

ANNUAL REPORT 2018



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Message from Chairman of the Board of Directors



In 2018, the company had a significant change due to entering the capital market and having the opportunity to meet shareholders, investors as well as partnerships from many fields.

The company still adheres to do business about producing and selling sweet corn and processed agricultural products which received good feedbacks from customers in the past year and meet our expectation in the sales growth rate. Although overall operation in the last year is less than overall operation in 2017 due to the effect on external factors especially the volatility of Thai currency, it is still in good criteria.

I am proud of the board of directors, executives, and all employees who recognize the importance of developing work potential and complying with the good corporate governance policy to be beneficial for shareholders, investors and all parties of the company.

On behalf of the board of directors of Sunsweet Public Company Limited, I thank customers, shareholders, investors, institutional investors, employees, and business partners for supporting our company over the past year.

Mr. Krairit Boonyakiat

Chairman of the Board of Directors
Sunsweet Public Company Limited



Board of Directors Details



Mr. Krairit Boonyakiat

Chairman, Independent Director

Education

- Bachelor of Science, Chulalongkorn University
- Master of Science and Management (MSc), Massachusetts Institute of Technology (USA)

Diploma

- Honorary Doctor of Business Administration Program in Marketing, Chiang Mai University
- Anti-Corruption for Executive Program (Thai Institute of Directors Association: IOD), 2015
- Post Graduate of International Trade From the United Nations School of Managers (Turin City, Italy)
- Directors Certification Program (DCP 0/2000) Thai Institute of Directors Association

Working Experiences

- | | |
|--------------|---|
| 2016-present | Chairman, Independent Director
Sunsweet PLC. |
| 1994-present | Director / Safety Insurance PLC. |
| 2009-present | Director / Pan Rajdhevee PLC. |
| 2007-present | Director / Mittraphap product PLC. |



Mr. Pichai Kojamitr

Vice Chairman, Chairman of the Audit Committee,
Independent Director, Nomination and Remuneration
Committees, Risk Management Committee

Education

- Bachelor of Economics, Thammasat University
- Master of Business Administration, Kasetsart University

Diploma

- Directors Certification Program (DCP 2/2000) of Thai Institute of Directors Association

Working Experiences

- | | |
|--------------|---|
| 2016-present | Vice Chairman, Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Committee, Risk Management Committee/ Sunsweet PLC. |
| 2012-present | Investment Committee, Dhipaya Insurance PCL. |



Mr. Warapong Nandabhiwat

Director, Chairman of the Nomination and Remuneration Committee, Audit Committee, Independent Director



Ms. Morakot Kittikunchai

Vice Chairman, Executive committee,
Deputy Chief Executive Officer (Production)

Education

- Bachelor Degree in Industrial Engineering, Lehigh University (Pennsylvania, USA)

Diploma

- Directors Certification Program (RCP 3/2001, DCP 16/2002 and ACP 41/2012) Thai Institute of Directors Association

Working Experiences

2016-present	Director of Audit Committee, Independent Director /Sunsweet PLC.
2005-present	Director / Immunothai Co., Ltd.
2007-present	Director / Snitnan Brothers Co., Ltd.
1982-present	Director / Snitan Co., Ltd.

Diploma

- Directors Certification Program (DCP 131/2016) of Thai Institute of Directors Association

- Mini-MBA Mini-MBA batch 10 , Chiang Mai University

Working Experiences

1997-present	Vice Chairman, Executive committee, Deputy Chief Executive Officer (Production) / Sunsweet PLC.
2005-present	Director / Sunsweet International Co., Ltd.



Mr. Ongart Kittikunchai

Director, Nomination and Remuneration Committee,
Chairman of Executive Committee, Chief Executive Office,
Deputy Chief Executive Officer (Marketing)

Education

- Honorary Doctorate of Science (Food Technology), Maejo University

Diploma

- Directors Certification Program (DCP 131/2016) Thai Institute of Directors Association
- Mini-MBA batch 1, Chiang Mai University
- Capital Market Leader Program (CMA) 26/2018 by Capital Market Academy

Working Experiences

1997-present	Director, Nomination and Remuneration Committee, Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer (Marketing) / Sunsweet PCL.
2016-present	Director / Chiang Mai Social Enterprise Co., Ltd.
2014-present	Director / Sosweet Co., Ltd., and Sunshine Travel Co., Ltd.
2005-present	Director / Sunsweet Bio Energy Co., Ltd.
1992-present	Director / Sunsweet Agrotech Co., Ltd.



Mrs. Jiraporn Kittikhunchai

Director, Risk Management Committee, Executive committee,
Deputy Chief Executive Officer (Head Office)

Diploma

- High Vocational Certificate of Accountancy, Rajamangala University of Technology Lanna
- Directors Certification Program (DCP 131/2016) Thai Institute of Directors Association

Working Experiences

1997-present	Director, Risk Management Committee, Deputy Chief Executive Officer (Head Office) / Sunsweet PCL.
2011-present	Director / Wiangjedlin Co., Ltd.
2006-present	Director / Coffee Link CO., Ltd.
2005-present	Director / Sunsweet International Co., Ltd.



Mrs.Suraporn Prasatngamloet

Director, Executive committee,
Director of General Management

Diploma

- Diploma in DAP 131/2016 from the Thai Institute of Directors Association
- Mini-MBA, Chiang Mai University Batch 10

Working Experiences

1997-present	Director, Executive committee, Director of General Management / Sunsweet PLC.
2014-present	Director / So Sweet Co.,Ltd



Mr.Anucha Dumrongmanee

Director, Audit Committee
Independent Director

Education

- Bachelor of Arts (Business Administration), Chiang Mai University

Diploma

- Directors Certification Program (DCP 136/2017) Thai Institute of Directors Association

Working Experiences

2016-present	Director, Audit Committee ,Independent Director / Sunsweet PLC.
2018-present	Executive Director Pinkanakorn Development Agency (Public Organization)
2015-present	Qualified Committee International College Chiang Mai Rajabhat University
2012-present	Director The Kampan 2012 Co., Ltd.
2009-present	University Affairs Committee and Asset Management Committee of Maejo University
2005-present	Lecturer Faculty of Business Administration and Accountancy Chiang Mai University



Mr. Chaivot Suntivong

Director, Chairman of the Risk
Management Committee

Education

- Bachelor of Engineering Program in Electrical Engineering, Khon Kaen University
- Master of Development Management of Business Administration, National Institute of Development Administration
- Honorary Doctorate Faculty of Business Administration, Maejo University

Diploma

- Applied International Management Program from Swedish Institute of Management
- Certificate of feasibility study of JICA
- Directors Certification Program

Working Experiences

2016-present	Director, Chairman of the Risk Management Committee / Sunsweet PLC.
2018- present	Director in the Board of Directors of the Information Technology Service/ Chiang Mai University
1996-2013	Lecturer Faculty of Business Administration Chiang Mai University



Message from Chief Executive Officer



After being listed on the stock exchange of Thailand, the company has proceeded according to the objectives that be informed in fundraising for working capital and installing machinery to increase production capacity.

In 2018, the year of preparation in every part of the company caused more efficient production and reducing financial costs. In addition, the technology has been used in the agricultural sector in order to increase the production of raw materials per rai and consistent with the increased production capacity with the effort of all executive and employee.

The company is committed to export foods all over the world and increase the proportion in the country with a good trend and higher demand of the market. This can be seen from the growth rate that is steadily increasing.

I have intended to improve product qualities and find new products for consumers to assure in becoming a leader in the sweet corn business with modern technology and internationalization. This will lead to the stability of the company with dedication and the diligence of all executive and employee.

On behalf of the executive and employees of Sunsweet Public Company Limited, I would like to thank you for all partners such as farmers, gatherers, scholars, consultants and partners who always provide good support to us.

Mr. Ongart Kittikhunchai

Chief Executive Officer
Sunsweet Public Company Limited



Management Team and Company Secretary



Mr. Ongart Kittikunchai

- Chief Executive Officer
- Deputy Chief Executive Officer (Marketing)



Ms. Morakot Kittikunchai

- Deputy Chief Executive Officer (Production)



Mrs. Jiraporn Kittikhunchai

- Deputy Chief Executive Officer (Head Office)



Mr. Sanit Sresuwan

- Director of Production



Mrs. Suraporn Prasatngamloet

- Director of General Management



Mr. Kovit Sitthiyos

- Director of Sales and Marketing



Mr. Vira Nopwattanakorn

- Director of Accounting and Finance



Ms. Soontaree Mulmao

- Company Secretary
- Internal Audit Division Manager

SUNSWEET

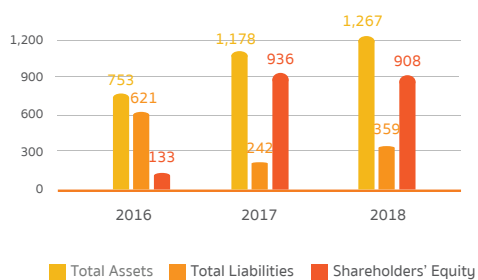




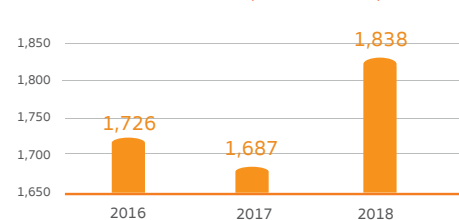
Financial Highlight

Details	2016	2017	2018
Operating Results (Unit: Million Baht)			
Total revenue from sales	1,709	1,646	1,829
Total revenue	1,726	1,687	1,838
Selling expenses	1,391	1,332	1,561
Gross profit	318	315	268
Profit attributable to owners of the parent company	112	117	56
Basic earnings per share (EPS)	0.56	0.44	0.13
ROE (%)	137.05	21.98	6.12
ROA (%)	13.99	12.16	4.61
Financial position (Unit: Million Baht)			
Total assets	753	1,178	1,267
Total liabilities	621	242	359
Shareholders' Equity	133	936	908
D/E (Times)	4.68	0.26	0.39
Current Ratio (Time)	0.29	3.57	1.71
Dividend			
Dividend per share	-	0.58	0.10
Cash Flow (Unit: Million Baht)			
		15	0.20
Net Cash flow from operating activities	349	(196)	(27)
Net cash flow from investing activities	(137)	285	(78)
Cash flow from financing activities	(230)		

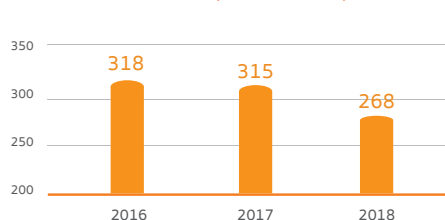
Financial Position (Million Baht)



Total Revenues (Million Baht)



Gross Profit (Million Baht)



Profit attributable to owners of the parent company (million Baht)





General information

• General information

Thai name	:	บริษัท ชันสวีท จำกัด (มหาชน)
English name	:	Sunsweet Public Company Limited
Registration number	:	0107560000354
Securities Symbol	:	SUN
Nature of business	:	Manufactures and distributes processed sweet corn and agricultural products including sourcing food and agricultural products
Head Office	:	No. 9 Moo 1, Toongsatok subdistrict, Sanpatong district, Chiang Mai province 50120
Telephone no.	:	(66) 53-106-538-40
Fax no.	:	(66) 53-106-541
Website (URL)	:	www.sunsweetthai.com
Registered capital	:	215,000,000 (two hundred fifteen million baht)
Issued and paid-up share capital	:	215,000,000 (two hundred fifteen million baht)
Par value per share	:	0.50 Bath (fifty satang)

• Information of subsidiary

Thai name	:	บริษัท ชันสวีท อินเตอร์เนชั่นแนล จำกัด
English name	:	Sunsweet International Company Limited
Nature of business	:	Sourcing (exporting & importing) food and agricultural products
Registered capital	:	5,000,000 (Five Million Baht)
Issued and paid-up share capital	:	5,000,000 (Five Million Baht)
Par value per share	:	10 Bath (ten baht)

• Key Information

• Securities register

Name of company	:	Thailand Securities Depository Co., Ltd.
Location	:	No. 93, 14th Floor, Ratchadapisek Road, Dindaeng, Bangkok, Thailand.
Telephone no.	:	0-2009-9000
Fax no.	:	0-2009-9992
Website	:	www.set.or.th

• Auditing company

Name of company	:	PricewaterhouseCoopers ABAS Ltd.
Location	:	No. 179 / 74-80, Bangkok City Tower, 15th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.
Telephone no.	:	0-2344-1000, 0-2824-5000
Fax no.	:	0-2286-0500
Website	:	www.pwc.com

• Internal Audit Company

Name of company	:	IVL Auditing Company Limited
Location	:	35 Soi Vajiraladid 36, Bangchak, Phrakonong, Bangkok
Telephone no.	:	0-2746-4861-3
Fax no.	:	0-2476-4569
Website	:	www.ivlaudit.com



Policy and Business Overview

Vision : Business leader of sweet corn.

Mission : Being a complete range of sweet corn business leader by using modern technologies and existing international standards.



Innovation

Cooperate with the government and private companies for being a research centre of sweet corn in various dimensions such as health benefits by setting basic information about sweet corn and technology for supporting the production process and adding values to sweet corn products by focusing on the sensory perception of consumers in order to develop new products.



Quality

Be a trustworthy producer of food products with high quality and safety standards complying with demand and law of partner countries. Focus on taste, consumption of convenience food products, product quality development and on time service provider with flexible management.



Human Resources

Support and develop professional capabilities of employees, quality of life and self-esteem in being a part of the organization. Develop and recruit high potential employees who meet the business needs to improve company capability for competitiveness in the global stage.



Knowledge

Focus on creating a culture of learning to be a learning organization and sources for learning the complete range of sweet corn business.



Supply Chain

Develop the potential of supply chain management to be competitive and leadership in the sweet corn business. Build a network marketing, production in key global locations and long-term and sustainable relationships with business partners.



Corporate Social Responsibility (CSR)

Be the company which recognizes the importance and responsibility of the agricultural environment as well as global national resources. Build long-term benefits for the customers, business partners, all employees as well as being good organization for the community.

Significant Changes and Developments

1992

- On 24 August 1992, established KC Chiang Mai Food Industry Company Limited where is held 25 percent of share by Malee Sam Pran Company Limited to produce and distribute canned fruit products. The factory is located in Chiang Mai.

1996

- Mr. Ongart Kittikhunchai and his family bought shares in Malee Sam Parn Company Limited and hold 25 percent of listed capital.

1997

- On 25 December 1997, established Sunsweet Company Limited with 1.00 Million Baht of listed capital which divided into 10,000 common shares with 100.00 Baht of par value. This investment is from Mrs. Jiraporn Kittikhunchai (Mr. Ongart Kittikhunchais' wife) and the company's office is located at 84/ 1 Chotana Road, Chang Phueak, Mueng Chiang Mai Chang Mai. The purpose is to distribute and export agricultural products such as onions and fresh vegetables.

2000

- In February 2000, the company which relocated to its current location at No. 9 Moo 1 Toongsatok, Sanpatong, Chiang Mai, is the current address of the company.

2002

- On 27 March 2002, Mr. Ongart Kittikhunchai along with 3 other businessmen established Tongta Company Limited which is Sunsweet BioEnergy currently with 1.00 Million of listed capital. The purpose of business is Bio Gas Power Plant.

- On 16 July 2002, Sunsweet Company Limited increased its listed capital from 1.00 Million Baht to 50.00 Million Baht by issuing more 490,000 common shares and present 100.00 Baht per share to existing shareholders for supporting business expansion.

- In November 2002, Sunsweet Company Limited purchased assets from KC Chiang Mai Food Industry Company Limited including land, building, tools, and equipment such as steam sterilizer, lid closing machine, packaging machine, tomato boiling machine, and corn manufacturing machine to use in Sunsweet Company Limited.

2005

- On 29 September 2005, Kittikhunchai family established KC World Food Company Limited which is Sunsweet International Company Limited now, with 100,000 Baht of registered capital to engage in trading business of agricultural products.

2007

- On 23 April 2007, the company increased registered capital from 50.00 Million Baht to 100 Million Baht by issuing 500,000 new common shares to existing shareholders with proportions at 100.00 Baht per share to support business expansion.

- KC Chiang Mai Food Industries Limited stopped business operations and there is no revenue since 2007.

- Sunsweet Company Limited began production and distribution of processed sweet corn as the main business of the company.

2009

- The company received the 2nd National SMEs Contest in food manufacturing business group (National Award 2009) from the Office of Small and Medium Enterprise Promotion.

- In August 2009, the company received ISO 14001:2004 standard for canned sweet corn production.

- In December 2009, the company was certified by the Hazard Analysis and Critical Control Points : HACCP for canned sweet corn, canned sweet corn soup, sweet corn retort pouch, and frozen sweet corn by SGS United Kingdom Ltd in the United Kingdom under the approval of United Kingdom Accreditation Service (UKAS) and approval of National Bureau of Agricultural Commodity and Food Standards (ACFS) which is under the Ministry of Agriculture and Cooperatives.

- On 9 September 2009, Tongta Company Limited changed its name to Sunsweet Bio-Energy Company Limited.

2010

- Received the Prime Minister's Industry Award 2010 in term of management of small and medium industry from Ministry of Industry.

- On 22 April 2010, KC World Food Company Limited changed its name to Sunsweet International Company Limited.

2011

- Received a prize for excellent export of goods and services (Thailand Prime Minister's Export).
- In July 2011, the company received the British Retail Consortium Standard (BRC) for the production of canned sweet corn by SGS United Kingdom Ltd in the United Kingdom under the approval of United Kingdom Accreditation Service (UKAS).

2012

- Set up a new factory to manufacture frozen sweet corn in the same area as the current factory.

2013

- In May 2013, the company received Good Manufacturing Practice Standards (GMP) from SGS United Kingdom Ltd in the United Kingdom under the approval of United Kingdom Accreditation Service (UKAS) and National Bureau of Agricultural Commodity and Food Standards (ACFS) which is under the Ministry of Agricultural and Cooperatives according to standard requirements of TAS. 9023-2550.

2014

- On 26 August 2014, Kittikhunchai family and 4 partners established So Sweet Company Limited to distributed processed sweet corn products for franchise retail business.

2015

- In June 2015, the company received Good Manufacturing Practice (GMP) certificate according to Thai Agricultural Standard TAS 9035-2553 from Department of Agriculture, Ministry of Agriculture and Cooperatives for sweet corn, green soybean, and asparagus products.
- In October 2015, the company also received International Food Standard (IFS) for canned sweet corn, canned corn soup, sweet corn in a retort pouch, and frozen sweet corn from SGS-International Certification Service GmbH, Germany.
- In December 2015, the company received Certificate of Manufacturer for frozen food products.
- In December 2015, Sunsweet Company Limited signed a contract to purchase Hydrolock machines from Hydrolock SAS, France. This hydrolock machine is a continuous high-temperature disinfection machine

(Continuous Sterilizers) to replaces the old disinfection machine that works as batch retorts. The highlight of the machine is the reduction of time and energy for killing germs resulting in increasing product quality, reducing production costs, and flexible use for any sizes of packaging.

