baht 24,869 million when compared to the year 2018. The sales revenue of the Company was from sales of products Baht 23,225 million, decreased by Baht 1,271 million or 5.19% from Baht 24,496 million when compared to the year 2018. The Company's subsidiary had revenue from sales of packaging materials of Baht 362 million, decreased by Baht 11 million or 2.95% from Baht 373 million when compared to the year 2018. The main causes were;

- **Sales volume of soybean meal and animal feed** ingredients slightly decreased when compared to 2018, mainly driven by softened domestic soybean meal prices which was effected by the spread of African Swine Fever (ASF) especially in China, the world largest soybean consumer. However, the Company managed to increase sales volume of soybean meal and other animal feed ingredients by more than 7% when compared to the previous year mainly because customers increased their purchase order of soybean meal from the Company instead of buying from soybean meal importers since they were confident that the Company's products are ASF-free.

  Moreover, the Company had modified the old soybean crushing unit with a capacity of 500 tons per day to be able to crush canola in the second quarter of 2019 and also increased soybean crushing capacity by 500 ton per day in December of 2019 thus the Company had more operating capacity than the previous year.

  Soybean meal price started to recover since December 2019 as China demand for soybean meal had bottomed out in the beginning of fourth quarter of 2019 when China started to increase the number of pig herd and sped up the raising other types of livestock to replace the reduced pork supply from ASF.

In addition, the largest soybean crushing plant in Argentina, the world's largest soybean meal exporter, had experienced financial problems because of extremely weak peso causing it to stop production and resulting in less export volume of soybean meal and soybean oil in the world market. Both of these factors continue to affect until 2020.

- **Sales volume of refined soybean oil** slightly dropped from 2018, mainly driven by decreasing refined soybean oil prices which were pressured by ample level of domestic palm oil inventory throughout the first three quarter of 2019. However, the palm oil price in the second half of 2019 increased dramatically more than 70% resulting from drought and reducing of fertilizer in palm fruit plantations in the world major producers of palm fruit as Indonesia and Malaysia which has reduced the world palm oil outputs. Thus palm oil production and the palm oil inventory in Thailand started to decrease in October 2019. Moreover, the government had announced B10 mandate to replace the B7 for transportation sector, which has been effective since 1 January 2020. Thus, the biodiesel producers had purchased more palm oil building their stock in order to meet the mandate. The rising of domestic palm oil price in the late of 2019 has led to higher demand on soybean oil which expressed in a rising domestic soybean oil price.

  Overall in 2019, the Company managed to increase sales volume of soybean oil by more than 5% when compared to the previous year as the sales and sales volume of soybean oil in the fourth quarter of 2019 was higher by 12% and 16% respectively than the previous quarter. The trend of soybean oil price is expected to be clearer in 2020.

- **Sales volume of packaging materials** slightly decreased when compared to 2018, mainly due to an intense price competition in the market, some existing customers delayed the purchase and the Company has switched the purchase of some product type from bottles to preforms.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 21,231 million, decreased by Baht 838 million or 3.80% from Baht 22,069 million when compared to 2018. The main reasons were;

Cost of Sales and Gross Profits of the Company: decreased in accordance with raw material soybean price which dropped when compared to the previous year, the main reason was the uncertain results over US-China trade negotiations as both announced addition tariffs to each other's goods throughout 2019 before reaching some trade agreements in December. Furthermore, the spreading of African Swine Fever (ASF) in China and neighboring countries has also pressured soybean and soybean meal price. However, the decreasing rate of soybean meal price was higher compared to soybean price resulting in the revenue from sales of soybean meal and other animal feed products had decreased more than the reducing of cost of sales. Eventually the gross profit of the Company was Baht 2,356 million, decreased by Baht 444 million or 15.86% from Baht 2,800 million when compared to 2018.

Cost of Sales and Gross Profits of the Company's subsidiary: decreased by Baht 51 million or down by 8.76% when compared to last year, mainly from the declining trend of raw materials (plastic resin) price. The decreasing rate of cost of sales was higher compared to the revenue from the Company's subsidiary resulting in higher gross profit and gross profit margin when compared to the previous year.

3. Gain on Exchange Rate

The Company managed and hedged against exchange rate risk, which resulted in a net gain on exchange rate totaling Baht 56 million in 2019. The gain was an aggregate of a realized gain on exchange rate of Baht 54 million and unrealized gain on Mark-to-Market (MTM) of Baht 2 million.

4. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 514 million, increased by Baht 1 million or 0.19% from Baht 513 million when compared to year 2018 due to marketing campaign with modern trade customers.

Administrative Expenses was Baht 247 million, increased by Baht 6 million or 2.49% from Baht 241 million when compared to the year 2018, due to an increase of wages and salaries expense as well as charity donation.

5. Reversal of reduction of inventory to net realizable value

In 2019, the Company recorded a reversal loss reduction of inventory to net realized value received Baht 2 million in some products items which was booked in 2018 and the reversal was recognized in the income statement.

Analysis of Financial Position

An analysis of the financial position of the Company and its subsidiary as of December 31, 2019 and 2018, was as follows;

Unit : Million Baht	December 31, 2019	December 31, 2018	Increase / (Decrease)	
			Amount	%
Assets				
Current Assets	8,580	8,103	477	5.89
Non-Current Assets	3,186	2,935	251	8.55
Total Assets	**11,766**	**11,038**	**728**	**6.60**
Liabilities				
Current Liabilities	2,559	2,073	486	23.44
Non-Current Liabilities	157	120	37	30.83
Total Liabilities	**2,716**	**2,193**	**523**	**23.85**
Shareholders' Equity				
Equity attributable to owner of the Company	8,665	8,468	197	2.33
Non-Controlling Interest	385	377	8	2.12
Total Shareholders' Equity	**9,050**	**8,845**	**205**	**2.32**
Total Liabilities and Shareholders' Equity	**11,766**	**11,038**	**728**	**6.60**

Assets

As of December 31, 2019, the Company and its subsidiary had total assets valued at Baht 11,766 million, increased by Baht 728 million, or 6.60%, from Baht 11,038 million when compared to the year 2018. The major reasons for this increase were;

- Current assets increased by Baht 477 million or 5.89% when compared to the year 2018. This was mainly due to the increase in the net inventories of raw material of Baht 1,471 million since raw materials imported during the end of the year 2019 increased, finished goods

and other materials decreased by Baht 218 million. However, the Company's temporary investments decreased by Baht 817 million.

- Non-current assets rose by 8.55%, or Baht 251 million, primarily as a result of an increase of Baht 232 million, or 8.22%, in the value of property, plant, equipment, and intangible assets which increased from the purchase of additional new assets and assets under construction totaling Baht 605 million. Meanwhile, the depreciation and amortization of Baht 371 million in 2019.

Liabilities

As of December 31, 2019, the Company and its subsidiary has combined liabilities valued at Baht 2,716 million, increased by Baht 523 million, or 23.85%, from Baht 2,193 million when compared to the year 2018. The primary reasons for this were:

- Current liabilities increased by Baht 486 million, or 23.44% due to an increase of Baht 829 million in account and other payables while trust receipts and derivative liabilities decreased by Bath 329 million.
- Non-current liabilities increased by Baht 37 million, or 30.83%, as a result of higher long-term employee benefit obligations.