2016

- Sunsweet Company Limited organized the company structure by buying shares from 3 companies such as (1) 99.99% shares of Sunsweet International Company Limited (2) 99.98% shares of Sunsweet Bio-Energy Company Limited and (3) 99.99% shares of So Sweet Limited. Representively and these 3 companies became Sunsweet Company Limited's subsidiaries.

- On 26 December 2016, the Extraordinary General Meeting of Shareholders No. 3/2016 of Sunsweet Company Limited passed a resolution approving the increase of its registered share capital from 100.00 Million Baht to 108.00 Million Baht by issuing 80,000 new ordinary shares. Offered to existing shareholders in proportion to the offering price of 1 0 0 Baht per share, the registered capital of Sunsweet Company Limited is in accordance with the terms and conditions of the Board of Directors, The Board of Investment (BOI).

2017

- On 24 April 2017, the Board of Directors No. 2/2017 of Sunsweet Company Limited approved to sell all shares held by the company in Sunsweet Bio-Energy Company Limited and in So Sweet Company Limited to Mr. Ongart Kittikhunchai.

- On 11 May 2017, the Extraordinary General Meeting of Shareholders No. 3/2017 resolved to approve the following agendas

1) Approved the interim dividend payment to shareholders at the rate of 43.50 Baht per share and 46.98 Million Baht of totalling.

2) Approved the increase of registered capital from 108.00 Million Baht to 150.00 Million Baht by issuing 420,000 new ordinary shares with 100 Baht of par value and offered to the existing shareholders in proportion to the offering price of 100 Baht to structure capital for preparation for listing on the Market for Alternative Investment (MAI).

- On 17 July 2017, the company proceeded to sell all shares which be held by Sunsweet Company Limited, Sunsweet Bio Energy Company Limited and So Sweet Company Limited to Mr. Ongart Kittikhunchai.

- On 31 August 2017, The Extraordinary General Meeting of Shareholders of Sunsweet Company Limited No. 4/2017 resolved to approve the following major agendas

1) Approved the transformation into a public company and changed its name to “Sunsweet Public Company Limited”..

2) Approved the change of the par value and adjusted the number of ordinary shares of the company. After the change of par value, Sunsweet Company Limited has 300.00 million fully paid-up ordinary shares with 0.50 Baht of par value per share.

3) Approved the increase of the registered capital of Sunsweet Company Limited by issuing new ordinary shares to raise and offering the company's shares to the public (IPO) in the amount of 65.00 Million Baht, divided into 130.00 million ordinary shares with 0.50 Baht of par value. After increasing capital, Sunsweet Company Limited had 215.00 Million Baht of the registered capital and divided into 430.00 million ordinary shares with 0.50 Baht of par value per share.

4) Approved the allotment of 130.00 million new ordinary shares of Sunsweet Company Limited at 0.50 Baht of par value per share to offer to the public for the first time (Initial Public Offering: IPO) or 30.23 % of the total paid-up capital after the IPO.

4) Approved the allotment of 130.00 million new ordinary shares of Sunsweet Company Limited at the par value of 0.50 Baht per share, to be offered to the public for the first time (Initial Public Offering: IPO) or 30.23 % of the total paid-up capital after the IPO.

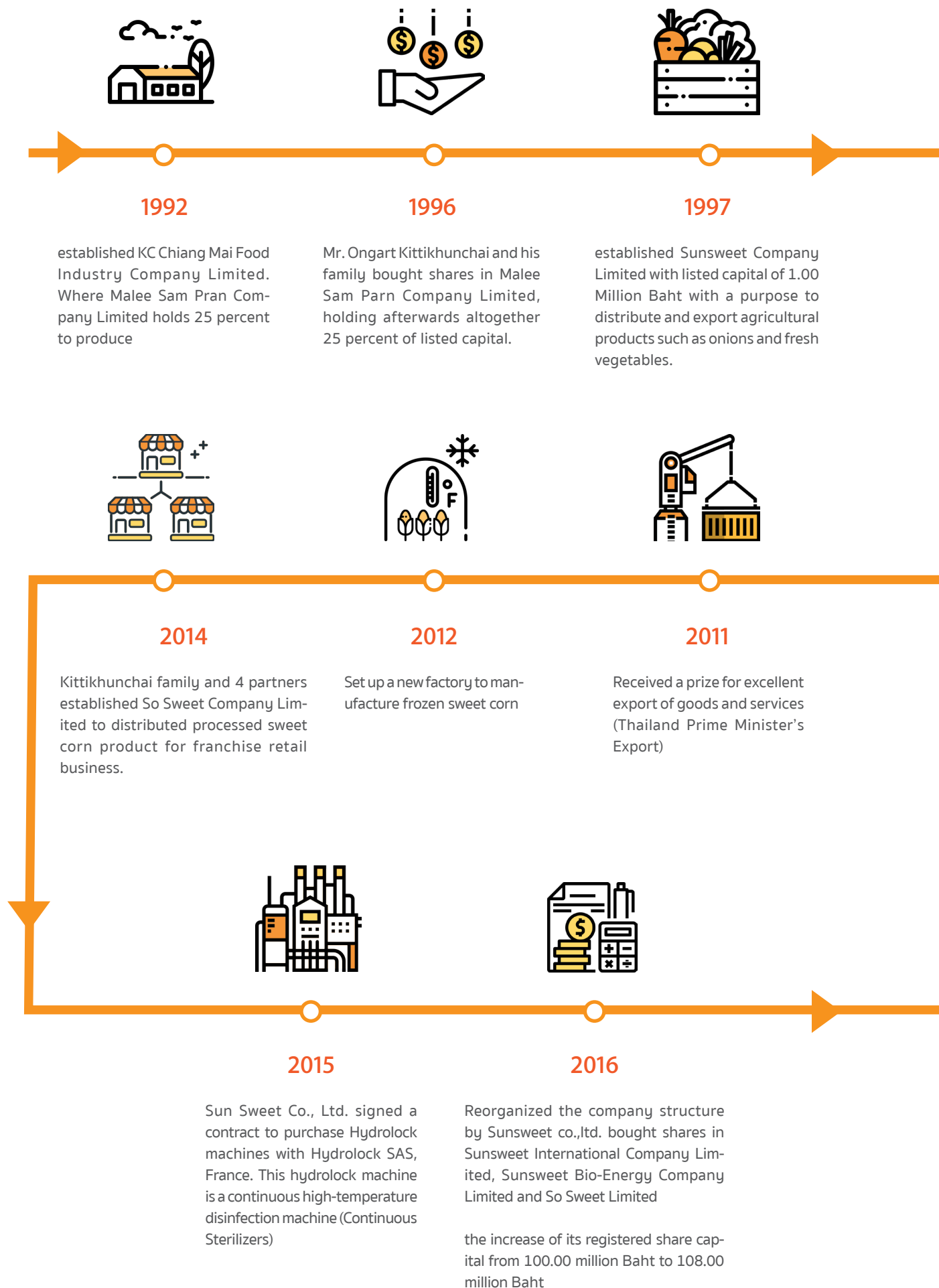
5) Approved the listing of the company's ordinary shares on the Market for Alternative Investment (MAI)

- on November 13, 2017. The Board of Directors' Meeting No. 3/2017 passed a resolution approving the interim dividend payment to the existing shareholders (before the IPO) of 300,000,000 shares at 0.15 Baht of rate per share with 45.00 Million Baht of totaling. The dividend payment will be made within November 24, 2017. The company paid such dividend to the shareholders on November 21, 2017.

- On 28 December 2017, the first-day trade of Sunsweet Public Company Limited or SUN was on the Market for Alternative Investment (MAI).

2018

- The company use capital from the initial public offering (IPO). Investment in machinery by increasing production capacity from 1 ton up to 3 tons per hour in September 2018 to improve manufacturing performance and productivity on a production line of frozen sweet corn product.





2000

the company relocated to its current location, No. 9 Moo 1 Toongsatok, Sanpatong, Chiang Mai, which is the current address of the company.



2002

Ongart Kittikhunchai along with 3 other businessmen established Tongta Company Limited

Sunsweet Company Limited purchased assets from KC Chiang Mai Food Industry Company Limited.



2005

Kittikhunchai family established KC World Food Company Limited (now Sunsweet International Company Limited) to engage in agricultural of products trading business.



2010

Received the Prime Minister's Industry Award 2010 from Ministry of Industry.

KC World Food Company Limited changed its name to Sunsweet International Company Limited.



2009

The company received the 1st prize for the 2nd National SMEs Contest in food manufacturing business group (National Award 2009)

Tongta Company Limited changed its name to Sunsweet Bio-Energy Company Limited.



2007

Sunsweet Company Limited begins production and distribution of processed sweet corn as the main business of the company.

KC Chiang Mai Food Industries Limited stop business operations and there is no revenue since 2007.

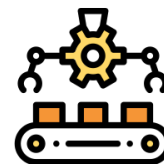


2017

Approved the transformation into a public company and changed its name to "Sunsweet Public Company Limited".

change of the par value to 0.50 Baht per share.

the interim dividend payment to the existing shareholders



2018

Investment in machinery by increasing production capacity from 1 ton up to 3 tons per hour to improve manufacturing performance and productivity on a production line of frozen sweet corn product.

offering the company's shares to the public (IPO) in the amount of 65.00 million Baht.

Sunsweet Public Company Limited or SUN is the first-day trade on the Market for Alternative Investment (MAI).



Relationship with the Major Shareholder's Business

• Sunsweet International Company Limited (SI)

Established Date	:	29 September 2005
Head office	:	No. 9 Moo1, Toongsatok subdistrict, Sanpatong district, Chang Mai province
Nature of business	:	Sourcing (exporting and importing) food and agricultural products.
Registered and paid-up capital	:	5.00 million baht
Authorized Directors	:	1. Mr. Ongart Kittikhunchai 2. Mrs. Jiraporn Kittikhunchai 3. Ms. Morakot Kittikhunchai 4. Mrs. Suraporn Prasatngamloet
Authorized Directors	:	Mr. Ongart Kittikhunchai or Mrs. Jiraporn Kittikhunchai sign with Ms. Morakot Kittikhunchai or Mrs. Suraporn Prasatngamloet; altogether two people and stamped with the company seal.
Relationships with the company	:	Sunsweet International Co., Ltd. is a subsidiary company where it holds a total of 499,998 shares calculated as 99.99 percent of the registered capital of SI and with Board cooperating with the companies 1) Mr. Ongart Kittikhunchai 2) Mrs. Jiraporn Kittikhunchai 3) Ms. Morakot Kittikhunchai 4) Mrs. Suraporn Prasatngamloet
Shareholders structure	:	The Company holds a total of 499,998 shares or 99.99 percent Mr. Ongart Kittikhunchai holds one share or 0.01 percent Mrs. Jiraporn Kittikhunchai holds one share or 0.01 percent

Sunsweet Public Company Limited (SUN)

Authorized Capital : 215.00 Million Baht

Paid-up Capital : 215.00 Million Baht

Business The company produces and distributes processed sweet corn.

99.99 %

Sunsweet International Company Limited (SI)

Authorized Capital : 5.00 Million Baht

Paid-up Capital : 5.00 Million Baht

Business Sourcing (exporting and importing) food and agricultural products.



Nature of Business

• Sunsweet Public Company Limited (SUN)

The Company has operated its business of manufacturing and distribution of processed sweet corn and other agricultural products under the brand “KC”. In addition, the company manufactures according to customers’ orders under their own brands. Sunsweet International Co., Ltd. (SI), a subsidiary of the company operate business relating to sourcing and selling food and agricultural products to support domestic and foreign customers such as fresh onion, fresh coconut, and canned pineapple, etc. under the standard of “KC” brand. Currently, the company and its subsidiaries continuously strive to expand its market which provides a wider range of products to customers over more than 50 countries, such as Japan, Korea, Taiwan, Russia, Saudi Arabia, Switzerland, Germany, Lebanon, Turkey, Iran, etc.

The company product is produced with modern production and technology with an efficiency that meets the quality assurance procedures complying with international standards such as International Standards Standard (IFS), Hazard Analysis Critical Control Point (HACCP). Consumers can ensure the quality and process of production is according to Good Manufacturing Practices (GMP). In addition, the company also focuses on manufacturing while taking care of environmental management according to ISO 14001: 2015 quality policies

Currently, the Company and its subsidiaries are operating on 2 types of business are Production and distribution of sweet corn and other agricultural products, Trading



Production and distribution of sweet corn and other agricultural products

Operated by Sunsweet Public Company Limited, this company manufactures and distributes processed sweet corn, such as canned sweet corn, pouch sweet corn, and frozen sweet corn. It also operated its business of production and distribution of processed agricultural products such as white beans in tomato sauce, frozen green soybean for export overseas. And other by-products from the production process, such as corn husk and maize these will be sold to farmers for animal feed and some of them will be used as fuel for electricity generation in the factory.

Trading

Operated by Sunsweet International Co., Ltd., it is engaged in sourcing and selling food and agricultural product for both domestic and export markets such as fresh onion, fresh coconut, and canned pineapple, etc.



Revenue Structure of Company and Subsidiaries

• Revenue Structure by Product Type

(Million Baht)

Revenue Structure by Product Type	2016		2017		2018	
Revenue from manufacture and sale of processed sweet corn and other processed agricultural products	1,589.38	92.08	1,524.13	90.34	1,711.73	93.11
1.1. Sweet corn products	1,584.83	91.82	1,519.89	90.09	1,706.80	92.84
• Canned sweet corn	1,195.34	69.25	1,110.82	65.84	1,229.90	66.90
• Pouch sweet corn	135.99	7.88	161.70	9.59	252.67	13.74
• Frozen sweet corn	253.50	14.69	247.37	14.66	224.23	12.20
1.2. Other processed agricultural products	4.55	0.26	4.24	0.25	4.93	0.27
Revenue from trading Business	35.68	2.07	37.96	2.25	19.24	1.05
Total revenue from sales of products	1,625.06	94.15	1,562.09	92.59	1,730.97	94.16
Revenue from selling other products ¹	84.23	4.88	84.15	4.99	98.15	5.34
Total revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.12	99.50
Other revenue ²	16.66	0.97	40.76	2.42	9.26	0.50
Total Revenue	1,725.95	100.00	1,687.00	100.00	1,838.38	100.00

• Revenue Structure by Type of Customer Order

(Million Baht)

Revenue Structure by Type of Customer Order	2016		2017		2018	
1.Revenue from selling products under customers brand	1,182.86	68.52	1,192.25	70.67	1,249.93	67.99
2.Revenue from selling products under KC brand	442.20	25.63	369.84	21.92	481.04	26.17
Revenue from selling products	1,625.06	94.15	1,562.09	92.59	1,730.97	94.16
Revenue from selling other products ¹	84.23	4.88	84.15	4.99	98.15	5.34
Total revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.12	99.50
Other revenue ²	16.66	0.97	40.76	2.42	9.26	0.50
Total Revenue	1,725.95	100.00	1,687.00	100.00	1,838.38	100.00

Remark : ¹ Revenue from selling other products includes revenue from selling seed, fertilizer, revenue from selling waste from the production process, etc.

² Other revenue includes interest receivables, revenue from export compensation, revenue from the sales of electricity, profit from the exchange rate, etc.

• Revenue Structure by Location

(Million Baht)

Revenue Structure by Location	2016		2017		2018	
1.Revenue from selling abroad	1,377.19	79.79	1,364.95	80.90	1,512.03	82.25
1.1 Asia	840.48	48.70	847.74	50.25	1,055.71	57.43
1.2 Middle East	308.85	17.89	254.53	15.09	147.67	8.03
1.3 Europe	157.03	9.10	159.05	9.42	235.69	12.82
1.4 Africa	7.78	0.45	3.72	0.22	3.41	0.19
1.5 America	37.59	2.18	58.07	3.44	42.86	2.33
1.6 Oceania ^{/3}	25.46	1.47	41.84	2.48	26.69	1.45
2.Revenue from domestic sales	247.87	14.36	197.14	11.69	218.94	11.91
Revenue from selling products	1,625.06	94.15	1,562.09	92.59	1,730.97	94.16
Revenue from selling other products ^{/1}	84.23	4.88	84.15	4.99	98.15	5.34
Total revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.13	99.50
Other revenue ^{/2}	16.66	0.97	40.76	2.42	9.26	0.50
Total revenue	1,725.95	100.00	1,687.00	100.00	1,838.38	100.00

Remark : ^{/1} Revenue from selling other products includes revenue from selling seed, fertilizer, revenue from selling waste from the production process, etc.

^{/2} Other revenue includes interest receivables, revenue from export compensation, revenue from the sales of electricity, profit from the exchange rate, etc.

^{/3} Oceania includes Australia, New Zealand and other 14 countries.

• Revenue Structure by Type of Customer

(Million Baht)

Revenue Structure by Type of Customer	2016		2017		2018	
1.Revenue from international customers	1,377.19	79.79	1,364.95	80.90	1,512.03	82.25
• Agent, Importer, Distributor	1,310.24	75.91	1,273.07	75.46	1,249.86	67.99
• Retailer	51.09	2.96	79.20	4.69	109.63	5.96
• Food industry and Restaurants	15.86	0.92	12.68	0.75	152.54	8.30
2.Revenue from customers in Thailand	247.87	14.36	197.14	11.69	218.94	11.91
• Customer that are in exporting business (Distributor)	193.86	11.23	105.69	6.27	78.09	4.25
• Retailer	23.25	1.35	50.25	2.98	92.91	5.05
• Food industry and Restaurants	30.76	1.78	41.20	2.44	47.94	2.61
Revenue from sales of products	1,625.06	94.15	1,562.09	92.59	1,730.97	94.16
Revenue from selling other products ^{/1}	84.23	4.88	84.15	4.99	98.15	5.34
Total revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.12	99.50
Other revenue ^{/2}	16.66	0.97	40.76	2.42	9.26	0.50
Total Revenue	1,725.95	100.00	1,687.00	100.00	1,838.38	100.00

Remark : ^{/1} Revenue from selling other products includes revenue from selling seed, fertilizer, revenue from selling waste from the production process, etc.

^{/2} Other revenue includes interest receivables, revenue from export compensation, revenue from the sales of electricity, profit from the exchange rate, etc.



Product Characteristics and Other Agricultural Processing Products

The company is the producer and distributor of processed sweet corn and other processed agricultural products by focusing on processed sweet corn as the main product. The processed sweet corn products include canned sweet corn, pouch corn (sweet corn cob), and frozen sweet corn. These products are sold under the brand “KC” and another processed agricultural products include beans in tomato sauce (baked beans), frozen green soybeans, etc. In addition, the company also produces goods for customers to sell under the customers’ brand.