Shareholder Equity

As of December 31, 2019, shareholder equity in the Company and its subsidiary totaled Baht 9,050 million, increased by Baht 205 million, or 2.32%, from Baht 8,845 million when compared to the year 2018. This was the result of total net profit in 2019 of Baht 1,455 million. The Company and its subsidiary also paid interim dividends for the second half of 2018 and the first half of 2019 amounting to Baht 1,267 million.

Liquidity

Liquidity for the Company and its subsidiary for the years ending December 31, 2019 and 2018 was as follows

Unit : Million Baht	2019	2018	Increase (Decrease)	
			Amount	%
Net cash flows from operating activities	1,321	3,652	(2,331)	(63.83)
Net cash flows from investing activities	295	(1,149)	1,444	125.67
Net cash flows used in financing activities	(1,575)	(2,491)	916	(36.77)
Net increase in cash and cash equivalent	41	12	29	241.67
Cash and cash equivalents at the beginning of year	214	202	12	5.94
Cash and cash equivalents at the end of year	255	214	41	19.16

In 2019, the Company and its subsidiary had cash and cash equivalents at the end of the year totaling Baht 255 million, which compared to the year 2018, there were changes as follows;

- Net cash flow from operating activities totaled Baht 1,321 million, decreased by Baht 2,331 million, or 63.83% from Baht 3,652 million when compared to the year 2018. Net cash flow from operating activities was from earning before income tax of Baht 1,807 million for both the Company and its subsidiary, which included the portion for non-controlling interest in the Company's subsidiary and adjustments in reconciliation of net profits as net cash receive (paid) from operating activities. The main items that caused cash flow were depreciation and amortization totaling Baht 371 million. Meanwhile, the decrease of inventory resulted in a decrease in cash flows in the amount of Baht 1,241 million, and a decrease in accounts payable

and long-term employee benefit obligations caused an increase in cash flow totaling Baht 829 million. Cash available for payment of income taxes was Baht 358 million.

- Net cash spending in investment activities totaled Baht 295 million. The net cash paid for investment in mutual funds totaling Baht 876 million while the net payment of additional and replacement assets totaling Baht 604 million net
- Net cash flow used in financing activities totaled Baht 1,575 million as a result in 2019 that the Company and its subsidiary paid dividends to shareholders from the net profits of the second half of 2018 and first half of 2019 and pay for trust receipts.

Financial Ratios

Financial ratios for the Company and its subsidiary in the years ending December 31, 2019, 2018, and 2017 were as follows;

Key Financial Ratios	2019	2018 (Restated)	2017
Liquidity Ratio			
Current Ratio (time)	3.35	3.91	2.99
Quick Ratio (time)	0.76	1.31	0.72
Cash Flow Liquidity Ratio (time)	0.57	1.46	0.21
Accounts receivable turnover (time)	20.15	19.45	17.29
Collection period (days)	18.11	18.76	21.11
Finished Goods turnover (time)	15.78	13.81	15.31
Average Days Sales (days)	23.14	26.43	23.83
Account Payables Turnover (time)	13.19	11.96	12.23
Payment period (days)	27.68	30.52	29.84
Cash Cycle (days)	13.57	14.67	15.11
Profitability Ratio			
Gross Profit Margin (%)	9.99	11.16	10.76
Net Profit Margin (%)	5.93	7.43	5.35
Return on Equity (%)	16.47	22.42	15.86
Efficiency Ratio			
Return on Assets (%)	15.88	20.37	13.96
Return on Fixed Assets (%)	60.59	79.27	62.79
Assets Turnover (time)	2.09	2.22	2.19

Key Financial Ratios	2019	2018 (Restated)	2017
Financial Policy Ratio			
Debt to Equity Ratio (time)	0.30	0.25	0.36
Interest coverage ratio (time)	624,807.49	1,698,142.76	213,723.89
Commitment Coverage Ratio (time)	1.01	0.99	0.28
Dividend Payout (%)	83.12	82.27	87.15

Liquidity Ratio

As of the December 31, 2019, the current ratio of the Company and its subsidiary stood at 3.35x, decreased by 0.56x from the ratio of 3.91 when compared to the year 2018. The quick ratio was 0.76x, which a bit dropped when compared to the previous year, while cash flow liquidity ratio was 0.57x, down by 0.89x from last year's figure of 1.46x. Meanwhile, the cash cycle was 13.57 days, decreased by 0.88 days from 14.67 days when compared to the year 2018.

Profitability Ratio

In 2019, the profitability ratio consisted of the gross profit margin, net profit margin, and return on equity, which measured 9.99%, 5.93%, and 16.47%, respectively. All of these items decreased when compared to the previous year. The decrease in gross profit was mainly due to the decrease in selling prices of animal feed raw materials in accordance with the price of soybean meal traded in the global market decreased, as well as the decreased of refined soybean oil prices which were pressured by lower domestic palm oil price and the cost of sales decreased following the lower soybean price in the global market when compared to the year 2018.

Operating Efficiency Ratio

In 2019, the return on assets, return on fixed assets, and asset turnover rate stood at 15.88%, 60.59%, and 2.09x, respectively which dropped from 2018. This was due to the additional net profits of the Company and its subsidiary.

Financial Policy

As of December 31, 2019, the Company and its subsidiary had a total liabilities of Baht 2,716 million and total shareholder's equity of Baht 9,050 million, represented a debt to equity ratio of 0.30x, increased by 0.05x from the figure of 0.25x when compared to the year 2018. The dividend payout ratio last year was 83.12%, also increased from the rate of 82.27% in 2018.

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Thai Vegetable Oil Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Vegetable Oil Public Company Limited and its subsidiary and of Thai Vegetable Oil Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matter and how audit procedures respond for the matter are describe below.

Revenue recognition from sales of goods

Revenue from sales is considered to be a significant account because the amounts recorded directly impact the Company's annual profit and loss. Moreover, the Company has numerous customers in various industries which have different commercial terms and there are sales promotions and discounts to boost sales. I therefore focused on the Company's recognition of sales revenue.

I have examined the revenue recognition of the Company by assessing and testing the Company's IT system and its internal controls with respect to revenue cycle by making enquiry of responsible executive, gaining an understanding of the controls and selecting representative sample to test the operation of the designed control, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the risk of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period to assess whether revenue recognition was consistent with the conditions of commercial terms, and whether it was in compliance with the Company's policy. I reviewed credit notes issued to customers after the reporting period. In addition, I performed analytical review procedures on revenue from sales and reviewed journal vouchers to detect possible irregularities in sales transactions throughout the period.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 28 February 2020

Thai Vegetable Oil Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	*8*	255,474,041	214,402,728	37,807,410	31,807,582
Current investments	*9*	498,935,408	1,316,023,810	498,935,408	1,316,023,810
Trade and other receivables	*7, 10*	1,182,370,142	1,177,247,662	1,138,469,125	1,100,056,374
Inventories	*11*	6,625,346,462	5,382,029,676	6,566,097,435	5,312,840,949
Other current assets		17,397,982	13,647,728	16,472,657	12,589,341
Total current assets		8,579,524,035	8,103,351,604	8,257,782,035	7,773,318,056
Non-current assets					
Investment in subsidiary	*12*	-	-	21,500,000	21,500,000
Other long-term investments	*13*	82,259,960	70,706,474	82,259,960	70,706,474
Property, plant and equipment	*14*	3,025,836,637	2,791,282,478	2,753,004,829	2,509,747,595
Intangible assets	*15*	30,988,455	33,487,947	30,980,618	33,468,131
Deferred tax assets	*21*	39,749,834	32,424,482	36,018,908	29,887,040
Other non-current assets		7,195,702	6,747,938	4,419,151	5,597,996
Total non-current assets		3,186,030,588	2,934,649,319	2,928,183,466	2,670,907,236
Total assets		11,765,554,623	11,038,000,923	11,185,965,501	10,444,225,292

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

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trust receipts	*16*	-	326,148,000	-	326,148,000
Trade and other payables	*7, 17*	2,247,593,467	1,418,519,889	2,237,922,218	1,374,180,463
Income tax payable		195,030,753	194,005,993	186,108,558	186,776,302
Derivative liabilities		-	3,057,346	-	3,057,346
Other current liabilities		116,675,790	131,239,062	114,149,057	129,433,252
Total current liabilities		2,559,300,010	2,072,970,290	2,538,179,833	2,019,595,363
Non-current liabilities					
Provision for long-term employee benefits	*18*	156,950,883	119,600,845	138,495,516	107,442,403
Total non-current liabilities		156,950,883	119,600,845	138,495,516	107,442,403
Total liabilities		2,716,250,893	2,192,571,135	2,676,675,349	2,127,037,766
Shareholders' equity					
Share capital					
Registered					
808,610,985 ordinary shares of Baht 1 each		808,610,985	808,610,985	808,610,985	808,610,985
Issued and fully paid up					
808,610,985 ordinary shares of Baht 1 each		808,610,985	808,610,985	808,610,985	808,610,985
Share premium		2,475,091,096	2,475,091,096	2,475,091,096	2,475,091,096
Surplus on changes in the Company's shareholding in the subsidiary		28,377,618	28,377,618	-	-
Retained earnings					
Appropriated-statutory reserve	*19*	94,441,124	94,441,124	80,941,124	80,941,124
Unappropriated		5,249,621,619	5,052,008,649	5,136,137,906	4,942,200,616
Other components of shareholders' equity		8,509,041	10,343,705	8,509,041	10,343,705
Equity attributable to owners of the Company		8,664,651,483	8,468,873,177	8,509,290,152	8,317,187,526
Non-controlling interests of the subsidiary		384,652,247	376,556,611	-	-
Total shareholders' equity		9,049,303,730	8,845,429,788	8,509,290,152	8,317,187,526
Total liabilities and shareholders' equity		11,765,554,623	11,038,000,923	11,185,965,501	10,444,225,292

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

Thai Vegetable Oil Public Company Limited and its subsidiary

Income Statement

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018 (Restated)
Revenues					
Sales		23,225,593,410	24,496,349,282	23,225,593,410	24,496,349,282
Sales of packing material		361,813,913	373,146,246	-	-
Total sales		23,587,407,323	24,869,495,528	23,225,593,410	24,496,349,282
Other income					
Interest income		3,381,127	5,301,191	565,466	546,974
Dividend income		21,713,332	45,713,332	38,913,332	64,633,332
Gain on exchange		56,051,820	89,390,917	56,051,820	89,390,917
Others		131,487,936	109,009,738	130,525,399	108,077,985
Total other income		212,634,215	249,415,178	226,056,017	262,649,208
Total revenues		23,800,041,538	25,118,910,706	23,451,649,427	24,758,998,490
Expenses					
Cost of sales		21,230,900,303	22,069,865,039	21,013,343,236	21,817,364,566
Selling and distribution expenses		513,781,063	513,062,416	493,339,835	490,826,481
Administrative expenses		247,277,463	240,717,726	204,127,375	208,884,945
Reversal of cost of invetories to net realisable value	*11*	(2,257,322)	(12,319,946)	(1,927,819)	(12,848,710)
Total expenses		21,989,701,507	22,811,325,235	21,708,882,627	22,504,227,282
Profit before finance cost and income tax expenses		1,810,340,031	2,307,585,471	1,742,766,800	2,254,771,208
Finance cost		(3,116,902)	(3,498,554)	(2,835,313)	(3,235,249)
Profit before income tax expenses		1,807,223,129	2,304,086,917	1,739,931,487	2,251,535,959
Income tax expenses	*21*	(351,798,045)	(397,935,962)	(333,077,719)	(383,171,178)
Profit for the year		1,455,425,084	1,906,150,955	1,406,853,768	1,868,364,781
Profit attributable to:					
Equity holders of the Company		1,410,529,448	1,867,437,440	1,406,853,768	1,868,364,781
Non-controlling interests of the subsidiary		44,895,636	38,713,515		
		1,455,425,084	1,906,150,955		
Earnings per share	*22*				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.74	2.31	1.74	2.31

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

Thai Vegetable Oil Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		1,455,425,084	1,906,150,955	1,406,853,768	1,868,364,781
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Loss on change in value of					
available-for-sale investments		(2,293,330)	(2,644,995)	(2,293,330)	(2,644,995)
Less: Income tax effect	*21*	458,666	528,998	458,666	528,998
Other comprehensive income to be reclassified					
to profit or loss in subequent periods - net of income tax		(1,834,664)	(2,115,997)	(1,834,664)	(2,115,997)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial loss	*18*	-	(9,566,196)	-	(10,469,803)
Less: Income tax effect	*21*	-	1,913,240	-	2,093,961
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		-	(7,652,956)	-	(8,375,842)
Other comprehensive income for the year		(1,834,664)	(9,768,953)	(1,834,664)	(10,491,839)
Total comprehensive income for the year		1,453,590,420	1,896,382,002	1,405,019,104	1,857,872,942
Total comprehensive income attributable to:					
Equity holders of the Company		1,408,694,784	1,857,175,840	1,405,019,104	1,857,872,942
Non-controlling interests of the subsidiary		44,895,636	39,206,162		
		1,453,590,420	1,896,382,002		