Company Products can be divided into 3 main categories as follows



Canned Sweet Corn



Pouch Sweet Corn



Frozen Sweet Corn

• Canned Sweet Corn

There are two types of canned sweet corns which are whole corn kernel, and cream style corn. The canned sweet corn can accompany meals and various dishes, in both savory dishes and desserts alike. This product has been through a commercial sterilization process to remove bacteria and can be kept in room temperature for 36 months. Currently, canned sweet corns are sold in 5 different sizes which consist of 8 oz, 12 oz, 15 oz, 75 oz, and 108 oz with 3 flavors such as sugar and salt flavor, salt flavor and plain flavor.



108 Oz.



75 Oz.



15 Oz.



12 Oz.



8 Oz.



Canned Cream Style Corn

• Pouch Sweet Corn

The Company has developed pouch sweet corn products that is for ready to eat product and more convenience for consumption. Pouch sweet corn is more environmental friendly because the pouch can be stored or destroyed more convenient than metal cans. Sweet corn is placed inside a retort pouch. This packaging is flexible and durable to heat and pressure increasing the product life. The flat shape of the retort pouch enables more space for heat transfer and heat can transfer more thoroughly. This means a shorter time frame to sterilize the product compared to canned sweet corn, which leads to a better quality overall, such as better color, and texture. Ready to eat pouch corn can be divided into 2 categories as follows



Retort Pouch Whole Kernel Sweet Corn

Retort Pouch Whole Kernel Sweet Corn

Ready to eat corn kernels vacuum packed in bags, This product is ready to eat corn kernel. The corn kernel has gone through a commercial sterilization process, which allows the quality of the product to be maintained over 18 months in room temperature. Currently, there are 2 flavors which are sugar and salt flavor.

Retort Pouch Sweet Corn on the Cob

Sweet corn product packed with vacuum bags, and ready to eat by selecting large sweet corn that packed in vacuum bags with steamed vacuum packed technique and sterilization process or completely sterilized in the industry (Commercial Sterilization). Therefore, it is able to maintain the quality very well and be stored for 12 months in normal temperature which consumers can eat immediately.

For pouch corn on the cob product, the company has distributed to foreign countries. And have domestic distribution through some modern trade stores. Moreover, the company began to expand distribution channels for pouch corn on the cob under the KC brand that distributing products through convenience stores which is currently available in convenience stores in the upper northern region and Bangkok, some branches include more than 2,500 branches. For pouch grilled corn on the cob with butter is sold in over 9,000 convenience stores nationwide. For pouch corn on the cob product and pouch grilled corn on the cob, these will pass the pasteurization and sterilization process by passing about 90-95 degrees Celsius to kill the germ. However, after disinfection and during storage to prepare for delivery, it is also necessary to maintain a low temperature of about 2-6 degrees Celsius to prevent the occurrence of microorganisms in storage and during transportation which will store products for 7 days.



Retort Pouch Corn on the Cob

Retort Pouch Corn on the Cob
(Only 7-ELEVEN)

Frozen Sweet Corn

Frozen sweet corns use the IQF process (Individual Quick Freezing) which control the temperature at -40 degrees Celsius or lower. While freezing all kernels would not be clumped and frozen together. The process of IQF relies on freezing the product extremely quickly. Fast enough freezing causes much smaller ice crystals to develop within the product. Ice Crystals that develop with slower methods of freezing are bigger and these crystals damage the cells and tissues of the product. The frozen sweet corn must be kept below -18 degrees Celsius to ensure that the corn kernel is fresh and prevents microorganism growth. It also ensures that there have not a chance to develop ice crystals within itself, thereby maintaining product quality. Currently, frozen sweet corn comes in many products, such as frozen sweet corn kernels, frozen sweet corn cobs, etc.



Frozen Sweet Corn Kernel (IQF process)



Frozen Cream Style Corn

Other agricultural processed products

In addition, the company also produces and sells other agricultural processed products such as white beans in tomato sauce, frozen soybeans, etc.



White beans in tomato sauce



White beans in tomato sauce with onion



Fresh Coconut



Onion



Canned pineapple



Benefits from Investment Promotion

Sunsweet Public Company Limited has been granted promotional privileges by the Board of Investment (BOI) with the details as follows

(1) No.1354(1)/2552 from the Board of Investment in the production of electricity from biogas type 7.1 service and public utility dated 23 February 2009; details are as follows

○ Privilege

- Exemption of import duties on machinery according to the BOI's approval.
- Article 31 section 2 exemption of corporate income tax on the net profit from the promoted activity for 8 years since the first earnings of such activity. The company started using this benefit in 2012 and this benefit remains for another 2 years.
- Reduction of corporate income tax on net profits received from investments at the rate of 50 percent of the normal rate for 5 years from the expiration date of the period under Section 31, paragraph 2.
- Allowed to deduct twice the cost of transportation, electricity, and water for a period of 10 years from the date of the business commencement.
- Allowed to deduct 25% of investment in installation and construction in addition to normal depreciation.

○ Conditions

- Registered and Paid-up capital is not less than 100.00 million Baht
- Production capacity in producing electricity 1 megawatt (working hour 15 hour/day: 300 days/year) and the by-product is waste from production
- Investment value (exclude land and working capital) is at least 1.00 million Baht.
- The Company should gain ISO 9000 or ISO 14000 certificate or equivalent within 2 years since the first operating day.
- The plant is located in Chiang Mai and should not be moved within 15 years since the first operating day.

(2) No. 2209(2)/2553 from the Board of Investment in manufacturing frozen vegetable and fruits type 1.11 manufacture or preservation of food or food ingredients, using modern technology on 13 September 2010; details are as follows;

○ Privilege

- Exemption of import duties on machinery according to the BOI's approval.
- Exemption from corporate income tax on net profits received from the promoted operations, not exceeding 200 percent of the investment, excluding land costs. And working capital for a period of 8 years from the date of income from that business that since 29 March 2018, the revenue derived from the calculation includes revenue from the sales of by-products from the production process such as scrap or waste from the production process. The company started to use the benefits in 2012 and the remaining benefit is 2 years.

○ Conditions

- Registered and Paid-up capital is not less than 100.00 million Baht.
- The product type is frozen vegetable and fruits i.e. corn kernels.
- Production capacity 7,200 ton per year (working hour 24 hour/day: 360 days/year) and the by-product is waste from production.
- Investment value (exclude land and working capital) is at least 1.00 million Baht.
- The exempt corporate income tax should not exceed 233.80 million which is adjusted according to the actual investment value (excluding land and working capital).
- The Company should gain ISO 9000 or ISO 14000 certificate or equivalent within 2 years since the first operating day.
- The plant is located in Chiang Mai and should not be moved within 15 years since the first operating day.

(3) No. 60-0694-1-00-1-0 from the Board of Investment in the production of vegetable and fruits in sealed container type 1.17 manufacture or preservation of drinks, food additives or food ingredients, using modern technology on 25 October 2016; details are as follows

○ Privilege

- Exemption of import duties on machinery according to the BOI's approval.
- Exemption of corporate income tax for net profit derived from promoted operations Not exceeding 200 percent of the investment, excluding land and working capital, with a period of 5 years from the date of earning income from that business that since March 29, 2018, the revenue that is calculated includes revenue from by-products such as scrap or waste from the production process. With the company starting to use the benefits in 2017 and the remaining benefit is 3 years.

○ Conditions

- Registered and Paid-up capital is not less than 108.00 million Baht.
- The product type is vegetable and fruits in sealed container i.e. sweet corn.
- Production capacity 7,000 ton per year (working hour 24 hour/day: 360 days/year) and the by-product is waste from production.
- Investment value (exclude land and working capital) is at least 1.00 million Baht.
- The exempt corporate income tax should not exceed 57.26 million which is adjusted according to the actual investment value (excluding land and working capital).
- The Company should gain ISO 9000 or ISO 14000 certificate or equivalent within 2 years since the first operating day.
- The plant is located in Chiang Mai and should not be moved within 15 years since the first operating day.

(4) No. 61-1062-1-05-1-0 from the Board of Investment in the production of vegetable and fruits in sealed container type 1.17 manufacture or preservation of drinks, food additives or food ingredients, using modern technology on 23 April 2018; details are as follows

○ Privilege

- Exemption of import duties on machinery according to the BOI's approval.
- Exemption of corporate income tax for net profit derived from promoted operations totals not more than 50% of investment in order to improve production efficiency, excluding land and working capital, with a period of 3 years from the date of commencement of income after receiving the promotion card. Which income is calculated including income from the sale of by-products such as fraction or waste from the production process. The company started to use the benefits in the year 2018 and the remaining benefits is 3 years.

○ Conditions

- Registered and Paid-up capital is not less than 215.00 million Baht.
- Product types are vegetables, fruits, packed containers such as sweet corn etc.
- Capacity
 - Sealed vegetable and fruit
35,000 tons per year (21 working hours/day: 300 days/year) by by-products such as fraction or waste from the production process.
 - Concentrated fruit juice
87, 000 tons per year (working hours 8 hours/day: 250 days/year) by byproducts such as scrap or waste from the production process.
- An investment size (Excluding land and working capital) not less than 1.00 million baht.
- Exemption of corporate income tax with the value not exceeding 53.06 million baht will be adjusted according to the amount of investment without including the actual land and working capital.
- Permission to bring or send money out of the Kingdom into foreign currencies.



Competitive Strategy



• Product Strategy

Our company has focused on product qualities and manufacturing standards which are the main strategy in the competition. The emphasis is quality control of products to meet the standards and paying attention to every stage of production since the selection of sweet corn seed used in cultivation. Moreover, the standards of raw material receiving from farmers is to obtain fresh and good raw materials. High-quality machinery and advanced technology from abroad are applied to optimize production. We also have a team of quality inspectors in every manufacturing process to ensure that the products which are exported to customers meet the standards.

The company has been accredited in terms of production and quality control of food products such as the Hazard Analysis Critical Control Point (HAACP), the British Retail Consortium (BRC) and Good Manufacturing Practice (GMP) standards, Halal and Kosher standards. Products are

produced according to international standards that are accepted both nationally and internationally.

At present, the company is promoting its products under the “KC” brand, in addition to selling its products under the brand of its customers. In 2016-2018, the Company has a distribution proportion of its products under the “KC” brand as 25.63%, 21.92%, and 26.17% of total revenue, respectively.

In addition to the variety of current product styles of the company, such as canned sweet corn, pouch corn on the cob and frozen sweet corn. The company also has a research and development team to develop sweet corn products in various forms. Including participating in the design of products with customers to meet the needs of customers and consumers.

• Pricing Strategy (Price)



The company has the policy to set the price according to the cost of the product plus the appropriate profit margin or the method of adding additional costs. Along with considering each product type the company has made a price list for every item and will reconsider price list on a quarterly basis to be in line with the production cost Market conditions and competition and exchange rate fluctuations resulting in the company being able to control, monitor and manage the company's profit margin to a satisfactory level.

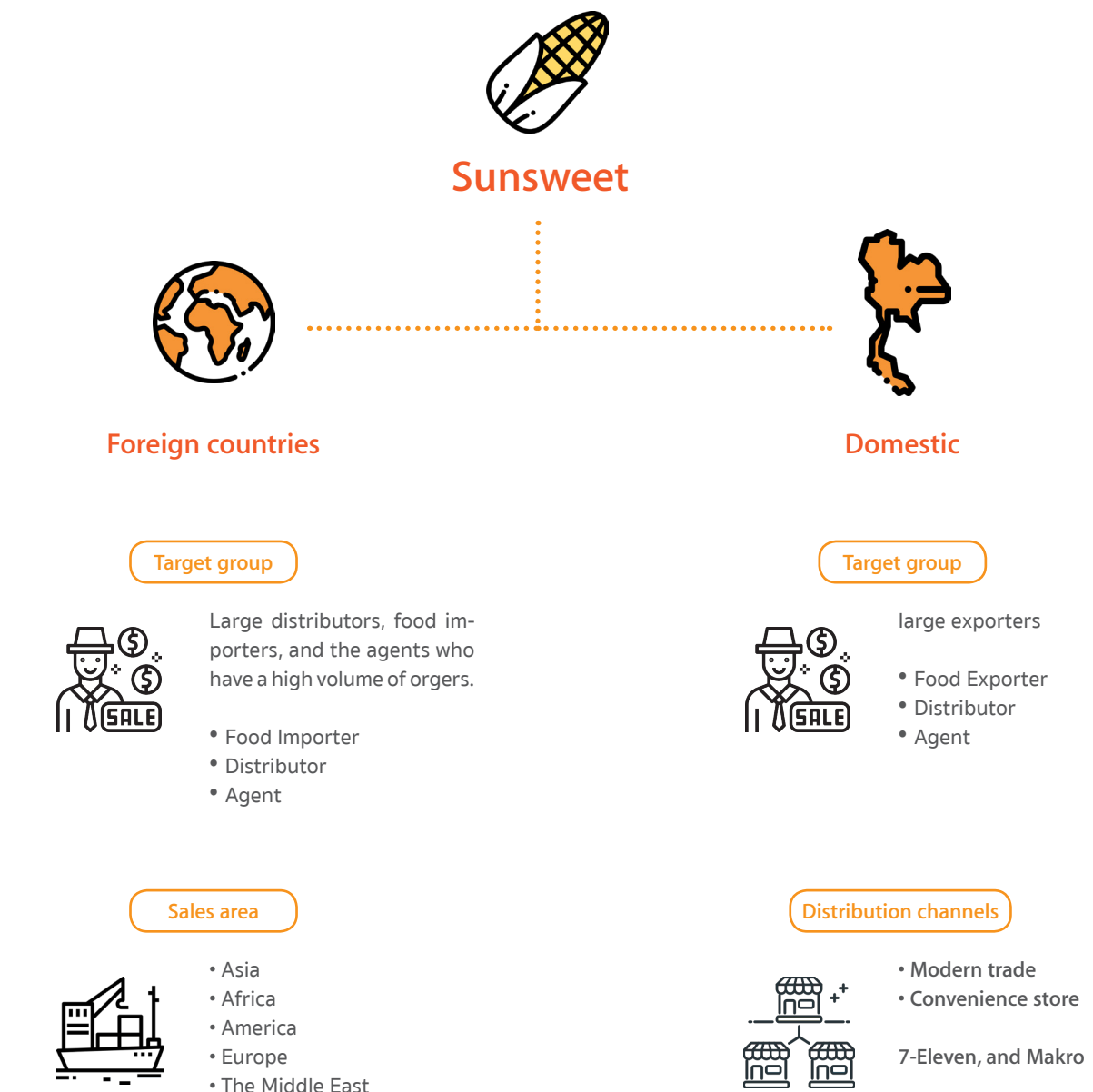
• Sales Channel Strategy (Place)

The main distribution channels of the company can be divided into 2 types, which are distributed to foreign countries and domestic distribution. In 2016 - 2018, the company has income from sales to foreign customers at 79.79%, 80.90%, and 82.25% of total revenue respectively.

For distribution in foreign countries, the company will focus on distributing to large distributors, food importers, and agents which has high order volumes. The customers in foreign countries will be taken care of by the sales and marketing team of the company that could be divided into sales area depending on each continent which includes Asia, Africa, America, Europe and the Middle East.

For domestic sales of sweet corn products, the company will focus on large exporters such as Food exporters, agents, distributors. In addition, since the end of 2016, the company has expanded its distribution channels into modern trade retailers and convenience stores such as 7-Eleven, and Makro under the brand name "KC".

To create a brand for the company's products to be more widely known the company has established the business development department to analyze the market and product development for more opportunities to expand distribution channels in the country as planned to increase product sales via online channels such as Facebook media, e-commerce websites (Lazada, Shopee) that can reach more targeted consumers.



• Marketing and Public Relations Strategy (Promotion)

The company pays attention to the promotion and public relation to the company's products over the past period. With regular activities or marketing activities to promote the company's products to be known through the main channels including exhibiting products at trade shows for food-related entrepreneurs both at home and abroad in order to publicize the products of the company to be known, exchange business information and maintain re-

lationships with existing customers including surveying competitors and current market conditions which will help the company to monitor the situation in order to adjust the strategy in promotion and marketing to increase the ability to compete with other competitors. Including helping to create opportunities for meeting new customers. In the past, the company has participated in trade shows as follows;



Anuga Food Fair
held every two years.
In Cologne, Germany



Foodex Japan
held every year
in Chiba, Japan.



Prodexpo
held every year
in Moscow, Russia.



Gulfood Dubai
held every year in Dubai,
United Arab Emirates.



Seoul Food & Hotel
held every year
in Seoul, South Korea.



THAIFEX World of
Food Asia
held every year in
Bangkok, Thailand.



Food Taipei
held every year
in Taipei, Taiwan.



SIAL China
held every year
in Shanghai, China.



World Food Istanbul
held every year
in Istanbul, Turkey.



Fine Food Australia
held every year
in Melbourne and
Sydney, Australia.



SIAL Paris
held every two years
in Paris, France.

For marketing and public relations in the country, the company will focus on promoting marketing activities, focusing on knowledge building on understanding sweet corn products as well as brand awareness for the consumers. In addition, the company has public relations and communication for the company brand "KC" to the

general consumer through electronic media such as the company's website, (www.sunsweetthai.com), social media such as Facebook, including distribution of sample products for consumers to gain an experience of trying the products and promote the products of the company to be more widely known.



Customer Characteristics and Target customers

There are currently more than 200 customers over 50 countries such as Japan, Korea, Taiwan, Russia, Saudi Arabia, Switzerland, Germany, Lebanon, Turkey, Iran, etc.

Customers can be divided into 3 main categories as follows



1.) Customers that are large exporter/importer as a distributor or wholesaler

The customer segment that distributes or sells products to other businesses abroad. Currently, this segment is the main customer group for the company contributing the largest sales and sales volume.



2.) Customers that are large retailers and modern trade

A customer group that operates retail businesses such as supermarkets and convenience stores with a large number of branch networks for selling products in the country. At present, the company has expanded its distribution channels to more modern trade shops because this group of customers has a large number of consumer networks and have branches all over the region, such as 7-Eleven, Makro, etc. In addition, selling products to this group of customers also creates a reputation, awareness in the brand “ KC “of the company, and creates more opportunities to be known among consumers in the country.