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

Thai Vegetable Oil Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
						Other components of shareholders' equity				
						Other comprehensive Income				
	Issued and fully paid-up share capital	Share premium	Surplus on changes in the Company's shareholding in the subsidiary	Retained earnings		Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated	Unappropriated					
Balance as at 1 January 2018	808,610,985	2,475,091,096	28,377,618	94,441,124	4,769,508,233	12,459,702	12,459,702	8,188,488,758	377,830,449	8,566,319,207
Profit for the year	-	-	-	-	1,867,437,440	-	-	1,867,437,440	38,713,515	1,906,150,955
Other comprehensive income for the year	-	-	-	-	(8,145,603)	(2,115,997)	(2,115,997)	(10,261,600)	492,647	(9,768,953)
Total comprehensive income for the year	-	-	-	-	1,859,291,837	(2,115,997)	(2,115,997)	1,857,175,840	39,206,162	1,896,382,002
Dividend paid (Note 25)	-	-	-	-	(1,576,791,421)	-	-	(1,576,791,421)	-	(1,576,791,421)
Decrease in equity attributable to non-controlling interests of the subsidiary due to dividend payment	-	-	-	-	-	-	-	-	(40,480,000)	(40,480,000)
Balance as at 31 December 2018	808,610,985	2,475,091,096	28,377,618	94,441,124	5,052,008,649	10,343,705	10,343,705	8,468,873,177	376,556,611	8,845,429,788
Balance as at 1 January 2019	808,610,985	2,475,091,096	28,377,618	94,441,124	5,052,008,649	10,343,705	10,343,705	8,468,873,177	376,556,611	8,845,429,788
Profit for the year	-	-	-	-	1,410,529,448	-	-	1,410,529,448	44,895,636	1,455,425,084
Other comprehensive income for the year	-	-	-	-	-	(1,834,664)	(1,834,664)	(1,834,664)	-	(1,834,664)
Total comprehensive income for the year	-	-	-	-	1,410,529,448	(1,834,664)	(1,834,664)	1,408,694,784	44,895,636	1,453,590,420
Dividend paid (Note 25)	-	-	-	-	(1,212,916,478)	-	-	(1,212,916,478)	-	(1,212,916,478)
Decrease in equity attributable to non-controlling interests of the subsidiary due to dividend payment	-	-	-	-	-	-	-	-	(36,800,000)	(36,800,000)
Balance as at 31 December 2019	808,610,985	2,475,091,096	28,377,618	94,441,124	5,249,621,619	8,509,041	8,509,041	8,664,651,483	384,652,247	9,049,303,730

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

Thai Vegetable Oil Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements						
					Other components of shareholders' equity		
					Other comprehensive income		
	Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated	Unappropriated			
Balance as at 1 January 2018	808,610,985	2,475,091,096	80,941,124	4,659,003,098	12,459,702	12,459,702	8,036,106,005
Profit for the year	-	-	-	1,868,364,781	-	-	1,868,364,781
Other comprehensive income for the year	-	-	-	(8,375,842)	(2,115,997)	(2,115,997)	(10,491,839)
Total comprehensive income for the year	-	-	-	1,859,988,939	(2,115,997)	(2,115,997)	1,857,872,942
Dividend paid (Note 25)	-	-	-	(1,576,791,421)	-	-	(1,576,791,421)
Balance as at 31 December 2018	808,610,985	2,475,091,096	80,941,124	4,942,200,616	10,343,705	10,343,705	8,317,187,526
Balance as at 1 January 2019	808,610,985	2,475,091,096	80,941,124	4,942,200,616	10,343,705	10,343,705	8,317,187,526
Profit for the year	-	-	-	1,406,853,768	-	-	1,406,853,768
Other comprehensive income for the year	-	-	-	-	(1,834,664)	(1,834,664)	(1,834,664)
Total comprehensive income for the year	-	-	-	1,406,853,768	(1,834,664)	(1,834,664)	1,405,019,104
Dividend paid (Note 25)	-	-	-	(1,212,916,478)	-	-	(1,212,916,478)
Balance as at 31 December 2019	808,610,985	2,475,091,096	80,941,124	5,136,137,906	8,509,041	8,509,041	8,509,290,152

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

Thai Vegetable Oil Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	1,807,223,129	2,304,086,917	1,739,931,487	2,251,535,959
Adjustments to reconcile profit before tax to net cash				
provided by (paid from) operating activities:				
Dividend received	(21,713,332)	(45,713,332)	(38,913,332)	(64,633,332)
Gain on investments in open-end funds	(59,209,486)	(27,032,177)	(59,209,486)	(27,032,177)
Gain on sales of plant, machinery and equipment	(844,381)	(13,122,862)	(801,959)	(13,122,862)
Write-off fixed assets	333,236	-	333,236	-
Depreciation and amortisation	371,248,459	339,117,416	313,540,557	282,611,545
Allowance for doubtful accounts (reversal)	6,232,967	224,806	(1,985,507)	(644,205)
Write-off bad debts	(578,453)	(1,335,837)	(578,453)	(98,777)
Reversal of cost of inventories to net realisable value	(2,257,322)	(12,319,946)	(1,927,820)	(12,848,710)
Unrealised gain on exchange	-	(1,314,000)	-	(1,314,000)
Unrealised loss (gain) from change in fair value of derivatives	(3,057,346)	1,661,021	(3,057,346)	1,661,021
Reversal of allowance for impairment	(13,846,815)	-	(13,846,815)	-
Provision for long-term employee benefits	51,255,598	15,367,535	44,750,933	13,210,537
Profit from operating activities before changes				
in operating assets and liabilities	2,134,786,254	2,559,619,541	1,978,235,495	2,429,324,999
Operating assets decrease (increase)				
Trade and other receivables	(10,776,994)	223,012,297	(35,848,791)	222,054,645
Inventories	(1,241,059,464)	1,266,105,245	(1,251,328,666)	1,298,865,964
Other current assets	(3,750,254)	5,188,830	(3,883,316)	1,738,366
Other non-current assets	(447,764)	(1,515,419)	1,178,845	(1,355,132)
Operating liabilities increase (decrease)				
Trade and other payables	828,751,065	(73,418,195)	863,419,242	(95,682,282)
Other current liabilities	(14,563,271)	26,422,007	(15,284,194)	26,020,882
Provision for long-term employee benefits	(13,905,560)	(16,744,604)	(13,697,820)	(16,239,174)
Cash flows from operating activities	1,679,034,012	3,988,669,702	1,522,790,795	3,864,728,268
Cash paid for corporate income tax	(357,639,971)	(336,436,958)	(339,418,665)	(319,473,038)
Net cash flows from operating activities	1,321,394,041	3,652,232,744	1,183,372,130	3,545,255,230

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

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash paid for investments in open-end funds	(10,127,800,000)	(8,849,900,000)	(10,127,800,000)	(8,849,900,000)
Cash received from sales of investments in open-end funds	11,004,097,886	8,079,390,159	11,004,097,886	8,079,390,159
Dividend received	21,713,332	45,713,332	38,913,332	64,633,332
Acquisition of property, plant and equipment	(604,473,050)	(440,083,757)	(555,382,624)	(407,657,621)
Proceed from sales of plant, machinery and equipment	3,039,837	16,645,877	2,899,837	16,645,877
Increase in intangible assets	(1,358,768)	(427,741)	(1,358,768)	(427,741)
Net cash flows from (used in) investing activities	295,219,237	(1,148,662,130)	361,369,663	(1,097,315,994)
Cash flows from financing activities				
Decrease in trust receipts	(326,148,000)	(874,959,374)	(326,148,000)	(874,959,374)
Dividend paid	(1,212,593,965)	(1,575,967,409)	(1,212,593,965)	(1,575,967,409)
Dividend paid to non-controlling interests of the subsidiary	(36,800,000)	(40,480,000)	-	-
Net cash flows used in financing activities	(1,575,541,965)	(2,491,406,783)	(1,538,741,965)	(2,450,926,783)
Net increase (decrease) in cash and cash equivalents	41,071,313	12,163,831	5,999,828	(2,987,547)
Cash and cash equivalents at beginning of year	214,402,728	202,238,897	31,807,582	34,795,129
Cash and cash equivalents at end of year	255,474,041	214,402,728	37,807,410	31,807,582

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

1. General information

Thai Vegetable Oil Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of soy meal and soybean oil. The registered office of the Company is at 149 Ratchadapisek Road (Thapra - Taksin), Bukkhalow, Thonburi, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Thai Vegetable Oil Public Company Limited ("the Company") and the following subsidiary company ("the subsidiary"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
Prodigy Public Company Limited	Manufacture and distribution of packaging products	Thailand	32	32

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

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

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

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

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

2.3 The separate financial statements present investments in subsidiary under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group adopted TFRS 15 using the full retrospective method of adoption. The Group elects to apply the following practical expedients.