3.) Customers that are in food industries and restaurants

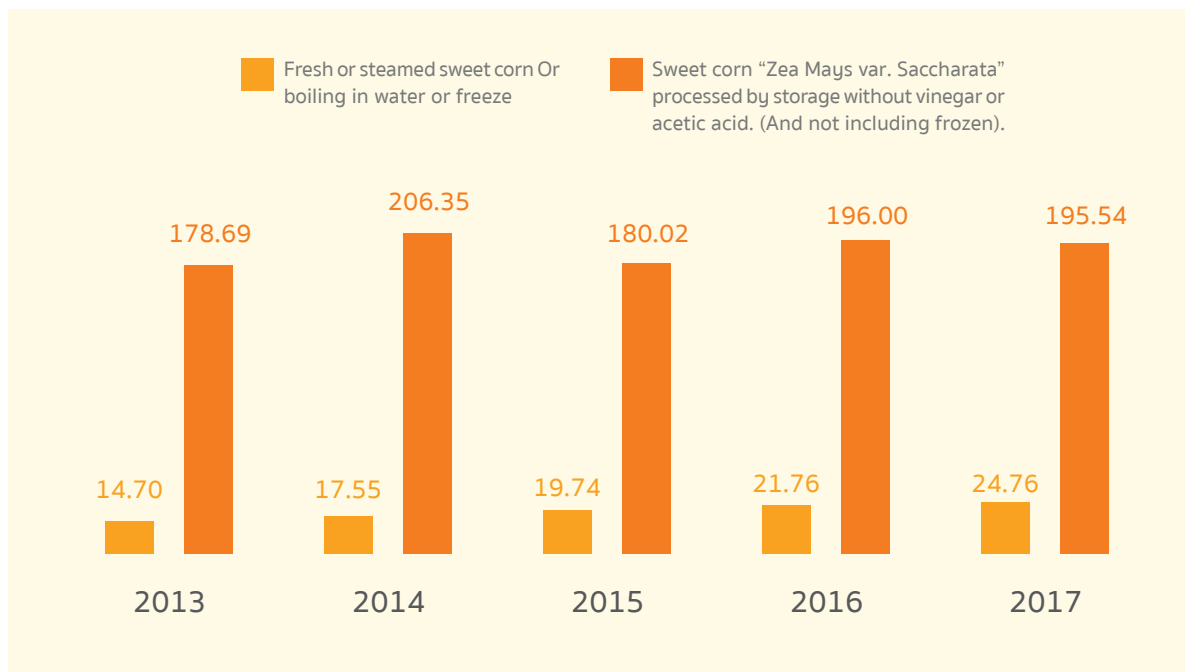
A group of customers who uses sweet corn into raw materials or ingredients in food or processed food products.



Sweet Corn Industry

Sweet corn (*Zea mays saccharata*) is mainly agricultural products that are processed and sold for consumption and it is an agricultural crop that has originated from the middle of the Americas for more than 1,000 years, which has now become a popular crop grown in many countries around the world. Because it is a plant that is not difficult to grow and has a higher rate of return per area compared to some agricultural crops.

Export value of sweet corn¹ from Thailand (Million USD)



Note : ¹ Value of sweet corn exports from the Bureau of Information and Communication Technology, Customs Department

• Overview of sweet corn production

Thailand is one of many countries that grow sweet corn because Thailand has an environment and natural elements that are favourable to cultivation and has not different weather conditions during each season. The sunlight is at an appropriate level throughout the year so it is possible to grow sweet corn almost all year round.

Moreover, the current technological development of cultivation has resulted in growers able to control the quality and including creating new products of sweet corn that can meet more needs while the global sweet corn consumption trend is rising. Because sweet corn is sweet naturally. In addition, the society became aware of health care in food. For that reason, Thailand is popular growing sweet corn until becoming an important agricultural economic product of the country.

The information from the Agricultural Information Center, The Office of Agricultural Economics stated that in 2014, 2015 and 2016, the amount of sweet corn cultivation was 228,609 tons, 221,465 tons and 231,803 tons, respectively. Which has a cultivation amount of 88,857 tons, 94,844 tons and 115,604 tons, representing 38.87 percent, 42.83 percent and 49.87 of total domestic cultivation volume respectively.

• Overview of global sweet corn exports

Reports from the International Trade Information Centre (ITC) indicate that the value of world export for frozen sweet corn (07104000, Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen) in year 2015, year 2016 and year 2017, equivalent to USD 393.07 million, USD 395.59 million and USD 414.79 million, respectively. The countries with the highest 3 export value in 2017 was the United States (USD 102.23 million), Hungary (USD 58.94 million) and Belgium (USD 33.45 million), respectively. The volume of world export for frozen sweet corn (07104000), in year 2015, year 2016 and year 2017 were 453,900 tons, 401,249 tons and 409,709 tons respectively, with the top 3 export countries, including the United States (87,532 tons), Hungary (72 989 tonnes) and China (30,573 tons).

The value of world export for sweet corn (20058000, Sweetcorn “Zea Mays var. Saccharata”, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)), in year 2015, year 2016 and year 2017, equivalent to USD 850.45 million, USD 877.53 million and USD 907.65 million, respectively. The countries with the highest 3 export value in 2017 was Hungary (USD 198.39 million), Thailand (USD 195.54 million) and France (USD 152.76 million), respectively. The volume of world export for sweet corn (20058000), in the 2015, year 2016 and year 2017 were 707,666 tons, 748,574 tons and 768,843 tons respectively, with the top 3 export countries, including Thailand (208,710 tons), Hungary (186,715 tons) and France (105,067 tons).

For an understanding of the product coordinates of sweet corn that has the different coordinates which 07104000 means sweet corn that is used freezing process to maintain the condition of processed sweet corn after passing the process with heat and 20058000 mean sweet corn does not use freezing but will use salt or other additives (Except vinegar) to maintain the condition of processed sweet corn after passing the process with heat. While the company's main products are canned sweet corn that is not frozen but will use salt as a component in production to maintain the condition of sweet corn products therefore being classified in 20058000, with 84.29% of export value of all sweet corn products from the company and the value of export products under 07104000, which is frozen corn accounted for 15.71 percent of the total export of sweet corn products of the company.

• Overview of the sweet corn market in Thailand

Thailand has become one of the top 10 exporters in the world, both in quantity and value. If considered specifically in sweet corn products based on information from the International Trade Information Centre (ITC) found that in 2015 - 2017, Thailand has the export value of Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen (07104000) increased continuously throughout the period which in year 2015, 2016 and year 2017 was USD 19.74 million, USD 21.76 million and USD 24.76 million, respectively. Sweet corn export volume in 2015, 2016 and 2017 is 17,494 tons, 18,217 tons, and 20,884 tons, respectively, or equivalent to the amount of exports equal to 5% of the total global export volume.

For the export of Sweetcorn “Zea Mays var. Saccharata”, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen), Thailand is considered the world's largest exporter, both in terms of value and quantity. In year 2015, year 2016 and year 2017, Thailand exported sweet corn with the total value is USD 180.02 million, USD 196.00 million and USD 195.54 million, respectively while the export volume in year 2015, year 2016 and year 2017 is 186,060 tons, 209,251 tons and 208,710 tons respectively.



• The Table shows the value of sweet corn exports divided by the 10 major exporters

Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen ^{/1}

(Million USD)	2013	2014	2015	2016	2017
United States	64.55	82.02	81.64	98.06	102.23
Hungary	63.19	79.29	59.13	58.26	58.94
Belgium	30.96	30.22	34.33	29.32	33.45
Thailand	14.70	17.55	19.74	21.76	24.76
China	25.31	23.68	21.96	22.72	24.26
Canada	19.25	19.40	27.42	22.38	23.59
France	29.16	24.76	20.23	20.03	21.48
Spain	13.42	19.71	18.10	19.66	20.79
Poland	13.16	15.74	13.84	12.59	15.79
New Zealand	17.59	18.38	16.02	14.32	15.53

Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)^{/2}

(Million USD)	2013	2014	2015	2016	2017
Hungary	220.71	228.73	179.31	185.02	198.39
Thailand	178.69	206.35	180.02	196.00	195.54
France	207.61	210.36	149.82	140.10	152.76
United States	129.35	118.29	114.10	107.87	109.81
China	57.41	58.90	54.93	75.46	66.57
Spain	41.62	44.61	41.55	41.06	41.33
Belgium	49.78	44.79	33.09	31.54	29.62
Brazil	13.23	10.36	10.14	12.03	15.92
Russia	17.53	13.44	9.58	11.58	12.75
Natherlands	4.78	7.37	4.98	5.73	11.55

• The Table shows the volume of sweet corn exports divided by the 10 major exporters

Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen ^{/1}

(Tons)	2013	2014	2015	2016	2017
United States	53,252	70,637	69,913	84,469	87,532
Hungary	58,911	75,397	70,961	73,531	72,989
China	32,087	30,398	28,001	28,981	30,573
Belgium	22,020	21,352	31,684	26,142	30,398
France	24,973	20,080	21,939	21,454	23,114
Spain	13,266	17,683	19,964	20,498	21,642
Canada	16,112	17,462	26,969	19,778	21,480
Thailand	11,846	14,702	17,494	18,217	20,884
Poland	13,006	15,550	15,420	14,885	20,413
India	12,733	7,748	10,023	11,945	13,397

Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)^{/2}

(Tons)	2013	2014	2015	2016	2017
Thailand	167,025	200,044	186,060	209,251	208,710
Hungary	179,041	176,329	163,455	179,779	186,715
France	113,563	115,011	102,334	97,264	105,067
United States	102,992	94,688	92,543	91,048	95,269
China	46,653	44,858	39,537	45,133	37,893
Spain	21,560	24,350	25,068	22,999	23,483
Belgium	27,939	23,824	21,294	20,744	18,845
Brazil	10,776	8,599	10,686	13,268	17,128
Russia	11,544	8,849	7,830	10,136	11,094
Natherlands	2,143	4,970	3,999	3,834	8,977

Remark : ^{/1} Sweet corn export value data from International Trade Information Centre (ITC) is in accordance with coordinates 07104000 Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen. (Data is presented as of 5 March 2019.)

^{/2} Sweet corn export value data from International Trade Information Centre (ITC) is in accordance with coordinates 20058000 Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen). (Data is presented as of 5 March 2019.)

Agricultural Policy of the Government

The government pay attention to the economy of agriculture as Thailand is an agricultural country. Therefore, the government has the policy to review and announce the agricultural development plan every 5 years in order to be consistent with the changing circumstances in each period. In addition, with the awareness of the importance in the agricultural sector, The Ministry of Agriculture and Cooperatives has set the ministry's motto: "To provide agriculturists with good quality of life, people with safe food for consumption, with their generation of income for the land." The latest agricultural development plan from the government for the year 2017 until the year 2121 (2564) is the main objective of the agricultural development of the country.



• To develop the potential of farmers

The government has planned to focus on strengthening their career and capacity through knowledge the transfer to farmers that develop professionalism and network building for the solidarity of farmers and with related agricultural organizations.



• To increase efficiency in productivity management

the government has planned to focus on supply chain management to support the production of standardized products, reduce production costs along with the development and increased value of agricultural products.



• To gain a competitive advantage through the use of technology and innovation

The government plans to support research related to technology and agricultural innovation. The Agricultural Information Center was set up as a learning resource for farmers.



• To create sustainable security in natural resources and environment

the government policy has supported friendly farming environment and creates a proper allocation of agricultural land in order to develop agricultural industry infrastructure.

Overview of sweet corn consumption

Analysis by Economic Intelligence Center (EIC) according to data from BCC Research, Agrarmarkt Austria Marketing says that the current consumption trend is that most consumers start to consider more health. As a result, the value of the food market is growing steadily. Especially in the United State, Europe and Japan markets where the demand for supplementary food and beverages has grown steadily over the past several years. From the fact that consumers pay more attention to the things they consume and the increase in the proportion of the elderly population will increase the demand for ready-to-eat food in order to meet the convenience and save time. The important factors that affect the decision of consumers in this group are price, ease of consumption, ease of buying Including safety and hygiene. The fastest growing market the most in food segment is the Halal food market and the food market for the elderly.

Overview of sweet corn imports of major importers

According to the International Trade Centre (ITC) indicates that the significant amount of frozen sweet corn (07104000, Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen) consumption, Japan is considered to be the country with the highest demand for sweet corn with the highest import value USD 78.27 million in 2017, followed by the United Kingdom, which has the import value of sweet corn as high as USD 46.47 million and the third is Belgium Which has the value of importing sweet corn as high as USD 39.58 million. Moreover, the value of world export for sweet corn (20058000, Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)), Japan also as the largest value importer, which reached USD 98.60 million in 2017, followed by the United Kingdom, with a value of USD 87.93 million and Germany which reach USD 84.81 million.

Total import volume of frozen sweet corn (07104000, Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen), United Kingdom is the country with the highest import volume as 52,617 tons, followed by Japan 52,287 tons and Belgium 49,057 tons. For import volume of sweet corn (20058000, Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)), The countries with the highest 3 export value in 2017 was Germany 73,502 tons, United Kingdom 66,788 tons and Japan 61,865 tons respectively.

• The Table shows the value of sweet corn imports divided by the 10 major exporters

Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen ¹

Country	2013	2014	2015	2016	2017
Japan	74.26	65.02	66.79	71.98	78.27
United Kingdom	52.50	59.31	51.96	44.47	46.47
Belgium	38.80	44.62	33.88	35.37	39.58
United States	27.95	27.18	36.45	32.89	35.27
China	16.17	16.30	16.96	16.19	17.32
Iran	4.76	6.44	8.36	12.75	12.67
Germany	16.34	18.29	15.79	14.92	12.31
Saudi Arabia	15.04	12.63	12.47	13.57	12.19
Canada	6.48	7.41	7.23	7.64	11.40
Australia	13.42	13.26	11.41	9.70	10.85

Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)²

Country	2013	2014	2015	2016	2017
Japan	92.42	91.64	91.30	86.65	98.60
United Kingdom	94.14	100.59	80.75	88.24	87.93
Germany	107.46	106.21	86.88	84.10	84.81
Spain	76.48	70.24	65.97	58.66	60.37
South Korea	34.50	33.71	38.77	43.69	43.03
Belgium	50.92	54.48	42.29	36.68	40.47
France	53.89	58.05	30.22	31.23	37.50
Italy	34.80	36.87	30.85	30.19	31.45
Sweden	26.57	34.86	28.90	30.33	28.88
Taiwan	28.90	28.48	28.06	30.99	28.50

• The Table shows the volume of sweet corn imports divided by the 10 major exporters

Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen ¹

Country	2013	2014	2015	2016	2017
United Kingdom	44,929	50,265	51,996	50,019	52,617
Japan	46,616	41,216	43,878	49,026	52,287
Belgium	35,216	41,256	36,404	41,910	49,057
United States	21,054	22,076	32,519	25,929	29,256
Russia	10,887	12,177	13,983	12,549	14,492
Iran	7,572	7,572	9,557	13,420	14,315
Canada	5,022	5,022	5,006	5,954	13,929
China	12,641	12,695	12,960	12,652	13,390
Germany	12,911	13,613	14,942	13,920	12,450
Saudi Arabia	11,456	9,474	10,770	12,123	11,016

Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen)²

Country	2013	2014	2015	2016	2017
Germany	74,222	74,000	71,589	71,278	73,502
United Kingdom	56,438	58,832	56,724	67,564	66,788
Japan	54,482	55,013	55,400	56,117	61,865
Belgium	32,913	33,076	31,966	26,774	45,578
South Korea	30,455	32,683	37,848	45,265	45,562
Spain	40,992	43,035	44,130	29,911	30,284
France	34,415	37,957	24,193	25,869	30,233
Russia	44,807	47,463	23,638	26,375	25,414
Taiwan	23,926	24,405	25,151	28,246	25,312
Italy	19,306	19,565	21,576	22,341	22,992

Remark : ¹ Sweet corn export value data from International Trade Information Centre (ITC) is in accordance with coordinates 07104000 Sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen. (Data is presented as of 5 March 2019.)

² Sweet corn export value data from International Trade Information Centre (ITC) is in accordance with coordinates 20058000 Sweetcorn "Zea Mays var. Saccharata", prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen). (Data is presented as of 5 March 2019.)

According to Information and Communication Technology Center with Cooperation of the Customs Department indicate that sweet corn products exported from Thailand can be divided into 2 types such as frozen sweet corn (coordinates 071040 according to the principles of the Thai Customs Department which mean to sweetcorn, uncooked or cooked by steaming or by boiling in water, frozen that have the same meaning with the principle of the International Trade Information Centre) and processed canned sweet corn (coordinates 200580 according to the principles of the Thai Customs Department which mean to sweetcorn “Zea Mays var. Saccharata”, prepared or preserved otherwise than by vinegar or acetic acid (excluding frozen) that have the same meaning with the principle of the International Trade Information Centre). The country that imports the most frozen corn from Thailand is Japan with a value of 427.34 million baht in 2018 followed by Iran with a value of 343.73 million baht and Taiwan with a value of 21.20 million baht for processed canned sweet corn the most imported countries from Thailand in 2018 are Japan, South Korea and Taiwan with a value of 1,638.76 million baht, 809.72 million baht and 533.35 million baht respectively.

The table shows the top 10 importers that import frozen sweet corn from Thailand by value and change

Country	Value (Million Baht)			Change (%)		
	2016	2017	2018	2016	2017	2018
Japan	461.16	460.10	427.34	13.14	(0.23)	(7.12)
Iran	261.31	313.41	343.73	14.81	21.09	8.63
Taiwan	22.39	20.65	21.20	83.22	(7.77)	2.66
United Kingdom	0.02	3.03	11.58	(75.00)	15,050.00	282.18
Netherlands	2.10	7.52	5.44	-	258.10	(27.66)
South Korea	3.47	7.29	4.56	24.82	110.09	(37.45)
China	5.10	18.45	3.36	696.88	261.76	(81.79)
Myanmar	0.62	0.34	3.35	416.67	(45.16)	885.29
Malaysia	2.60	2.66	3.28	(42.48)	2.31	23.31
United States	1.44	2.80	1.99	(51.52)	94.44	(28.93)

Source: Information and Communication Technology Center with Cooperation of the Customs Department

The table shows the top 10 importers that import processed sweet corn from Thailand by value and change

Country	Value (Million Baht)			Change (%)		
	2016	2017	2018	2016	2017	2018
Japan	1,375.59	1,451.30	1,638.76	17.59	5.50	12.92
South Korea	779.73	748.19	809.72	29.11	(4.04)	8.22
Taiwan	637.92	504.50	533.35	23.26	(20.91)	5.72
Philippines	442.89	370.30	361.02	75.36	(16.39)	(2.51)
United Kingdom	257.86	241.27	290.67	(5.98)	(6.43)	20.47
Russia	150.65	173.31	226.13	3.67	15.04	30.48
Saudi Arabia	262.67	253.16	218.86	32.90	(3.62)	(13.55)
Australia	239.40	236.98	215.70	(4.75)	(1.01)	(8.98)
Lebanon	215.60	219.24	201.34	4.25	1.69	(8.16)
Norway	173.90	222.59	185.32	(0.43)	28.00	(16.75)

Source: Information and Communication Technology Center with Cooperation of the Customs Department



Competition

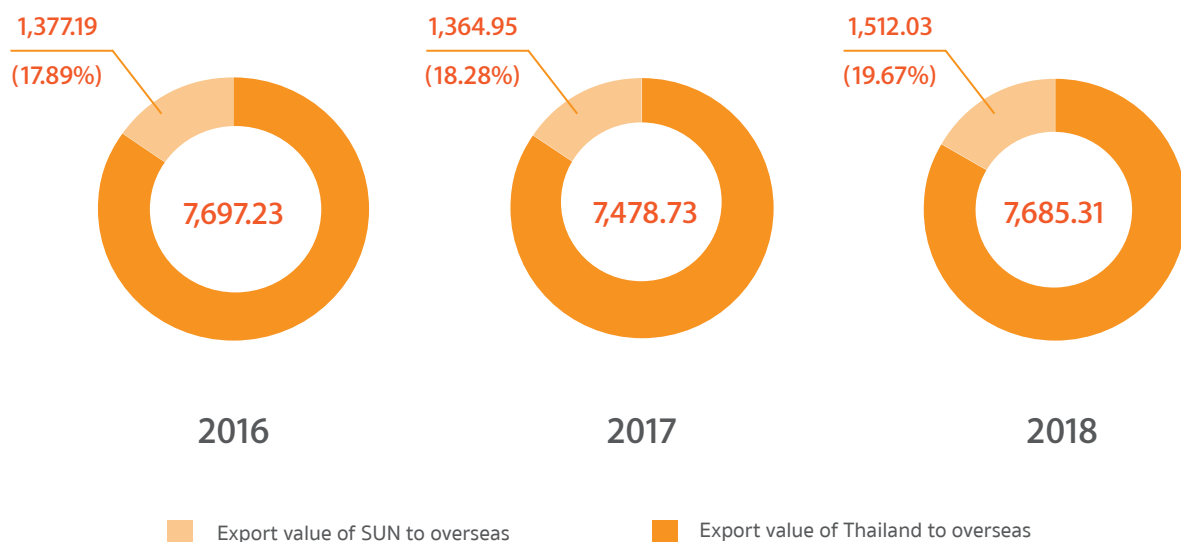
• Domestic Competition

Thailand has only a few processed sweet corn producers capable of producing high-quality sweet corn products due to this market to have oligopoly by 4 companies that can produce high quality processed sweet corn including

- (1) River Kwai International Food Industry Company Limited
- (2) Karn Corn Company Limited
- (3) Sunsweet Public Company Limited
- (4) Majestic Food Industries Company Limited

When comparing the export revenue of processed sweet corn products of Sun Sweet Public Company Limited, the export value of sweet corn products in Thailand, coordinates 07104000 and 20058000 (data from the Information and Communication Technology Center Office of the Permanent Secretary, Ministry of Commerce With cooperation from the Customs Department) between 2016 and 2018, showing that the export ratio of sweet corn products of the company has increased significantly. In 2016, 2017 and 2018, the company's export value is 1,377.19 Million baht, 1,364.95 million baht and 1,512.03 million baht or 17.89 percent, 18.28 percent and 19.67 percent of the total export value of sweet corn products in Thailand respectively.

Comparison of export sweet corn proportion between SUN and Thailand



• International competition

In foreign countries, many companies have been able to keep the first-place position in their industries for a long time. France had one of the largest companies who is the primary competitor in the market which has a history more than 100 years and expertise in producing various processed vegetables and especially sweet corn products. Moreover, this company can sell their products and services in the European Union at a high price without additional taxation according to a benefit for a producer in the European Union.

Information from the International Trade Information Centre (ITC), during the year 2017 and 2018, the proportion of sweet corn product exports value in the coordinates 0710400 and 20058000 of the company when compared with world exports has increased in 2017 and 2018 is 3.02% and 3.04% of the total export value of sweet corn products worldwide.

The Table shows the proportion of export value of SUN to overseas compared to export value of Thailand to overseas

(Million Baht)	2017	2018
Export value of SUN to overseas	1,377.19	1,364.95
Export value of Thailand to all countries	45,616.49	44,881.60
SUN export ratio relative to sweet corn exports of all countries	3.02%	3.04%



Sources of Raw Material

Sources of raw material – Sweet corn

The main raw material of the company's products is sweet corn, which is used in the production of all major products. The company has purchased all raw materials in the country and has a standard for quality control of raw materials as well as manage purchase orders with proper demand forecasting to meet the production demand and customer needs.

All raw materials at the factory must entry to the quality inspection process to ensure that the quality of raw materials meet the specifications. In terms of raw materials selection, the company has defined corn varieties, characteristics, and quality such as a straight cob, long, no curve, aligned corn kernel, consistent coloring, no defects, age of the corn, weight, size, and growing the corn according to Good Agricultural Practice standards (GAP).

Currently, the source of the sweet corn comes from 13 provinces, in the upper and lower northern part of Thailand. There are 3 methods of sourcing such as through people who source raw materials (Broker), through Smart Farming encouraged by the company, and individual farmers through contract farming as follows



• Broker

The company has a contract with the raw material collector who acts as an intermediary to collect fresh sweet corn (or raw material) from the farm and nearby to deliver to the factory under quality, quantity and price as agreed in the contract. The broker can be divided into 3 types as follows

1. Large size brokers

the raw material collector that source raw materials from an area of over 300 rai and grows continuously for 6-8 months. The company and collectors have a 1-year long term contract agreement and plantation plan of sweet corn in order to meet

2. Medium size brokers

the raw material collector that source raw materials from over 100 rai of area which have a monthly contract agreement with the company and collectors.

3. Small size brokers

the raw material collector that source raw materials from lower than 100 rai of area. The company and collectors have a monthly contract.

The Company will consider purchasing and selling raw materials agreement to the major brokers and will hold a meeting to prepare the raw materials for the company as agreed in the agreement. For the middle and small brokers, the company will consider the quantity of raw materials on a monthly basis. The company has a process for selecting and evaluating qualified brokers. The purchase price will be in accordance with the agreement.

The company and brokers will plan the planting together and they are responsible to distribute the planting plans to the farmers under the contract to get the yield according to the planting plan and cover the demands that state in Buy-Sell agreement between broker and company. The company's raw material team will cooperate to explore the area and educate farmers continuously. In addition, the brokers must submit planting information, planting area, and history of farmers to the company on a weekly basis in order to process and plan for receiving the raw materials.

In the term of the production season in 2017/2018 (between October 2017 - September 2018), the brokers will collect and supply sweet corn from farmers in the northern part of Thailand with 85,351 rai of the total area that divided into provinces as follows

Province	Planting season of Sweet corn and production season 2017/2018 in October 2017 - September 2018 (rai)	Proportion of total area (%)
Chiang Mai	26,591	30.44
Chiang Rai	16,595	19.00
Lampang	11,180	12.80
Other provinces	32,985	37.76
Total	87,351	100.00



• Farmers who are promoted cultivation by the company in Smart Farm Project

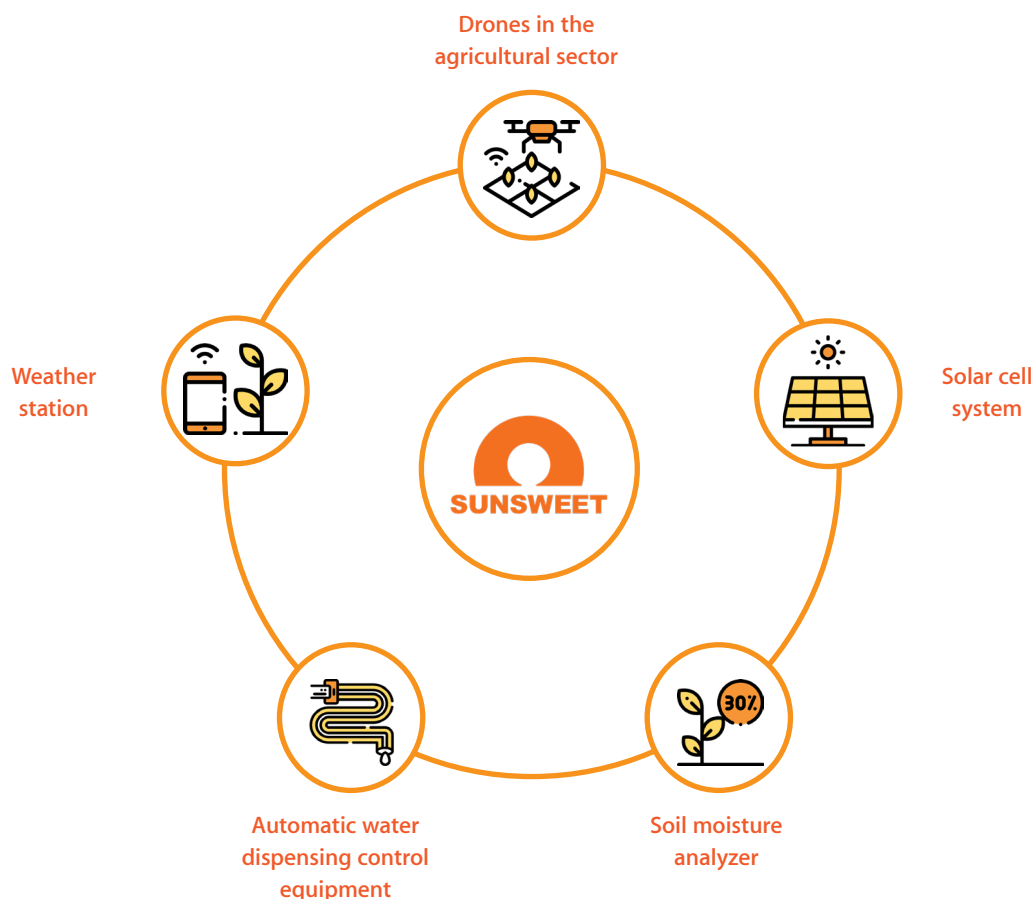
The company started the Smart Farming project in December 2012, with the objective of enhance production technology to develop sweet corn plantation for farmers. Farmers who participate in Smart Farming, the company will be supported by soil nutrient analysis, planting techniques to increase yield per rai, dripping water systems to give crops the optimal amount of water. There is also a constant update of farming technique, knowledge and close monitoring from the first stages of planting to the last stages of harvesting and sending to the factory. In order to receive the raw materials that meet the quality standard, quantity agreement, reduce costs and increase profits for farmers.

Smart Farming project is a direct contract between farmers and the Company, where the farmer will sell sweet corn to the company at a fixed price according to the contract.

In 2017/2018 (between October 2017 - September 2018), the company has made a contract with 175 farmers with amounting to 2,375 rai of agricultural area.

Province	Sweet corn planting season, production season 2017/2018 October 2017-September 2018(rai)	Proportion of total area (%)
Chiang Mai	1,954	82.27
Lamphun	415	17.48
Mae Hong Son	6	0.25
Total	2,375	100.00

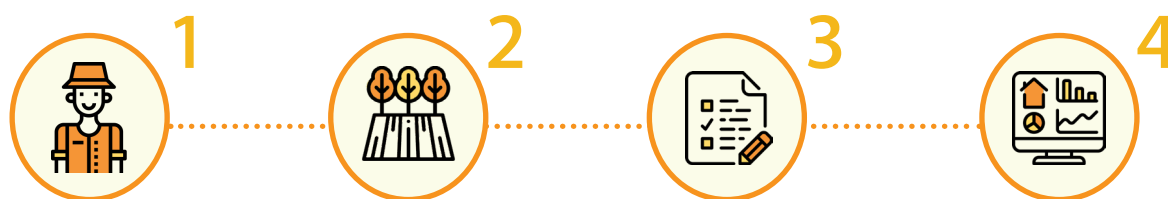
The company pays attention to support and encourage farmers to grow sweet corn by initiating a project to promote Smart Farming project by promote with farmers who has planting area around the factory in a radius of approximately 50-100 kilometers, such as Mae Wang District, San Pa Tong District and Chom Thong District in Chiang Mai Province, as well as some areas in Lamphun Province. Which Smart Farming is a farming management concept using automatic measurement and control technology to control sweet corn planting, such as weather stations which able to measure the change in temperature, the response of crops to the different weather variables and the relative humidity in the air which can be able to determine the water absorption and water evaporation of sweet corn, rainfall, speed, wind direction, and sunlight intensity is the key factor in photosynthesis of corn in each period and this technology will automatically send information and report the data in real time and all information will be sent over the network back to the central server. It is a more efficient use of the data that will result in increased overall efficiency on the farm.



In addition, there is also the use of soil moisture analyzer and automatic water dispensing control equipment. Which the sensor is installed at the same level as the root of the corn to measure the amount of moisture in the soil and determine the useful moisture range for corn in each plot. And send the value to the processing unit with the wireless transmission system. If any cultivation plot has a lower humidity level than the moisture content that is beneficial to corn, the control system will control the electronic water valve by switching on water pumping systems for supplying water to cultivation plot and the switch will shut off the water pump system automatically when the cultivation plot has the appropriate moisture level. The sensor and valve system is powered by 6-volt solar power systems which can be installed and working in all terrain.

Water control systems in plantation can provide the highest quality raw materials that meet standards and consistent performance which can be harvested two or three times a year which the agricultural using smart farming model can be produced 3 tons per rai while the normal corn production yields are 1.5 - 2.0 tons per rai. Therefore, promoting farmers through the smart farming project will focus on increasing sweet corn yield per rai, reduce production costs, reduce the risk of raw materials quality, including leading to higher standards to create added value by using technology to use in the management.

• Consideration process to support farmers in smart farming project



Consideration process to support farmers in smart farming project

Consideration process to support farmers in smart farming project as follow

1. Farmers contact company to request to join the smart farming project.
2. Company's staff survey the area will use for the cultivation and a qualification in agriculture of each farmer in order to consider the suitability of a location for plantation by determining the important factors such as farmers identity, a soil condition for plant growth should be sandy loam, and planting area should near the sources of water supply.
3. After completing the qualifies, the company will process for contracting and signing the agreement and including the collateral that the farmer must bring to the company, such as a certificate of title or vehicle registration etc. or guaranteed by the concerned person. After signing a contract, the company will support corn seed and essential chemical for cultivation.
4. The company have been collecting data about farmer farms on all aspects of their farm cultivation and including delivery history from farm to the company in order to consideration of future promotion contracts by using program and technology to help company collect farm data, planting information, forecasting and harvesting time, etc. and analyze data by using data collection software integrated with Microsoft Office Home Power BI to be used in future work planning.

A model for supporting farmers

Supporting farmers is part of strengthening the company's raw materials and business expansion to encourage farmers to grow corn and get good yield and quality. On the other hand, it also increases the income security for participating farmers. The company has the form of supporting the cultivation of corn to farmers as follows.



• Sweet corn seeds supporting

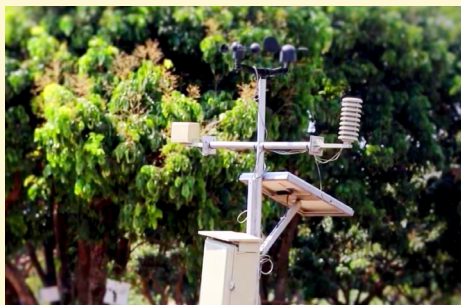
Sweet corn seeds are an important factor in the cultivation of corn because the yield is highly variable due to factors such as weather, environment, fertilizer, and the effects of these factors. Corn can be managed by selecting suitable varieties of corn for different areas that produce a good yield. Thus, research and development of corn varieties, studies on soil and organic fertilizers used and related agricultural studies are very important. The company provides seed support to farmers and Brokers. The expense for seed will be deducted when the farmers or the brokers sell sweet corn to the company at the agreed price. In the case of farmers or the Brokers would like to buy seeds by themselves, the company will specify the sweet corn seeds variety.



To develop new varieties of sweet corn varieties that have high potential in terms of quality of consumption, suitable for industrial production for export and as a species that is suitable for the climate in Thailand, the company has joined with Pacific Seed Company to cooperate in developing sweet corn varieties for the industry.



training and provided knowledge about the use of drones in the agricultural sector



drones in the agricultural sector, weather station, ระบบน้ำหยด, solar cell system of Smart farming system

• Training in the term of planting corn and using agricultural tools

In order to help farming be more efficient and productive, the company has organized training and provided knowledge about the use of agricultural tools for farmers especially the use of drones in the agricultural sector (precision agriculture) which the company encouraged farmers to use this new technology to monitor their fields in order to improve crop yields and farm efficiency. Agricultural drones can reveal many issues such as For example, reduce fertilizer use, spraying of pesticides, a cost reduction particularly by replacing labour with new technology, accurately identify plant diseases issue in a specific area, and this will also help to reduce the spread of chemicals that farmers may receive both exposure and inhalation while spraying and agriculture drone can control the right amount of the chemicals dropped into the fields in the right direction and at the right amount. The drone can be sprayed automatically by remembering of the area that needs to be sprayed and the last position. When the chemical in the tank runs out it can return to the starting point and return at the same point. The drones can adjust the height and low automatically during the flight in case of sloping or lower ground.

By training drones for farmers has trained the farmers to try to actually force and tested according to the flying drones principle. Therefore, the drones for agriculture are an interesting alternative to modern agriculture. That can be developed and further expanded to increase the efficiency of cultivation which educating farmers are beneficial for companies and farmers. As a result, farmers will be able to produce quality products and obtain sufficient output as agreed, making farmers more stable income while the company can control, and maintain the quality and quantity of raw materials regularly because there is a company staff to advise and help monitor cultivation from the beginning to the sweet corn harvest.

This project is done at a reduced cost of pesticides used about 50 percent.