Not disclose the effect of the transition on the current year.

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

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Company elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on their financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The management of the Group believes that adoption of this standard will not have any significant impact on the financial statements.

TFRS 16 Leases

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

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

The management of the Group believes that adoption of this standard will not have any significant impact on the financial statements.

4. Effects of changes in accounting policy due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the full retrospective method of adoption.

The amounts of the adjustments affecting the statement of income are summarised below:

(Unit: Million Baht)

	Income statement for the year ended 31 December 2018	
	Consolidated financial statements	Separate financial statements
Sales of goods decrease	(207)	(207)
Cost of sales increase	(271)	(271)
Selling and distribution expenses decrease	478	478
Profit for the year	-	-

The natures of these adjustments are described below:

- Costs of free-of-charge goods: Instead of the current recognition of these as selling expenses when the transactions occur, the Company has decided to recognise them as cost of sales. The reclassification will result in an increase in cost of sales and a decrease in selling expenses.
- Sales promotion expenses: The Company has decided that they will need to estimate the amount of the variable consideration included in the sales transaction price. The Company shall account for consideration payable to a customer as a reduction of revenue from contracts with customers. This will result in decreases in sales and selling expenses.

The adjustments did not affect the statement of financial position, profit for the year and earnings per share.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividend income

Dividend income is recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

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

5.3 Trade receivables

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Inventories

Finished goods are valued at the lower of cost (average cost method) and net realisable value and includes all production costs of raw materials, wages and attributable factory overheads.

Raw materials and other material supplies are valued at the lower of cost (average cost method) and net realisable value and are charged to production costs whenever consumed.

5.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold.

c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).

e) Investments in subsidiary are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.6 Property, plant and equipment/Depreciation

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

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

Buildings	-	20 years
Building improvement	-	5 years and 20 years
Machinery and equipment	-	2 - 10 years
Factory tools and equipment	-	5 years
Furniture and fixtures	-	3 years and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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

5.7 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	Useful lives
Computer software	3, 5, 10 years

5.8 Related party transactions

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

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

5.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

5.10 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of their property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

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

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

5.12 Provisions

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

5.13 Income tax

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

Current income tax

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

Deferred tax

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Derivatives

The Company's derivatives consist of forward exchange contracts and commodity swap agreements.

Derivatives are recorded at fair value. These derivatives are measured at fair value with changes in fair value recognised in profit or loss, presented as other income and other expenses.

5.15 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

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

Consolidation of subsidiary that the Company holds less than half of shares

The management of the Company determined that the Company has control over Prodigy Public Company Limited, even though the Company holds 32% of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities, while other shareholders are only minor shareholders. As a result, Prodigy Public Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales.

Property, plant and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans

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

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Transactions with subsidiary (eliminated from the consolidated financial statements)					
Purchases of packing materials	-	-	311	329	Normal prices charged to ordinary customers
Discounts received from purchases of goods	-	-	-	2	Agreed between the parties
Transactions with related companies					
Sales of goods by the Company	17	21	17	21	Normal prices charged to ordinary customers
Sales of goods by subsidiary	30	27	-	-	Normal prices charged to ordinary customers
Service fees	1	-	1	-	Agreed between the parties

As at 31 December 2019 and 2018, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties (Note 10)				
Related companies (related by common directors or shareholders)	6,284	6,917	3,187	3,946
Total trade receivables - related parties	6,284	6,917	3,187	3,946
Other receivables - related parties (Note 10)				
Subsidiary	-	-	-	2,134
Related companies (related by common directors or shareholders)	91	91	91	91
Total other receivables - related parties	91	91	91	2,225
Trade payables - related parties (Note 17)				
Subsidiary	-	-	53,642	55,363
Related companies (related by common directors or shareholders)	136	-	136	-
Total trade payables - related parties	136	-	53,778	55,363
Other payables - related parties (Note 17)				
Related companies (related by common directors or shareholders)	57	119	57	119
Total other payables - related parties	57	119	57	119

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	84	97	70	84
Post-employment benefits	7	4	7	4
Total	91	101	77	88

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	445	425	385	365
Bank deposits	255,029	213,978	37,422	31,443
Total	255,474	214,403	37,807	31,808

As at 31 December 2019, bank deposits in saving accounts and fixed account carried interests between 0.10 and 1.20 percent per annum (2018: between 0.13 and 1.20 percent per annum).

9. Current investments

Current investments are investments in fixed income open-end funds and are stated at fair value.

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	6,284	6,917	3,187	3,946
Total trade receivables - related parties (Note 7)	6,284	6,917	3,187	3,946
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	900,588	846,158	891,112	828,443
Past due				
Not over 3 months	243,471	277,770	224,123	242,125
3 - 6 months	1,049	5,916	397	1,542
6 - 12 months	13,559	19,257	404	27
Over 12 months	84,755	79,623	78,342	79,623
Returned cheques	847	261	-	-
Total	1,244,269	1,228,985	1,194,378	1,151,760
Less: Allowance for doubtful debts	(75,623)	(69,969)	(66,536)	(69,099)
Total trade receivables - unrelated parties, net	1,168,646	1,159,016	1,127,842	1,082,661
Total trade receivables - net	1,174,930	1,165,933	1,131,029	1,086,607

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other receivables				
Other receivables - related parties (Note 7)	91	91	91	2,225
Other receivables	6,380	10,247	6,380	10,247
Accrued income	969	977	969	977
Total other receivables	7,440	11,315	7,440	13,449
Trade and other receivables - net	1,182,370	1,177,248	1,138,469	1,100,056

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2019	2018	2019	2018	2019	2018
Raw materials	2,663,617	1,206,108	(20,139)	(13,896)	2,643,478	1,192,212
Finished goods	1,235,600	1,456,104	(4,727)	(13,227)	1,230,873	1,442,877
Material supplies	182,067	176,745	(1,489)	(1,489)	180,578	175,256
Raw materials in transit	2,570,417	2,571,685	-	-	2,570,417	2,571,685
Total	6,651,701	5,410,642	(26,355)	(28,612)	6,625,346	5,382,030

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2019	2018	2019	2018	2019	2018
Raw materials	2,641,882	1,169,093	(20,138)	(13,896)	2,621,744	1,155,197
Finished goods	1,210,074	1,435,008	(4,528)	(12,698)	1,205,546	1,422,310
Material supplies	169,893	165,138	(1,489)	(1,489)	168,404	163,649
Raw materials in transit	2,570,403	2,571,685	-	-	2,570,403	2,571,685
Total	6,592,252	5,340,924	(26,155)	(28,083)	6,566,097	5,312,841

During the current year, the Group reduced cost of inventories by Baht 4 million (2018: Baht 27 million) (the Company only: Baht 4 million, 2018: 26 million), to reflect the net realisable value. In addition, the Company reversed the write-down of cost of inventories by Baht 6 million (2018: Baht 39 million) and reduced the amount of inventories recognised as expenses during the year.