• Farmers through Contact Farming

The company has a contract to buy direct from farmers in the area that have their own area of around 3-5 rai to grow sweet corn. The difference between contact farming and smart farming is that the contract for contact farming is done for each planting cycle. Basic knowledge will be provided to farmers to achieve a high-quality yield that has the same standard as Brokers and Smart Farming. The contract also includes that sweet corn will be sold to the Company at a fixed price. Currently, there are over 20,000 farmers contracted through Contract Farming, covering an area of 50,000 – 100,000 rai in northern Thailand. There are 3 major Contract Farming locations that deliver sweet corn in 2016-2018, details are as follows;

Proportion of Sweet Corn through Contact Farming	2016		2017		2018	
	Tons	%	Tons	%	Tons	%
Broker	90,680	94.08	94,934	96.13	122,410	96.60
Large Broker	52,697	54.67	59,207	59.95	84,017	66.30
Medium Broker	23,179	24.05	20,344	20.60	12,433	9.81
Small Broker	14,804	15.36	15,383	15.58	25,960	20.49
Smart Farming	3,441	3.57	119	0.12	320	0.25
Contract Farming	2,267	2.35	3,705	3.75	3,985	3.15
Total	96,388	100.00	98,758	100.00	126,715	100.00

Remark: In 2017 and 2018, the Company has received a decreasing amount of raw materials through Smart Farming project. This is due to the Company redeveloping and improving the structure of Smart Farming to increase its efficiency

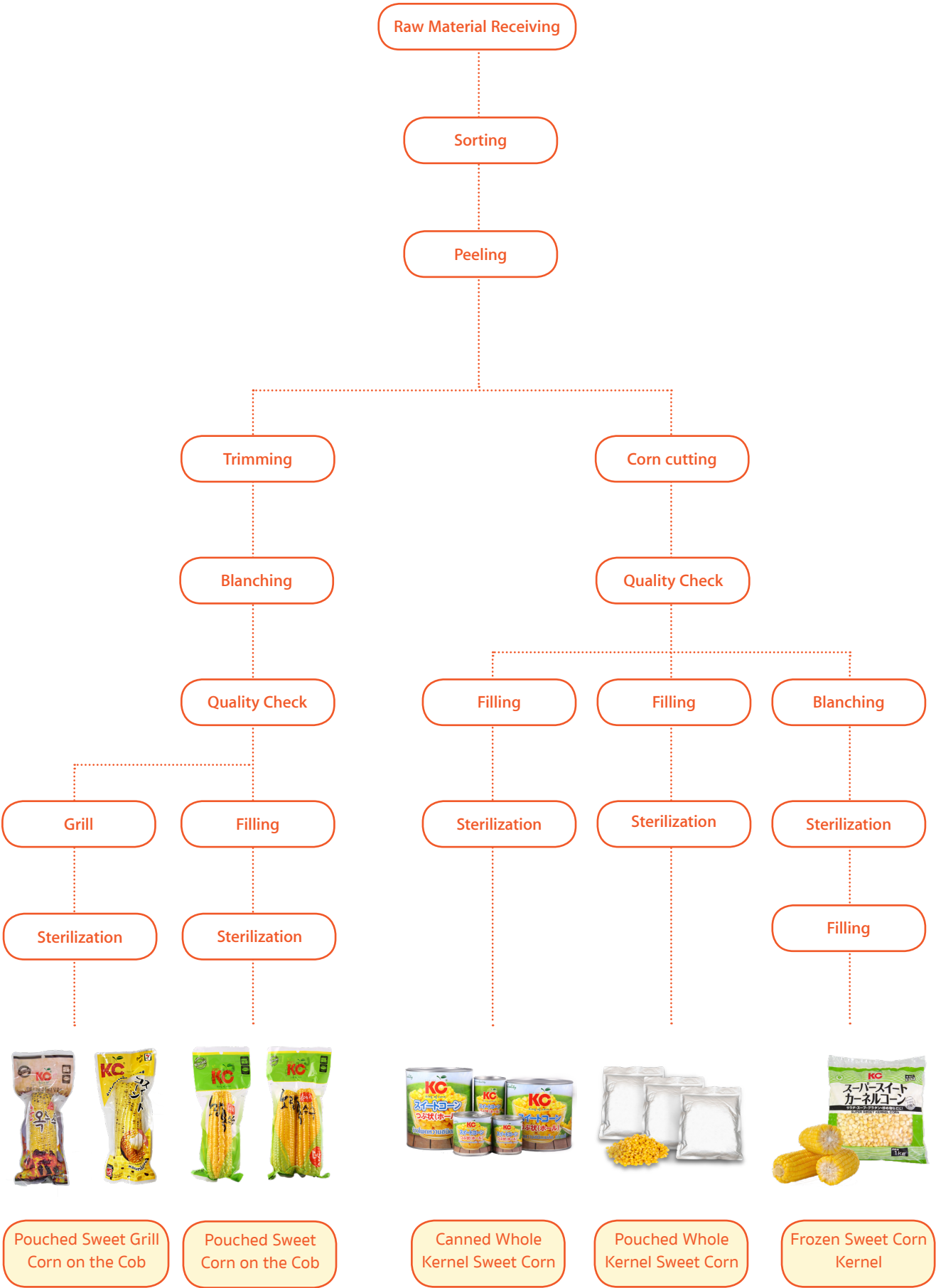
LEADING SWEET CORN BUSINESS

which operates vertically integrated business as well as focus on modern technology and international standards.



The company recognizes the responsibilities in agricultural environment, including global national resource which is significant to quality and food safety as well as add values and long-term benefits for the customers, business partners, all employees and the community which are able to response trends changes.

Production Process



Production process and capacity

Currently, the company has a production facility with a capacity of 150,000 tons per year, located at No. 9 Moo 1, Tambon Toongsatok, Sanpatong Chiangmai Province The total area is 62-2-90 rai.

• Production process

The production process is starting from receiving raw materials from farmers or collectors into factory reparation of raw materials into the production process, as well as packaging for sale to customers. The details are as follows

Step 1 Raw Material Receiving

Sweet corn is the main raw material for all kinds of products. So, there will be plenty of sweet corn from various sources. The raw materials are sent to the factory continuously every day. The company should have an excellent plan in receiving raw materials from collectors and farmers in advance to reduce waiting time before processing because delay time after harvest will be affected to corn sweetness thus before start production randomly checks the quality of sweet corn is necessary.

Step 2 Preparation of Raw Material Preparation

After passing the random sampling procedure and receiving sweet corn, selecting sweet corn by manual which one pass quality standard is direct to process of Pouch Sweet Corn on the Cob. The remainder of the sweet corn is trimmed and steamed blanching purpose to soften and easy to peel in next step after peeling corn are cut into a kernel and control kernel corn quality by machine. After that pass to Canned Whole Kernel Sweet Corn, Pouched Whole Kernel Sweet Corn and Frozen Sweet Corn processing respectively, by product, all of the processes will be collected and sold.

Step 3 Production and Packing (Filling)

Kernel sweet corn will be grading into regular and large sizes before packing into various types of packaging. After that, it will be filled with the desired formula such as sugar-free formula, salt formula and then it will be weighed to obtain the standard weight as required through the process of lid closing, sealing and prepare to the next process.

For the production of frozen sweet corn products, kernel sweet corn was separated and brought to Frozen Sweet Corn Production Unit. It will be washed again, steam blanched purpose to enzyme Inhibit. After that cooling, Individual Quick Freezing (IQF) process at -40 ° C. and sorting frozen kernel corn purpose to get rid of defect respectively. The final step is to pack into the package according to the required size and weight. Seal the bag and put it into the carton. Then kept it in refrigerated room at -18 degree Celsius.

For ready to eat product sweet corn which passes quality inspection were cut in to size as required by cutting machine, corn silk removal, blanching (for corn grilled cooked sweet corn will be grilled after this step), packed in to pouch bag water or brine added as required, vacuum sealing before cooling and metal detecting.

Step 4 Commercial sterilization process for Industry level

Canned kernel sweet corn, Pouch kernel sweet corn and ready to eat pouch sweet corn on the cob are commercially sterilized to maintain food quality and preserve food preserved food through shelf life. Furthermore, Pouch sweet corn on the cob can also be pasteurized and storage at 2 - 6 Celsius for 7 days.

Step 5 Labeling and Packaging

After sterilized process product has been identify code, keep production record and stored in the warehouse at least 7-14 days Microbial check product by randomly. When ordering from customers this product will be withdrawn from the warehouse for labeling and packaging according to the customer's requirements.

• The capacity of the company can be shown as follows;

Product	Unit	2016	2017	2018
Canned whole kernel sweet corn and pouch sweet corn (vacuum packed)				
Full Capacity	Tons Rawmat	150,000	150,000	150,000
Utilization	Tons Rawmat	76,599	86,436	103,374
Capacity Utilization Rate (%)	%	51.07	57.62	69.92
Frozen sweet corn				
Full Capacity	Tons Rawmat	16,200	16,200	20,880
Utilization	Tons Rawmat	14,662	11,293	17,793
Capacity Utilization Rate (%)	%	90.51	69.71	85.21

In addition, the company manages the factory by using renewable energy from the rest of the raw materials, excess energy, and waste from the production process, such as the steam power from the steam generator in the boiling process to be used as renewable energy for use in the factory. The corn cob, Corn husk and other parts of corn are made into biomass. Also waste water management for biogas production (biogas) to produce electricity for use in some parts of the factory and the rest can be for distribution to Provincial Electricity Authority.

• Biomass production process and biogas



- The remaining corn cob from the production process is mixed with palm shells and wood pallet and burned as fuel for steam production. The steam produced will be used as fuel in the production process in the plant.
- Another use of corn cob surplus is for electricity production by incorporating the squeezed water from the corn cob and used in fermentation process where a chemical reaction is the outcome leading to electricity. This energy is then used in the factory and the surplus is sold to the Provincial Electricity Authority of Thailand (EGAT).

Electricity production data for 2016 - 2018	2016	2017	2018
The amount of electricity produced (kilowatts)	445,080	745,460	607,350
The amount of electricity recycled within the factory (kilowatts)	392,823	685,732	570,606
The amount of electricity sold (kilowatts)	34,454	29,910	12,450
Electricity Consumption (Baht)	140,755	117,222	47,871

Quality system and product standard

The Company is committed to maintaining and developing quality standards for its products on a global scale basis. Quality management and control in each stage of production, from procurement to raw material inspection, quality control during production and until to transit. Presently, the company has received the following important accreditations:

Quality System Standards

The company has been certified Environment Management System (ISO 14001: 2015) by the Registrar of Systems (URS) under the United Kingdom Accreditation Service (UKAS) for recognizing the importance of environmental management for environmental care and development alongside business development.

Product Standards

The company's products have been certified with various product standards.

• British Retail Consortium (BRC)

UK's leading retailer of food safety standards, it covers Hazard Analysis & Critical Control Points (HACCP). Environmental Control Standards of Establishments Product, process and personnel controls by BRC apply to operators who wish to ship to UK-based retailers using their own brand. Its products have been certified by SGS United Kingdom Ltd, a United Kingdom accredited United Kingdom Accreditation Service (UKAS).

• International Food Standard (IFS)

It is a standard for the production of good quality food and safe for consumers by the Federal Retailer, Republic of Germany and retailers - wholesalers of the French Republic to determine the quality and safety of food for retailers. The aim is to help assess the food safety measures of the manufacturer to meet the quality standards. The company's products are certified by the Institute, SGS-International Certification Service GmbH, Germany.

• Halal Product Standard (HALAL)

It is certified by the Islamic Central Authority of Thailand that it has correctly processed Islamic Halal practices. This makes the company's products available to Muslim consumers in countries around the world, especially in the Middle East.

• Good Manufacturing Practice (GMP)

It is a certified international food standard and good control in food production to produce food safely. It focuses on preventing and eliminating the risk of food poisoning, harm or insecurity to consumers. Our products are certified by SGS United Kingdom Ltd, United Kingdom under the accreditation of United Kingdom Accreditation Service (UKAS) and the National Bureau of Agricultural Commodity and Food Standards (TAC), under the Ministry of Agriculture and Cooperatives.

• Hazard Analysis Critical System Criteria (Hazard Analysis & Critical Control Points: HACCP)

It is a security management system. It controls the process of producing food free from microbes, chemicals and foreign matter. Our products are certified by SGS United Kingdom Ltd, United Kingdom under the accreditation of United Kingdom Accreditation Service (UKAS) and the National Bureau of Agricultural Commodity and Food Standards (TAC), under the Ministry of Agriculture and Cooperatives.

• Good Agricultural Practices (GAP)

This is the way of farming in order to get good quality products to meet the standards. High yield, investment cost and production process must be safe for farmers and consumers. The use of resources is most beneficial. Sustainable agriculture and not polluting the environment is the principle defined by the Food and Agriculture Organization of the United Nations (FAO) in Thailand, Department of Agriculture Ministry of Agriculture and Cooperatives, the agency responsible for quality assurance system certification as well as the definition, rules and methods of auditing. This is in line with international GAP principles.

Sources of packaging and other raw materials

In addition to raw sweet corn, other important raw materials include

• Package

The company buys canned steel and canned packaging as well as vacuum bags used for canned sweet corn products from domestic manufacturers. This represents approximately 51% of total purchases of raw materials. The company plans to order the packaging annually according to the annual production plan. The purchase order will be ordered from 3-4 local distributors using a purchase order with fixed price and pre-determined amount. The company has purchased tin cans from one domestic supplier. More than 30% accounted for 26.91%, 29.26%, and 27.88% of total purchases in 2016 - 2018 respectively.

• Ingredients

Key ingredient in the production is sugar. The company has entered into a sugar purchase agreement with a local sugar cane mill. The volume and price are determined. The manufacturer will deliver the product periodically. As agreed and subject to the Seller's approval from the Office of Sugarcane and Sugar Board (if instructed by the Office of the Cane and Sugar Board), if the government agency controls, adjusts the price, controls or adjusts the VAT base, both parties will agree on a new price. To follow the rules, notifications and terms are modified.

Purchase proportion of raw materials used in production year 2016 – 2018

Purchase proportion of raw materials used	2016		2017		2018	
Raw materials, corn	476.31	54.38	461.95	48.60	594.30	47.86
Packaging	388.15	44.32	471.42	49.59	628.52	50.61
Ingredients	11.38	1.30	17.21	1.81	18.96	1.53
Total	875.84	100.00	950.58	100.00	1,241.78	100.00

Environmental Impact



In addition to the importance of quality and product standards. The company has always paid attention to environmental protection. The company was certified ISO 14001: 2015, which is the standard of environmental management system. Environmental management system is the management of resources and environment along with business development. The emphasis is on prevention of pollution and environmental protection to reduce the impact on the environment including lower production costs in the business.

The company has conducted environmental impact audits to set up preventive measures. The company has employed independent experts to perform environmental quality measurements that affect air, water, and noise which was completed by ALS Group Laboratories (Thailand) Co., Ltd. on 27-28 April 2018 and 15-17 December 2018 found that the company is in the standard that does not cause any problems. In addition, the company has never had any dispute or lawsuit about the environment in the business and has never been warned or fined on such matters. The company has strictly adhered to the laws relating to the environment. Waste water from the production process passed through the wastewater treatment. It is used for power generation in the factory or sell to provincial electricity authority of Thailand the waste water will not be discharged into environment. In addition, the by-products of corn, maize or corn husks are left over. The company will sell these to farmers for animal feed. And some of them will be used to produce biomass and biogas as mentioned above, so there is no waste from raw material that may affect the environment.

For the environmental management of the biogas power plant business, the company also complies with the requirements of the Department of Industrial Works and Ministry of Industry. However, if the power plants have a capacity less than 10 MW, there is no need to prepare an EIA report according to the requirements of the relevant agencies.

Unprocessed Work

- None -



Trading Business

• Nature of Business

Other agricultural products are sourced from domestic or international places, the subsidiary company, Sunsweet International Company Limited (SI), will be responsible for this range of agricultural products which are categorized as follows

Agricultural products that are exported by Sunsweet International (SI) will be sourced domestically and internationally for international customers. These products include foods and agricultural products, such as fresh onions, canned pineapple, fresh coconut, etc.



Fresh Coconut



Fresh Onion



Canned Pineapple

• Competitive Strategy



• Product Strategy

SI has a policy to focus on supplying agricultural products which are not only sweet corn to meet the customers' needs. A variety of products. It must be the same quality and standard of the sweet corn standard of the company. SI also sells agricultural products under KC brand as well such as rice, sunflower oil, corn oil, ketchup, onion and canned pineapple, etc. SI has hired factory owners who have qualities and reliable plants to produce other agricultural products. SI continues to focus on quality control from raw materials to production to create and maintain KC brand and credibility in every product of the Company Group.



• Distribution Channel Strategy

SI Distribution Channels mainly uses distribution channels as same as distribution channels of the company. This means SI will sell other agricultural products and company products together to foreign importers who normally import the products for distribution such as distributors or wholesaler are distributors of agricultural products so SI can use these channels to Distribution through customer groups and does not need to advertise or promote resulting in save cost.



• Price Strategy

SI has a policy to set the price by cost plus method at a level that is competitive in the market. We also provide a wide range of agricultural products for sale to our customers. This represents the potential and centrality of the Group's diverse agricultural products.



• Promotion Strategy

In the field of marketing and promotion for the business of buying and selling of SI will be carried out in conjunction with the marketing and public relations of the company in the past. SI will join the exhibition together with the company and offer other agricultural products to the customers of the company along the way.

• Customer and Targeting



• Overseas Customers

The main International customers for SI are existing customers buying sweet corn products. This group of customers consists of large importers that are either distributors or wholesaler who tend to import various agricultural products.



• Domestic customers

SI also imports products which are agricultural products from abroad. Come to sell to customers in the country Which is a group of customers who are in the food industry and restaurants that require high quality products from abroad the customers in the food industry will continue to use the products in the production process of other types of food products.

• Industry

(1) World's export of agricultural products in the sectors of vegetable, fresh and processed fruit.

According to the International Trade Center (ITC), with data collected on the export value of all agricultural products of the International Trade Information Center exports and imports of fresh and processed fruit and vegetables worldwide and Thailand between 2013 and 2017 are as follows.

The world's export of agricultural products in the sectors of vegetable sector, fresh and processed fruits

(USD Million)

Year	World's export value	Growth (%)	Thailand's export value	Growth (%)
2013	127,279.34	9.84%	3,566.97	9.08%
2014	128,417.90	0.89%	3,900.57	9.35%
2015	124,570.61	-3.00%	4,003.72	2.64%
2016	129,211.44	3.73%	3,755.18	-6.21%
2017	135,219.53	4.65%	3,675.47	-2.12%

The table shows world's export of agricultural products in the sectors of vegetable sector, fresh and processed fruits for five years. The value of world exports in 2013, 2014, 2015, 2016, and 2017 is USD 127,279.31 million, USD 128,417.90 million, USD 124,570.61 million, USD 129,211.44 million, and USD 135,219.53 million respectively with the highest growth rate in 2013, accounting for 9.84 percent and the lowest growth rate estimated at -3.00 percent in 2015.

The table indicates that Thailand's export of agricultural products in the sectors of vegetable, Thailand's fresh and processed fruits is valued at USD 3,566.97 million, USD 3,900.57 million, USD 4,003.72 million, USD 3,755.18 million, and USD 3,675.47 million in 2013, 2014, 2015, 2016, and 2017 respectively and highest increases in the years 2013 to 2014, representing 9.08 percent and 9.35 percent respectively with the lowest in 2016, representing a -6.21 percent.

(2) Import of agricultural products in the vegetable sector; Fresh and processed fruit of the world.

The world's import of agricultural products in the sectors of vegetable sector, fresh and processed fruits

(USD Million)

Year	World's import value	Growth (%)	Thailand's import value	Growth (%)
2013	127,215.52	8.06%	701.25	6.88%
2014	128,023.37	0.64%	686.33	-2.13%
2015	123,747.37	-3.34%	870.01	26.76%
2016	127,401.89	2.95%	1,032.76	18.71%
2017	133,521.95	4.80%	1,112.74	7.74%

With the regard to world's imports of agricultural products in the sectors of vegetable, fresh and processed fruits of the world. This table shows that the value of imports has fluctuated over the past five years. The world's imports in 2013, 2014, 2015, 2016 and 2017 are valued at USD 127,215.52 million, USD 128,023.37 million, USD 123,747.37 million, USD 127,401.89 million, and USD 133,521.95 million, respectively. The highest growth rate is 2013 is 8.06% and has the lowest growth rate of -3.34 percent in 2015, This is according with the declining of the world export rate.

According to Thailand's imports of agricultural products in the sectors of vegetable, fresh and processed fruits, Thailand's import value in 2013, 2014, 2015, 2016, and 2017 Thailand's import values are USD 701.25 million, USD 686.33 million, USD 870.01 million, USD 1,032.76 million and USD 1,112.74 million respectively and have been growing dramatically in 2015 and 2016 and the growth rate of these import are 26.76% and 18.71%, respectively.

• Competition

Trading business is considered to have the highest competition in Thailand and abroad. But, with a diverse customer base in Thailand and abroad SI can be able to have many distribution channels. Also, some products under the brand name "KC" that is sold by Sunsweet International will help Sunsweet International gain recognition and acceptance by customers. This will allow SI to compete both domestically and abroad.

under the brand of the company. SI has a method of selecting factories that are reliable and meet international standards by checking the properties of the owner, and factory visit to see the production process, cleanliness and production standards. This will ensure that the factory owner has a reliable standardized production process which is guaranteed of quality and standard of production in accordance with the SI policy.

Environmental Impact

• Supply of products and services

To supply products in order to distribute the products to foreign countries, SI has procured in the form of purchase and employing a factory owner to produce products

-None-

Unprocessed Work

-None-



Risk Factors

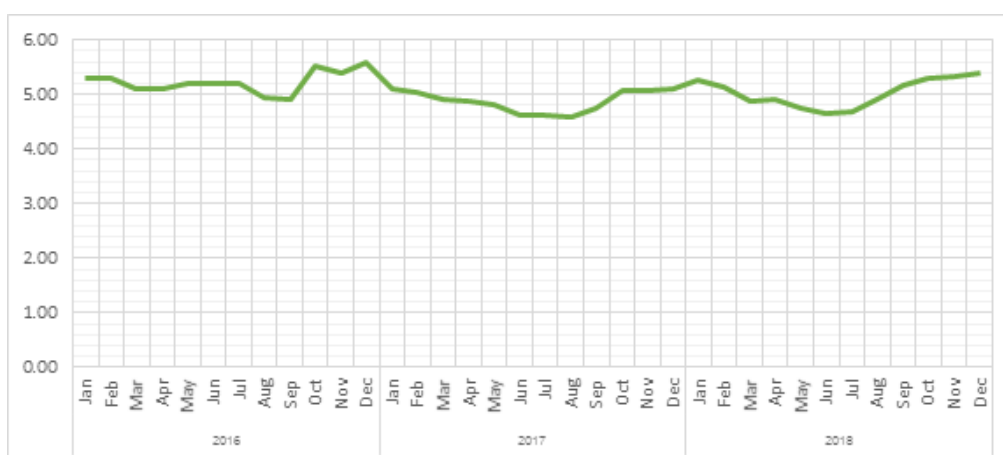
Sunsweet Public Company Limited as a production and distribution company of processed corn and other agricultural products both in Thailand and overseas. The operations and operating results of the company are related to risks in the agro-industry. On risk factors, the company can manage or prepare support plans to mitigate impacts, but many risk factors are beyond the control or management of the company. And may have a significant impact on the operation and performance of the company as follows

1. Risk in business

1.1 Risk of fluctuation in sweet corn output and prices

Sweet corn is the major raw material in producing most of the Company's products. Its fluctuation in output and prices result from various factors, namely climate change, natural disasters e.g. flood, draught, etc. Such factors may affect the sweet corn output per cultivated area and its quality. Moreover, government policies, e.g. promoting alternative energy crop planting policy, promoting alternative energy policy and pricing policy of some agricultural crop, can cause the instability as well. These government policies may attract some farmers to grow other type of crops that provide higher return. That leads to overall output of sweet corn change and fluctuation in sweet corn prices, according to the demand and supply. If the Company could not source enough sweet corn supply for its production or the cost of sweet corn supply is continue in the upward trend, the Company would suffer from shortage of the raw material and would not deliver customers' orders or suffer from high cost of production which both affect the Company's performance directly.

Average price of sweet corn in the period of 2016 – 2018 (Baht)



As can be seen in the graph, the average cost of sweet corn supply of the Company from 2016 – 2018 are 5.23 Baht per Kilogram 4.88 Baht per Kilogram and 4.99 Baht per Kilogram, respectively.

Those factors affect the output and the prices of sweet corn each year. The Company then exposes to risk of fluctuation in sweet corn supply and cost and that directly impact the Company's performance. However, the Company aware of such risk and endeavor to mitigate that risk by making contract to sweet corn farmers or "Contract Farming" with various brokers which has overall over 20,000 farmers in their network. In Contract Farming, the Company determines the price of sweet corn supply in advance with the brokers or farmers. Besides, the Company also promotes the concept of Smart Farming to farmers attended to the Smart Farming project so that the Company can monitor and control overall sweet corn supply to match the Company's need. The Company's also set a team to coordinate with farmers as well as searching for more cultivated area to serve the Company's need of raw material.

1.2 Risk of changes in European Union (EU) trade measure

These days, European Union (EU) has trade measure to protect their farmers and anti-dumping. Processed sweet corn industry in the EU has anti-dumping tax for Thai exporters of unfrozen processed sweet corn kernels (*Zea mays* var. *saccharata*) in vinegar (Custom Tariff 2001903010) and other unfrozen processed sweet corn kernels (Custom Tariff 2005800010) since 2006. This measure is enforced indefinitely unless there is a change by the European Commission.

Moreover, Council Implementing Regulation (EU) No. 875/2013 of 2 September 2013 imposed a definitive anti-dumping duty on imports of certain prepared or preserved sweetcorn in kernels originating in Thailand following an expiry review pursuant to article 11(2) of Regulation (EC) No 1225/2009, published in Official Journal of the European Union in the late of 2013, stating the anti-dumping tax at 11.1%. The regulation will be expired in September 2019. If the European Union Council changes or increases Anti-Dumping tax rate, this may result in higher SUN product prices among EU countries. Consequently, lower SUN competitiveness in the EU market.

For the export of products and products of the company to be sold to the European Union (EU) countries, it appears that the company has export sales in 2016 - 2018. The company has revenue from selling products to customers in the country group. In the European Union, accounting for 9.19%, 9.66% and 12.86% of sales revenue, respectively, can be seen that the proportion of products sold to the countries in the European Union The percentage is not very high compared with income from the production and sale of aggregate. Therefore, the company believes that There will be no significant impact on revenue.

2. Management Risks

2.1 The risk of major shareholders influencing the management policy

The Kittikhunchai family is a major shareholder of the company. The Company holds 70.93% of paid-up capital. (As of 31 December 2018). Therefore, the Company and / or minority shareholders may be exposed to the risk that major shareholders influence the policy making. Management in one direction. More than half of the shareholders are in the Board of Directors. The Board of Directors can make any decision. This can sometimes result in damage or damage to other shareholders.

However, the Company has Audit committee consisted of three independent directors from nine directors, all of audit committee members are known and accepted in society. This is to enhance efficiency and transparency in management. Through the mechanism of internal control and the balance of power of the Board. In addition, the Company has hired IVL Audit Company Limited to act as an internal audit unit independent of the management and directly to the Audit Committee. With Code of Ethics and Code of Conduct the Company will strictly follow the guidelines of good corporate governance. The Company also defines its jurisdiction and establishes a power grid to approve transactions for each scope or limit. So with that check and balance procedures, the company is confident that all shareholders, including stakeholders with the company are treated fairly and equally.

2.2 Risk from dependence on directors and executives in management

The current directors and executives of the company are Mr. Ongart Kittikhunchai, who is a director of the company. Chief Executive Officer And there are other people in the family. The executive and the major shareholder of the company in the proportion of 99.99% of the paid-up capital of the company before the IPO or 70.93% of the paid-up capital (as of December 31, 2018). In business for over 30 years, being a visionary and having direct responsibilities in policy formulation The direction and operation of the main business of the company. Therefore, if there is a change of such directors and key executives May cause the company to encounter problems in future business operations. Therefore, in order to diversify the management power and reduce the risk of relying on directors The company has organized the organization structure to appoint qualified directors with experience in management and business operations and allow executives at various levels Have more participation in decision making and direction of the company With decentralized management There is a clear set of authority and responsibilities in various work areas.

3. Financial risk

3.1 Risk of foreign exchange volatility

The Company and its subsidiaries have over 200 clients in more than 50 countries around the world, including Asia, Europe, Africa and Middle East. Normally, sales are executed in the buyer's currency or the US dollar. During 2016 - 2018, export revenues accounted for 80.57%, 82.91%, and 88.66% of sales revenue respectively. Therefore, the Company and its subsidiaries may be exposed to foreign exchange volatility risk. As can be seen that in 2016 – 2018, the Company and its subsidiaries recorded a gain (loss) on foreign exchange of 8.65 Million Baht, 22.35 Million Baht, and (8.10 Million Baht) respectively. However, in order to minimize the foreign exchange volatility risk, the Company has entered into Forward Contract with financial institution in proportion of not less than 70% of the order value from each customer. In addition, the Company closely monitors and evaluates exchange rate risk (including the trend and direction of foreign exchange movements) by analyzing economic condition.



Securities and Shareholder Information

Registered capital and paid up capital

As of December 31, 2018, the Company's paid-up capital was Baht 215,000,000 divided into 430,000,000 ordinary shares with a par value of Baht 0.50 each.

Shareholders

The list of major shareholders of the Company as of February 01, 2019 are as follows :

No.	Shareholder's Name		Amount of Shares (Shares)	Proportion (%)
1	Mrs. Jiraporn	Kittikhunchai	300,000,000	69.77%
2	Phillip Life Assurance Public Company Limited by Phillip Securities (Thailand) Public Company Limited		3,990,900	1.34%
3	Mr. Ongart	Kittikhunchai	3,000,000	0.70%
4	Mr. Viboon	Trakulpoonsub	2,476,800	0.58%
5	Mr. Boonchat	Ployjirachai	2,200,000	0.51%
6	Ms. Morakot	Kittikhunchai	2,000,000	0.47%
7	Phillip Life Assurance Public Company Limited		1,750,000	0.40%
8	Ms. Pattaraporn	Ployjirachai	1,700,000	0.37%
9	Mr.Thawat	Thanawutwattana	1,575,000	0.32%
10	Mr. Somwang	Mitsantisuk	1,385,600	0.21%
	Other shareholders		109,921,700	25.36%
	Total		430,000,000	100.00%

Dividend Policy

The company has the policy to pay dividends at the rate of no less than 50 percent of the net profit after deduction of all reserves as stipulated in the Company's Articles of Association and the law. If there are no other necessities, the dividend payment will not significantly affect the normal operation of the Company.

However, the dividend payment may change. This will depend on company performance. The Company's financial position, liquidity, investment plan, and other factors related to the management, necessity and other appropriateness in the future. Dividend payment will be under the authority of the Board of Directors. The resolution of the Board of Directors regarding the approval of the dividend payment must be submitted to the shareholders' meeting for consideration, except for the interim dividend payment. The Board of Directors is authorized to approve the interim dividend payment. The meeting must be informed at the next meeting.

Subsidiaries will consider the dividend policy proposed by the Board of Directors based on the performance and appropriateness of other factors.

Detail of Dividend Distribution (Million Baht)

Detail of Dividend Distribution (Million Baht)	2016	2017	2018
Net profit (Separate financial statements)	111.21	120.19	56.66
Legal reserve	-	8.50	2.90
Net profit (after deducting legal reserve)	111.21	111.69	53.76
Dividend paid	0.00	156.48 ^{/1}	43.00 ^{/2}
Dividend Payout Ratio (%) (After deduction of legal reserve)	0.00	140.10	79.98

Remark ^{/1} :

- The Extraordinary General Meeting of Shareholders No. 3/2017 held on May 11, 2017 passed a resolution approving the payment of interim dividend from not apportioned retained earnings as at 31 December 2017 (the latest audited financial statements paid at the considered time). The dividend was paid to shareholders at the rate of Baht 43.50 per share, totaling Baht 46,980,000. The dividend was paid to shareholders on May 22, 2017.

- The Board of Directors Meeting No. 3/2017 held on November 13, 2017 resolved to approve the interim dividend payment from not apportioned retained earnings as at 30 September 2017 to the shareholders. At the rate of Baht 0.15 per share, the total dividend payment was Baht 45,000,000 and the dividend payment was scheduled to be made on November 21, 2017.

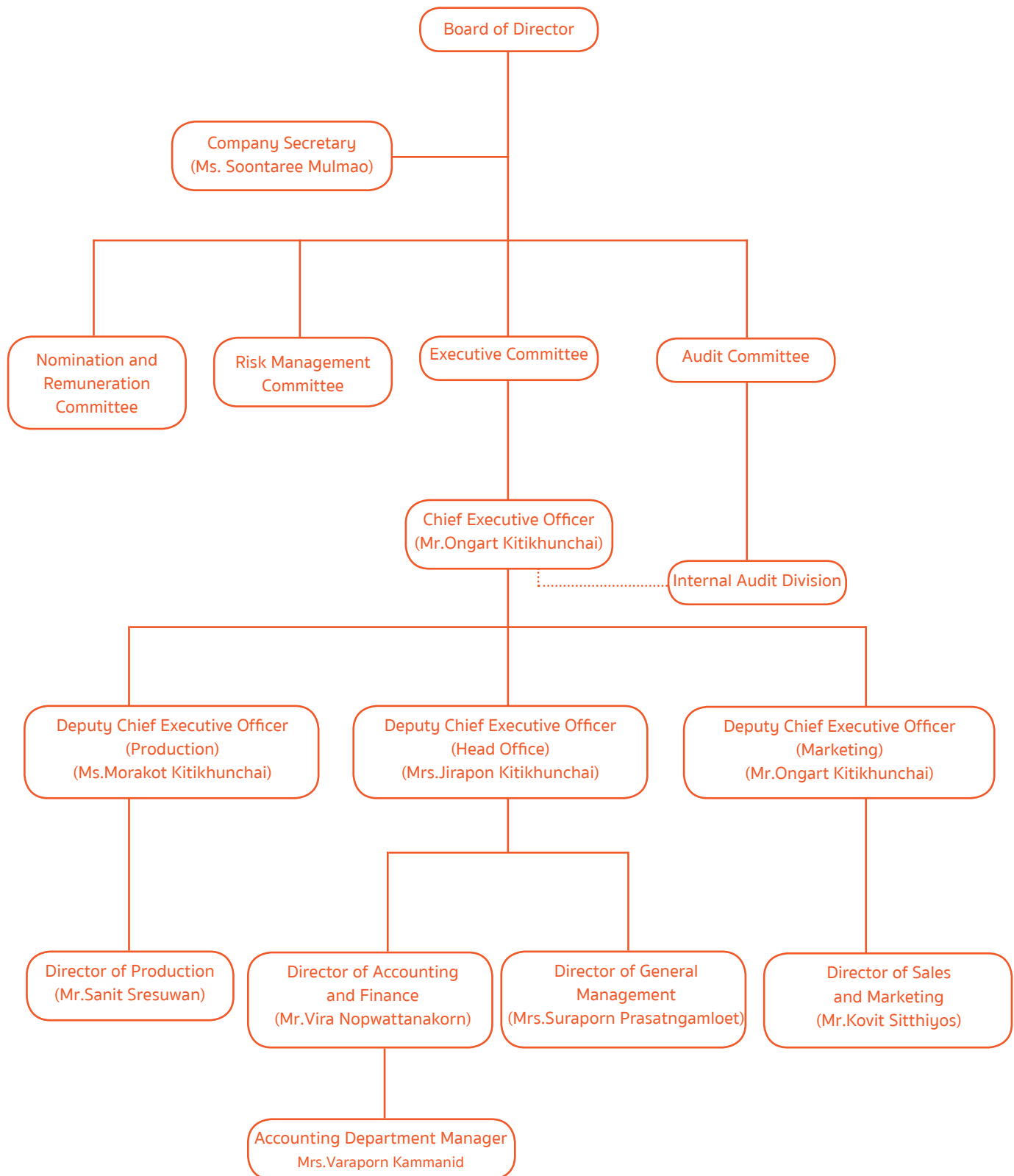
- The Annual General Meeting of Shareholders of 2018 held on April 23, 2018 resolved to approve the dividend payment from the year 2017 to the shareholders whose names are listed in the shareholders list of the Company as at May 3, 2018, the total shares of Baht 430,000,000 at the rate of Baht 0.15 per share, totaling dividend payment of Baht 64.50 million. Nonetheless, the payment of dividend is subject to approval of the Annual General Meeting of Shareholders of 2018.

Remark ^{/2} :

- The Board of Directors Meeting No. 4/2561 on November 7, 2018 resolved to approve the interim dividend payment from the operating results between 1 January 2018 to 30 September 2018 to shareholders whose names are listed in the list of accounts. The name of the shareholder of the company as of 21 November 2018, amounting to 430,000,000 shares at the rate of 0.05 baht per share, representing a total dividend of 21.50 million baht and has paid dividends to the shareholders on December 6, 2561.

- The Board of Directors' Meeting No. 1/2562 on February 22, 2018 resolved to approve the dividend payment from the net profit of 2018 to shareholders whose names are listed on the Stock Exchange of Thailand. The date for determining the list of shareholders as of May 2, 2018, amounting to 430,000,000 shares at the rate of 0.05 baht per share, or a total dividend of 21.50 million baht (awaiting approval from the Annual General Meeting of Shareholders for the year 2019).

Organization Chart



Board of Directors

The names of the Board of Directors as at December 31, 2018 are as follows

1. Mr. Krairit	Boonyakiat	Chairman / Independent Director
2. Mr. Pichai	Kojamitr	Vice Chairman / Chairman of Audit Committee / Independent Director
3. Mr. Warapong	Nandabhiwat	Director / Audit Committee / Independent Director
4. Mr. Anucha	Dumrongmanee	Director / Audit Committee / Independent Director
5. Ms. Morakot	Kittikhunchai	Vice Chairman
6. Mr. Ongart	Kittikhunchai	Director
7. Ms. Jiraporn	Kittikhunchai	Director
8. Mrs. Suraporn	Prasatngamloet	Director
9. Mr. Chaiyot	Suntivong	Director

Remark : With Ms. Soontaree Mulmao acting as the company secretary (Details of the company secretary appear in Attachment 1 Authorized directors: Mr. Ongart Kittikhunchai or Mrs. Jiraporn Kittikhunchai signed with Ms. Morakot Kittikhunchai or Mrs. Suraporn Prasatngamloet altogether two people and stamped with the company seal.

Role of the Chairman of the Board of Directors

The Chairman and the Chief Executive Officer are not the same person. In order to clearly segregate the duties of policy and administration. The roles and duties of the Chairman are as follows

1. Oversee the responsibilities of management in compliance with their strategic policies.
2. Give advice and support the the Managements' duties but do not participate in the routine management of the company
3. Calls the meetings and preside over the Board of Directors meetings and shareholders' meetings as well as determining the agenda of the meeting with the Chief Executive Officer.
4. Monitor the meeting effectively according to company policy and encourage all directors to express their opinions independently.
5. Support and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance.
6. Oversee and follow up on the performance of the Board of Directors and other sub-committees to achieve the company's objectives.
7. Decide in the case that the Board of Directors meeting votes are equal.