12. Investment in subsidiary

12.1 Details of investment in subsidiary, which is investment in ordinary shares, as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
Prodigy Public Company Limited	135,000	135,000	32	32	21,500	21,500	17,200	18,920

12.2 Details of investment in subsidiary that has material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)						
Prodigy Public Company Limited	68	68	385	377	45	39	37	40

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling.

Summarised information about financial position of Prodigy Public Company Limited

(Unit: Million Baht)

	2019	2018
Current assets	376	386
Non-current assets	294	300
Current liabilities	75	109
Non-current liabilities	18	12

Summarised information about comprehensive income of Prodigy Public Company Limited

(Unit: Million Baht)

	For the years ended 31 December	
	2019	2018
Revenue	677	706
Profit	66	57
Other comprehensive income	-	1
Total comprehensive income	66	58

Summarised information about cash flow of Prodigy Public Company Limited

(Unit: Million Baht)

	For the years ended 31 December	
	2019	2018
Cash flow from operating activities	138	107
Cash flow used in investing activities	(49)	(33)
Cash flow used in financing activities	(54)	(59)
Net increase in cash and cash equivalents	35	15

13. Other long-term investments

Other long-term investments as at 31 December 2019 and 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2019		2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale securities				
Domestic marketable equity securities	6,524	17,160	6,524	19,453
Add: Revaluation surplus on changes in value of investments in available-for-sale securities	10,636		12,929	
	17,160		19,453	
Held-to-maturity debt securities				
Private debt securities	10,000		10,000	
	10,000		10,000	
Other investments				
Domestic non-marketable equity securities	55,100		55,100	
	55,100		55,100	
Less: Allowance for impairment	-		(13,847)	
	55,100		41,253	
Total other long-term investments - net	82,260		70,706	

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land and land improvement	Factory and improvement	Machinery and equipment	Factory tools and equipment	Furniture and Fixtures	Motor vehicles	Assets under construction	Total
Cost:								
1 January 2018	473,682	1,414,248	3,582,874	490,386	123,152	194,715	747,717	7,026,774
Additions	-	6,297	38,105	16,144	4,927	9,806	364,805	440,084
Disposals	-	(42,455)	(146,503)	(24,657)	(2,328)	(6,960)	-	(222,903)
Transfers in (out)	-	153,384	84,519	21,501	2,657	-	(265,146)	(3,085)
31 December 2018	473,682	1,531,474	3,558,995	503,374	128,408	197,561	847,376	7,240,870
Additions	85,707	10,533	77,597	21,318	7,336	7,196	394,786	604,473
Disposals/written off	-	(7,176)	(29,959)	(7,796)	(4,130)	(14,279)	-	(63,340)
Transfers in (out)	-	186,321	556,148	14,283	8,724	-	(768,195)	(2,719)
31 December 2019	559,389	1,721,152	4,162,781	531,179	140,338	190,478	473,967	7,779,284
Accumulated depreciation:								
1 January 2018	-	816,546	2,912,188	388,703	99,057	129,358	-	4,345,852
Depreciation for the year	-	61,640	192,469	34,649	10,359	23,165	-	322,282
Depreciation on disposals	-	(40,114)	(145,997)	(24,468)	(2,230)	(6,571)	-	(219,380)
31 December 2018	-	838,072	2,958,660	398,884	107,186	145,952	-	4,448,754
Depreciation for the year	-	69,899	223,542	37,410	12,212	21,607	-	364,670
Depreciation on disposals/written off	-	(5,885)	(29,447)	(7,547)	(3,773)	(14,159)	-	(60,811)
31 December 2019	-	902,086	3,152,755	428,747	115,625	153,400	-	4,752,613

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land and land improvement	Factory and improvement	Machinery and equipment	Factory tools and equipment	Furniture and Fixtures	Motor vehicles	Assets under construction	Total
Allowance for impairment loss:								
1 January 2018	-	681	-	55	98	-	-	834
31 December 2018	-	681	-	55	98	-	-	834
31 December 2019	-	681	-	55	98	-	-	834
Net book value:								
31 December 2018	473,682	692,721	600,335	104,435	21,124	51,609	847,376	2,791,282
31 December 2019	559,389	818,385	1,010,026	102,377	24,615	37,078	473,967	3,025,837
Depreciation for the year								
2018 (Baht 295 million included in manufacturing cost, and the balance in selling and administrative expenses)								322,282
2019 (Baht 339 million included in manufacturing cost, and the balance in selling and administrative expenses)								364,670

(Unit: Thousand Baht)

	Separate financial statements							
	Land and land improvement	Factory and improvement	Machinery and equipment	Factory tools and equipment	Furniture and fixtures	Motor vehicles	Assets under construction	Total
Cost:								
1 January 2018	441,061	1,319,644	2,957,150	332,779	118,600	187,767	667,395	6,024,396
Additions	-	6,297	36,762	12,569	4,803	7,848	339,378	407,657
Disposals	-	(42,455)	(146,503)	(24,657)	(2,328)	(6,960)	-	(222,903)
Transfers in (out)	-	142,438	10,759	2,777	2,657	-	(161,716)	(3,085)
31 December 2018	441,061	1,425,924	2,858,168	323,468	123,732	188,655	845,057	6,206,065
Additions	73,000	8,978	76,102	14,758	7,286	7,196	368,063	555,383
Disposals/written off	-	(7,176)	(29,959)	(7,656)	(4,130)	(14,279)	-	(63,200)
Transfers in (out)	-	185,591	555,744	9,302	8,724	-	(762,080)	(2,719)
31 December 2019	514,061	1,613,317	3,460,055	339,872	135,612	181,572	451,040	6,695,529
Accumulated depreciation:								
1 January 2018	-	765,397	2,405,796	256,846	95,108	125,868	-	3,649,015
Depreciation for the year	-	57,523	153,967	22,139	10,047	22,173	-	265,849
Depreciation on disposals	-	(40,114)	(145,997)	(24,469)	(2,230)	(6,571)	-	(219,381)
31 December 2018	-	782,806	2,413,766	254,516	102,925	141,470	-	3,695,483
Depreciation for the year		65,584	184,144	24,795	12,015	20,438	-	306,976
Depreciation on disposals/written off	-	(5,885)	(29,447)	(7,505)	(3,773)	(14,159)	-	(60,769)
31 December 2019	-	842,505	2,568,463	271,806	111,167	147,749	-	3,941,690

(Unit: Thousand Baht)

	Separate financial statements							
	Land and land improvement	Factory and improvement	Machinery and equipment	Factory tools and equipment	Furniture and fixtures	Motor vehicles	Assets under construction	Total
Allowance for impairment loss:								
1 January 2018	-	681	-	55	98	-	-	834
31 December 2018	-	681	-	55	98	-	-	834
31 December 2019	-	681	-	55	98	-	-	834
Net book value:								
31 December 2018	441,061	642,437	444,402	68,897	20,709	47,185	845,057	2,509,748
31 December 2019	514,061	770,131	891,592	68,011	24,347	33,823	451,040	2,753,005
Depreciation for the year								
2018 (Baht 244 million included in manufacturing cost, and the balance in selling and administrative expenses)								265,849
2019 (Baht 287 million included in manufacturing cost, and the balance in selling and administrative expenses)								306,976

As at 31 December 2019, certain plant, machinery and equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 2,528 million (2018: Baht 2,422 million) (Separate financial statement: Baht 2,062 million, 2018: Baht 1,975 million)

15. Intangible assets - computer software

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost	73,534	69,456	72,967	68,889
Less: Accumulated amortisation	(42,546)	(35,968)	(41,986)	(35,421)
Net book value	30,988	33,488	30,981	33,468

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	33,488	36,530	33,468	36,436
Acquisition of computer software	1,359	427	1,359	427
Transfers from property, plant and equipment	2,719	3,085	2,719	3,085
Amortisation	(6,578)	(6,554)	(6,565)	(6,480)
Net book value at end of year	30,988	33,488	30,981	33,468

16. Credit facilities of bank overdrafts, short-term loans from financial institutions and trust receipts

Trust receipts of the Company were charged interest at the rate of LIBOR plus with incremental interest rate per annum.

The agreements for the credit facilities obtained from banks and financial institutions contain covenants with which the Group must comply. These relate to, among other things, the maintenance of certain financial ratios, and restrictions on the creation of lien or encumbrance over their assets.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - related party (Note 7)	136	-	53,778	55,363
Other payables - related parties (Note 7)	57	119	57	119
Trade payables - unrelated parties	1,840,220	1,053,732	1,784,010	964,484
Other payables - unrelated parties	184,396	170,095	181,927	166,562
Accrued expenses	222,784	194,574	218,150	187,652
Total trade and other payables	2,247,593	1,418,520	2,237,922	1,374,180

18. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provisions for long-term employee benefits at beginning of year	119,601	111,412	107,442	100,001
Included in profit or loss:				
Current service cost	19,961	12,416	17,392	10,550
Interest cost	3,697	2,952	3,217	2,660
Past service cost	27,598	-	24,142	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(1,347)	-	(1,786)
Financial assumptions changes	-	11,164	-	11,892
Experience adjustments	-	(251)	-	364
Benefits paid during the year	(13,906)	(16,745)	(13,698)	(16,239)
Provisions for long-term employee benefits at end of year	156,951	119,601	138,495	107,442

On 5 April 2019, The Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 27.6 million (The Company only: Baht 24.1 million) as a result. The Group reflected the effect of the change by recognising past service cost as expense in the income statement of the current year in which the law is effective.

The Group expects to pay Baht 17 million of long-term employee benefits during the next year (2018: Baht 17 million) (The separate financial statements: Baht 15 million, 2018: Baht 17 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit of the Company is 13 years (2018: 13 years) and of its subsidiary is 15 years (2018: 15 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.8, 3.0	2.8, 3.0	2.8	2.8
Salary increase rate	4.0 - 6.5	4.0 - 6.5	4.0 - 6.0	4.0 - 6.0
Turnover rate	0 - 25	0 - 25	0 - 20	0 - 20

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: million Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(12.6)	14.5	(10.6)	12.2
Salary increase rate	15.5	(13.7)	13.0	(11.5)
	Increase 10 - 20%	Decrease 10 - 20%	Increase 20%	Decrease 20%
Turnover rate	(5.8)	6.5	(5.4)	6.0

(Unit: million Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(9.4)	10.8	(8.1)	9.3
Salary increase rate	10.5	(9.3)	9.0	(8.0)
	Increase 10 - 20%	Decrease 10 - 20%	Increase 20%	Decrease 20%
Turnover rate	(3.8)	4.2	(3.5)	3.9

19. Statutory reserve

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

20. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
Salaries and wages and other employee benefits	624,517	596,466	530,146	501,390
Depreciation and amortisation	371,248	339,117	313,541	282,612
Promotion expenses	43,391	43,090	43,391	43,090
Transportation expenses	202,600	227,492	191,687	215,256
Raw materials and consumables used	20,014,110	20,911,366	19,734,990	20,581,131
Purchase of finished goods	170,129	188,182	106,756	133,365
Changes in inventories of finished goods	220,504	(257,668)	224,934	(265,818)

21. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	359,122	394,072	339,208	378,871
Adjustment in respect of income tax of previous year	(457)	(1,201)	(457)	(1,201)
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,867)	5,065	(5,673)	5,501
Income tax expenses reported in profit or loss	351,798	397,936	333,078	383,171

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to loss on change in value of available-for-sale investments	(459)	(529)	(459)	(529)
Deferred tax relating to actuarial loss	-	(1,913)	-	(2,094)
Total	(459)	(2,442)	(459)	(2,623)

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit before tax	1,807,223	2,304,087	1,739,931	2,251,536
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	361,445	460,817	347,986	450,307
Adjustment in respect of income tax of previous year	(457)	(1,201)	(457)	(1,201)
Effects of:				
Eliminate of related transactions	21	20	-	-
Promotional privileges (Note 22)	-	(52,338)	-	(52,338)
Non-deductible expenses	4,036	6,664	2,179	6,184
Additional expense deductions allowed	(8,972)	(6,989)	(8,848)	(6,854)
Exemption of income	(4,343)	(9,143)	(7,782)	(12,927)
Others	68	106	-	-
Total	(9,190)	(61,680)	(14,451)	(65,935)
Income tax expenses reported in profit or loss	351,798	397,936	333,078	383,171

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets				
Allowance for reduction cost of inventories	4,973	5,425	4,933	5,319
Reserve for sales promotion	5,888	5,998	5,888	5,998
Unrealised loss from change in fair value of derivatives	-	611	-	611
Provision for long-term employee benefits	31,390	23,920	27,699	21,489
Total deferred tax assets	42,251	35,954	38,520	33,417
Deferred tax liabilities				
Unrealised gain from revaluation of investments	(2,501)	(3,530)	(2,501)	(3,530)
Total deferred tax liabilities	(2,501)	(3,530)	(2,501)	(3,530)
Net deferred tax assets	39,750	32,424	36,019	29,887

22. Earnings per share

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

23. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows:

- The manufacture and distribution of products from soybean segment, which is a manufacture and distribution of soy meal and soybean oil.
- The manufacture and distribution of packaging products.
- Other segment, which is a distribution of consumer products

No operating segments have been aggregated to form the above reportable operating segments

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2019 and 2018.

(Unit: Thousand Baht)

For the years ended 31 December	Manufacture and distribution of products from soybean		Manufacture and distribution of packaging products		Others		Total reportable segments		Adjustments and eliminations		Consolidated	
	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)
Revenue												
Revenue from external customers	23,071,717	24,334,978	361,814	373,146	153,876	161,372	23,587,407	24,869,496	-	-	23,587,407	24,869,496
Inter-segment	-	-	311,032	326,837	-	-	311,032	326,837	(311,032)	(326,837)	-	-
Total sales	23,071,717	24,334,978	672,846	699,983	153,876	161,372	23,898,439	25,196,333	(311,032)	(326,837)	23,587,407	24,869,496
Segment profit	2,188,000	2,649,573	144,257	120,646	24,250	29,411	2,356,507	2,799,630	-	-	2,356,507	2,799,630
Unallocated income (expenses):												
Other income											156,582	160,024
Selling and administrative expenses											(761,058)	(753,780)
Gain on exchange											56,052	89,391
Reversal of reduction cost of inventories to net realisable value											2,257	12,320
Finance cost											(3,117)	(3,498)
Profit before income tax expenses											1,807,223	2,304,087
Income tax expenses											(351,798)	(397,936)
Profit for the year											1,455,425	1,906,151
Segment total assets	11,126,483	10,394,783	670,177	685,979	59,037	46,968	11,855,697	11,127,730	(90,142)	(89,729)	11,765,555	11,038,001

Geographic information

The Group operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2019, the Company has 20.3 percent (2018: 15.2 percent) of total sales from one major customer, arising from sales by the manufacture and distribution of products from soybean.

24. Provident fund

The Company and its employees and the subsidiary and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The employees, the Company and its subsidiary contributed to the funds monthly at the rate of 3 percent of basic salary. The Company's fund managed by MFC Asset Management Public Company Limited and the subsidiary's fund is managed BBL Asset Management Company Limited. The Funds will be paid to employees upon termination in accordance with the funds rules. For the year 2019, the contributions of the Company amounting to approximately Baht 8 million (2018: Baht 7 million) were recognised as expenses and the contributions of the subsidiary amounting to Baht 1 million (2018: Baht 1 million) were recognised as expenses.

25. Dividend

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Dividends for 2018	The Annual General Meeting of the Company's shareholders on 29 April 2019	646,889	0.80
Interim dividends for 2019	Board of Directors' meeting on 8 August 2019	566,027	0.70
Total dividends for the year 2019		1,212,916	1.50
Dividends for 2017	The Annual General Meeting of the Company's shareholders on 27 April 2018	687,319	0.85
Interim dividends for 2018	Board of Directors' meeting on 14 August 2018	889,472	1.10
Total dividends for the year 2018		1,576,791	1.95

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of approximately Baht 200 million and Euro 0.4 million (2018: Baht 74 million) relating to the construction of factory, acquisition of machinery and factory tools and equipment (The separate financial statement: Baht 169 million, 2018: Baht 68 million).

26.2 Guarantees

a) As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 39 million (2018: Baht 40 million) issued by banks on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business of the Company and the subsidiary (The separate financial statement: Baht 30 million, 2018: Baht 31 million). The bank guarantees are related to guarantee electricity use and guarantee the performance bond to purchase and sales agreements.

b) As at 31 December 2019, the subsidiary had outstanding standby-letters of credit of Euro 0.4 million or approximately Baht 12.3 million, relating to purchase machinery of the subsidiary (2018: Euro 5.6 million or approximately Baht 1.7 million, relating to purchase factory tools and equipment of the subsidiary).

26.3 Long-term Service commitments

As at 31 December 2019, the Company had commitments to pay in the future totaling Baht 2.8 million (2018: Baht 3.9 million) under various service agreements. The terms of service agreements are generally between 1 - 3 years.

27. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2019		
	Consolidated financial statements/ Separate financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Investments in open-end funds	-	499	499
Investments in available-for-sale securities	17	-	17

(Unit: Million Baht)

	As at 31 December 2018		
	Consolidated financial statements/ Separate financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Investments in open-end funds	-	1,316	1,316
Investments in available-for-sale securities	19	-	19
Financial liability measured at fair value			
Foreign currency forward contracts	-	3	3

Valuation techniques and inputs to Level 2 valuation

Investments in fixed income open-end funds are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in fixed income open-end funds has been determined by using the net asset value as published by the Asset Management.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

28. Financial instruments

28.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade receivables, investments, trade payables and trust receipts. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their cash at banks and trust receipts. However, most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal. The details of cash at banks and trust receipts are set out in the Note 8 and Note 16 to the financial statements.

Risk on fluctuation of raw materials price

Soy bean is major raw material of the Company's production. In order to manage risk on the fluctuation in gross profit margin, the Company has entered into short-term commodity swap agreement with banks to hedge such risk. Gain or loss is recognised in the statement of income when the contracts are settled or expired.

The Company has no such agreement as at 31 December 2019 and 2018.

Foreign currency risk

The Group's exposure to foreign currency risk relates primarily to purchases of major raw materials and machinery and sales of goods which are denominated in foreign currencies.

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies of the Company are summarised as follows:

Foreign currencies	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.4	1.1	55.8	36.4	30.1540	32.4498
Euro	-	-	0.1	0.2	33.7311	37.1252

The Company seeks to mitigate this risk by entering into forward exchange contracts, which are mature within one year in order to hedge the foreign exchange risk in relation to purchase of raw materials and sales of goods denominated in foreign currencies.

The Group has no outstanding of forward exchange contract as at 31 December 2019.

The outstanding forward exchange contracts as at 31 December 2018 are summarised as follows.

Consolidated/Separate financial statements as at 31 December 2018			
Foreign currencies	Amount (million)	Average contractual exchange rate	Contractual maturity date
Forward contracts to "Buy"			
US dollar	10.0	32.5750 Baht per US dollar	June 2019

28.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position. For derivatives, fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 0.30:1 (2018: 0.25:1) and the Company's was 0.31:1 (2018: 0.26:1).

30. Event after the reporting period

30.1 On 28 February 2020, Board of directors' meeting of the Company passed the resolution to approve an annual dividend payment to the shareholders of Baht 0.75 per share, a total of Baht 606 million which is an addition of interim dividend payment of Baht 0.70 per share. The dividend is to be paid from the Company's operating results for the year 2019. However, this resolution will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for the year 2020.

30.2 On 19 February 2020, Board of directors' meeting of the subsidiary passed the resolution to approve an annual dividend payment to the shareholders of Baht 0.10 per share, a total of Baht 27 million which is an addition of interim dividend payment of Baht 0.10 per share. The dividend is to be paid from the subsidiary's operating results for the year 2019. However, this resolution will be further proposed for the subsidiary's shareholders approval in the Annual General Meeting of the subsidiary's shareholders for the year 2020.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2020.

General Information

Company's Name	Thai Vegetable Oil Public Company Limited
Head Office	149 Ratchadapisek Road (Thapra-Taksin), Bukkhalow, Thonburi, Bangkok 10600
Factory	81/7 Moo 1, Thaiyawat, Nakornchaisri, Nakorn Pathom 73120
Type of Business	Manufacture and distribution of soybean oil and soybean meal.
Corporate Registration Number	0107537001536
Registered Capital	Common Share of 808,610,985 shares, at Baht 1 par value Total Baht 808,610,985
Registered and paid-up capital	Common Share of 808,610,985 shares, at Baht 1 par value Total Baht 808,610,985
Tel	Office : 02 477 9020 Factory : 034 265 620-29
Fax	Office : 02 477 8022 Factory : 034 265 610
Website	www.tvothai.com
Share Registrar	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : 02 009 9000 Fax : 02 009 9991
Auditor	Mrs. Cholaros Suntiaswaraporn C.P.A. No. 4523 EY Office Limited. 33rd Floor, Lake Rajada Office Complex 193/136-137 New Rajadapisek Rd, Klongtoey, Bangkok 10110 Tel : 02 264 0777 Fax : 02 264 0789
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