Scope of Authority and Duties of the Board of Directors

1. To perform duties in accordance with the law, objectives, regulations of the company along with the resolution of the shareholders' meeting.
2. To consider and approve the appointment of qualified and non-prohibited persons as specified in the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act, -as well as announcements and / or regulations related to the director position, in the case where a director vacates for any reason other than the expiration of the term.
3. To consider the appointment of the Executive Director through the selection of the directors of the company or the executives of the company, as well as to provided scopes of duties and responsibilities of the Executive Directors.
4. To consider the selection of appropriate persons to be appointed as independent directors and audit committees, considering the qualifications and prohibitions of Independent Directors and member of the Audit Committee, in compliance with the Securities and Exchange Act, including the relevant regulations and / or regulations related of the SET. The Board of Director shall propose the appointment to the shareholders' meeting for further consideration of the appointment of the Independent Directors and the member of the Audit Committee of the company
5. To consider and approve the change of directors with the authority to perform the acts that bind the Company.
6. To appoint another person to operate the company's business under the control of the Board, or may authorize such person to have power and / or within the period as the Board deems appropriate. The Board may revoke, change or amend such powers.
7. To consider and approve the acquisition or disposition of assets of the Company unless the transaction shall be approved by the shareholders' meeting. The consideration of the approval must be in accordance with the SET's regulations and / or related regulations of the SET and other related organizations.
8. To consider and approve the connected transaction unless the transaction must be approved by the shareholders' meeting. The consideration of the approval must be in accordance with the SET's regulation and / or related regulation of the SET and other related organizations.
9. To consider and approve the interim dividend payment to shareholders upon the company's appropriate profits. The information of the dividend payment shall be reported to the shareholders at the next shareholders' meeting.
10. To determine vision, policy ,direction of the company's business operation, business strategy, annual budget, and to supervise the management to ensure its compliance with the stipulate policy with efficient and effectiveness in order to maximize its economic value to shareholders. and for the sustainable growth.
11. To be have consistent responsibility toward shareholders through the Operation to maintain their benefits, with the accurate, completed, standardized, and transparent disclosure of information.
12. To evaluate the director's performance and determine the remuneration of the directors and the senior executives.
13. To supervise the management to ensure the appropriate and effective risk management system.
14. To consider and make decisions upon important matters such as policies and business plans Of large projects, management power, acquisition or disposition of assets, and transactions stipulated by law.
15. To determine the authority and level of approval of transactions and the operations Related to the company's operations to parties or persons as appropriate which is in pursuant to related laws. The authorization of operation must be reviewed once a year.
16. To provide credible accounting system, financial reporting, and auditing, as well as appropriate internal control evaluation process.
17. To approve the nomination of auditors and to consider the annual audit fee in order to propose to the shareholders for further approval of appointment.
18. To report the Board of Directors' responsibility in the financial statements together with the auditor's report in the annual report as well as to include important matters Following the SET's Good Practices for Listed Companies' Directors policy.
19. To supervise operations of the sub-Committees to ensure their compliance with the company's charter or requirements.
20. The Board of Directors must perform. self-evaluation and operational evaluation as a whole. The directors who have or may have conflicts of interest or conflicts of interest with the Company shall have to no right to vote on that issue.

In addition, the following cases shall be approved by the Board of Directors' meeting and the meeting of shareholders with the votes of no less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote.

- (A) the sale or transfer of the business or substantial portion of the business of the company to other persons
- (B) the purchase or acceptance of the business of a private company; Or other public companies, to the company's possession
- (C) preparation, amendment, termination of contracts relating to the leasing of the company's business or a substantial business; authorization of power to other persons to manage the company or to merge the company with another company with the purpose of dividing profit and loss
- (D) Amendment of the Memorandum or Articles of Association of the Company
- (E) Increase or decrease of the Company's registered capital
- (F) dissolution of the company's business
- (G) issuance of debentures of the Company
- (H) merger with other companies
- (I) other matters prescribed under securities law and / or the regulations of the Stock Exchange of Thailand shall be subject to the approval of the shareholders' meeting. With the aforementioned votes such as acquisition or disposition of assets, connected transaction, etc.

Directors' Term of Office

The Board of Directors is responsible for managing the Company's business operations. The term of office of the Board of Directors is in accordance with the Company's Articles of Association, i.e., at the Annual General Meeting of Shareholders, one-third (1/3) of the number of directors at that time, unless the numbers of directors cannot be divided into three parts, the closest numbers to one-third (1/3) of the directors who are vacated from the position may be re-elected.

For specific committees such as the Audit Committee, the term of office is three years, with one year being the period between the dates of the shareholders' meeting of the appointed year until next Annual General Meeting (AGM). A retiring director may be nominated and reappointed to the position. According to the delegation of authority and responsibility of the Board of Directors, there shall be no delegation of the authority or the authority that provides the power of approval of conflicts of interest transactions to the proxy or other persons with possible conflicts of interest. (As defined in the Notification of the Capital Market Supervisory Board) for both the company and its subsidiaries.

Board of Directors' Meeting

1. The Board of Directors' Meeting is held once every quarter on a normal basis. The dates of the Board of directors' meetings are predetermined one year in advance so that directors can arrange their schedule to attend the meeting. However, additional meetings may be called if there are special matters that require the Board's approval.
2. In 2018, a total of 5 Board of Directors' Meetings were held which was appropriate for the duties and responsibilities of the Board and the operations of the Company in the previous year.
3. The meeting's invitation, agenda and relevant documents were sent to the directors at least 7 days prior to the meeting date to allow enough time for the directors to study the information before decision-making in consideration of any issue, the directors are entitled to look at or check the related documents and ask the management to provide additional information.
4. In every meeting, the management had been asked on questions raised by directors. The directors exercised careful, independent and transparent judgment with fair consideration for the interests of shareholders and stakeholders. Directors with vested interests in the matter under consideration must leave the meeting during consideration of that matter.
5. After the Board of Directors' Meetings, the minutes were prepared, approved by the Board and filed at the Company Secretary Office.
6. In the consideration of an issue, the management provides additional information and bring in outside consultants or experts to provide, at the company's expense.

Board Meeting Attendance for the Year 2018

Name - Surname		The Annual General Meeting of Shareholders for the year 2018	Board of Directors	Audit Committee	Risk Manage- ment Committee	Nomination and Remu- neration Committee
Mr. Krairit	Boonyakiat	Attend	5/5	-	-	-
Ms. Morakot	Kittikhunchai	Attend	5/5	-	-	-
Mr. Pichai	Kojamitr	Attend	5/5	4/4	4/4	1/1
Mr. Warapong	Nandabhiwat	Attend	3/5	3/4	-	1/1
Mr. Anucha	Dumrongmanee	Attend	5/5	4/4	-	-
Mr. Ongart	Kittikhunchai	Attend	5/5	-	-	1/1
Ms. Jiraporn	Kittikhunchai	Attend	5/5	-	3/4	-
Ms. Suraporn	Prasatngamloet	Attend	5/5	-	-	-
Mr. Chaiyot	Suntivong	Attend	5/5	-	4/4	-
Mr. Voravat	Tantranont	-	-	-	1/4	-
Mr. Anan	Boonmahathanakorn	-	-	-	3/4	-

Remark: The Directors' numbers of meeting attendance per numbers of meetings.

Report on the holding of shares of Sun Sweet Public Company Limited by directors and senior management at December 31, 2018

Name	2018		2017	
	% to paid-up 430,000,000 (shares)	No. of share (shares)	No. of share (shares)	Increase/ (Decrease) (shares)
Mr.Krairit Boonyakiat Chairman of the Board of Directors, Independent Director	0.03974	170,900	170,900	-
Spouse and minor child	-	-	-	-
Mr.Pichai Kojamitr Director, Chairman of the Audit Committee, Independent Director	-	-	-	-
Spouse and minor child	-	-	-	-
Miss Morakot Kittikhunchai Director, Deputy Chief Executive Officer (Production)	0.46511	2,000,000	-	2,000,000
Spouse and minor child	-	-	-	-
Mr.Warapong Nandabhiwat Director, Audit Committee, Chair- man of the Nomination and Remu- neration Committee, Independent Director	-	-	-	-
Spouse and minor child	0.03974	170,900	170,900	-

Name	2018		2017	
	% to paid-up 430,000,000 (shares)	No. of share (shares)	No. of share (shares)	Increase/ (Decrease) (shares)
Mr.Ongart Kittikhunchai Director, Nomination and Remu- neration Committee, Chairman of Executive Committee	0.69767	3,000,000	-	3,000,000
Spouse and minor child	69.76735	299,999,600	299,999,600	-
Mrs.Jiraporn Kittikhunchai Director, Risk Management Com- mittee, Deputy Chief Executive Officer (Head Office)	69.76735	299,999,600	299,999,600	-
Spouse and minor child	0.69767	3,000,000	-	3,000,000
Mrs.Suraporn Prasatngamloet Director, Executive Committee	-	-	-	-
Spouse and minor child				
Mr.Anucha Dumrongmanee Director, Audit Committee, Independent Director	0.03974	170,900	170,900	
Spouse and minor child	-	-	-	-
Mr.Chaiyot Suntivong Director, Chairman of Risk Man- agement Committee	0.02451	105,400	85,400	20,000
Spouse and minor child	-	-	-	-
Total Shareholdings by Directors	71.07386	305,617,700	300,597,700	5,020,000
Mr.Vira Nopwattanakorn Chief Financial Officer	0.00833	35,800	35,800	-
Spouse and minor child	-	-	-	-
Mr.Kovit Sitthiyos Director of Sales and Marketing	0.01056	45,400	42,400	3,000
Spouse and minor child	-	-	-	-
Mr.Sanit Sresuwan Director of Production	0.02000	86,000	86,000	-
Spouse and minor child	-	-	-	-
Total Shares owned by Executive Manager	0.03889	167,200	164,200	3,000

Management Team

The names of the management as at December 31, 2018 are as follows

1. Mr. Ongart	Kittikhunchai	Chief Executive Officer / Deputy Chief Executive Officer (Marketing)
2. Ms. Morakot	Kittikhunchai	Deputy Chief Executive Officer (Production)
3. Mrs. Jiraporn	Kittikhunchai	Deputy Chief Executive Officer (Head Office)
4. Mr. Sanit	Sresuwan	Director of Production
5. Mr. Vira	Nopwattanakorn	Director of Accounting and Finance
6. Mrs. Suraporn	Prasatngamloet	Director of General Management
7. Mr. Kovit	Sittiyos	Director of Sales and Marketing
8. Mrs. Varaporn	Kammanid	Accounting Department Manager

Remark: The person who is entrusted with the highest responsibility in Accounting and Finance is Mr. Vira Nopwattanakorn. He graduated a Bachelor Degree in Business Administration (Accounting) from Ramkhamhaeng University. He has been in the position of Director of Accounting and Finance for more than 1 year.

The person who was assigned to supervise the account is Mrs. Varaporn Kammanid.

Scope of Authority and Responsibilities of Chief Executive Officer

1. To control the company's business operations, Strategic planning, and daily general administration;
2. To make decision on important issues of the company, as well as to set objectives, guidelines, and policies of the company, including to control management of each divisions;
3. To have the authority of supervision, communication, order, and sign any legal contracts, order documents, and notices as stated in the manual of operational power;
4. To have the power to hire, appoint, transfer persons as CEO deems appropriate, as well as to determine scope of duties and appropriate remuneration, and to have the power to remove and misemploy staff in different levels as appropriate in pursuant to the manual of operational power;
5. To have the power to impose trade conditions for the benefits of the company;
6. To consider investing in new businesses or to cease the operation of the company's business and to further propose to the Executive Directors and / or the Directors of the company;.
7. To approve and appoint advisors with the necessity to the operation of the Company's business;
8. To perform other duties as assigned by the Company's Executive Directors and/ or the Directors of the company.

The delegation of the aforementioned authority and responsibility of Chief Executive Officer, Chief Executive Officer shall comply with the terms and conditions and agendas approved by the Board of Directors, excluding the authority and / or delegation of power to approve any conflicts of interest transaction to the proxy or other persons with possible conflicts of interest (As defined in the Notification of the Capital Market Supervisory Board), who have an interest or in relation to which a conflict of interest may arise against the Company. The approval of aforementioned transaction shall be proposed to the meeting of the Board of Directors and/or the meeting of the shareholders (As the case may be) for further approval of the transaction as stated in the Articles of Association of the Company or the related law.

Company Secretary

The Public Companies Act BE 2535, Section 89/15 stipulates that the Board of Directors shall appoint the Company Secretary to be have the responsibility on behalf the Company or the Board of Directors. The Board of Directors Meeting No. 1/2017 held on February 1, 2017 has resolution to appoint Ms. Soontaree Mulmao as the Company Secretary with the roles and responsibilities of the Company Secretary are as follows

1. To prepare and keep the following documents.

(1) Directors Registration

(2) Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and the company's annual report

(3) Notice of the Shareholders' Meeting, Minutes of the Annual General Meeting of Shareholders;

2. To keep a the conflict of interest report by the directors or the executives and to submit a copy of the report to Chairman and Chairman of the Audit Committee within seven working days from the date of receipt of the report

3. To prepare the storing system for the document and related evidence as follows, including monitoring the storing of the documents to ensure accuracy, completeness, and accountability for a period of no less that 5 years starting from the storing date. The aforementioned storing system also includes computerized storage system and other systems which are retrieval without changing messages

(1) To provide information for the proposition of resolution to the shareholders' meeting

(2) Financial statements and other reports on financial statements and operating results of the company which are required to be disclosed in pursuant to section 56, section 57, section 58 or section 199 of the Securities and Exchange Act

(3) Opinion of the Company when a tender offer from the shareholders is presented

(4) To provide information or other reports on the Company's business . which are prepared for the public dissemination as stated by the Capital Market Supervisory Board;

5. Must perform duties with responsibility, caution, and integrity, as well as comply with laws, objectives, and regulations of the company, resolutions of the Board of Directors and shareholders, and shall not perform significant actions against or inconsistent with the Company's benefits

6. Must perform duties with responsibility and caution as the reasonable entrepreneur, as such, shall act under the same circumstances

(1) The decision is made in good faith and reasonable for the the utmost of the Company

(2) The decision is made on the basis of information which is honestly believed to be sufficient and

(3) The decision was made without direct or indirect conflict of interest

Upon the vacancy of the company secretary position or the company secretary cannot perform one's duties, the Board of Directors shall appoint a new Company Secretary within 90 days from the date of vacancy or failing to perform one's duties.

Remuneration of Directors and Executives

Monetary Remuneration

a) Directors' remuneration

The General Meeting of Shareholders for the year 2018 held on 23 April 2018 passed a resolution to approve the remuneration of the Board of Directors for the year 2018 of not more than Baht 3,000,000, with details as follows

Position	Meeting Allowance in 2017	Meeting Allowance in 2018
Board of Directors		
Chairman of the Board	65,000 baht/person/time	65,000 baht/person/time
Directors	30,000 baht/person/time	30,000 baht/person/time
<u>Audit Committee</u>		
Chairman of the Audit Committee	20,000 baht/person/time	20,000 baht/person/time
Member of Audit Committee	15,000 baht/person/time	15,000 baht/person/time
<u>Nomination and Remuneration Committee</u>		
Chairman of the Nomination and Remuneration Committee	20,000 baht/person/time	20,000 baht/person/time
Member of the Nomination and Remuneration Committee	15,000 baht/person/time	15,000 baht/person/time
<u>Risk Management Committee</u>		
Chairman of the Risk Management Committee	20,000 baht/person/time	20,000 baht/person/time
Member of Risk Management Committee	15,000 baht/person/time	15,000 baht/person/time
<u>Executive Committee</u>		
Chairman of Executive Committee	20,000 baht/person/time	20,000 baht/person/time
Member of Executive Director	15,000 baht/person/time	15,000 baht/person/time

Directors are involved in the management business operations of the company with regular income will not be paid.

Compensation of Directors for the year 2018

Name-Surname		Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
Mr. Krairit	Boonyakiat	390,000	-	-	-
Ms. Morakot	Kittikhunchai	None	-	-	-
Mr. Pichai	Kojamitr	180,000	80,000	60,000	15,000
Mr. Warapong	Nandabhiwat	120,000	45,000	-	20,000
Mr. Anucha	Dumrongmanee	180,000	60,000	-	-
Mr. Ongart	Kittikhunchai	None	-	-	None
Mrs. Jiraporn	Kittikhunchai	None	-	None	-
Mrs. Suraporn	Prasatngamloet	None	-	-	-
Mr. Chaiyot	Suntivong	180,000	-	80,000	-
Mr. Voravat	Tantranont	-	-	15,000	-
Mr. Anan	Boonmahathanakorn	-	-	None	-

b) Key Management Compensation

Key management Compensation	2016		2017		2018	
	Total (Persons)	Total Amount (Million Baht)	Total (Persons)	Total Amount (Million Baht)	Total (Persons)	Total Amount (Million Baht)
Salaries	7	16.50	7	20.62	7	20.78
Other compensation ^{/1}	7	0.04	7	3.82	7	0.65
Total	7	16.54	7	24.44	7	21.43

Note: ^{/1} Other compensation include contributions to social security provident fund and bonus.

Other Compensation

-None-

Personnel

Number of employees (Excluding management)

As at 31 December, the Company has the following employees

Number of employees	31 December 2016	31 December 2017	31 December 2018
Raw materials Department	17	19	16
Quality Department	27	27	28
Factory Department	20	24	21
Accounting department	9	10	11
Finance Department	3	4	4
Internal Audit Department	-	-	3
Purchasing Department	3	4	4
HR and IT Department	15	16	19
International Sale Department	22	23	23
Domestic Sale and Business Development Department	2	2	2
Production and Warehouse Department	54	66	93
Engineering Department	36	31	27
Total	208	226	251

Total Remuneration for Employees

Unit: Million Baht

Number of employees	2016	2017	2018
Salaries and other short-term benefit such as Social Security Contribution to provident fund and bonus.	48.66	61.04	71.58

Note: The Board of Directors Meeting No. 2/2017 held on April 24, 2016 approved the establishment of a provident fund. Assigned to the company. Krung Thai Asset Management Plc. At the rate of 3% of salary, effective from June 15, 2017 onward.

Major labor disputes over the past 3 years

- None -

Employee Development Policy

The Company recognizes the importance of human resource development to enhance employees' knowledge and ability and to support and develop the ability of employees to be professional, create a quality of life and be proud of being part of the organization. The personal development plan is defined as an annual training plan to enhance work skills by doing training in the company and training course outside or other agencies. Welfare benefits provided serve as incentives in motivating the employees in the long run for long range in various forms.

Details of training for employees and executives in 2018 are as follows :

Average training hours per person equal to 12 hours

Succession plan

The company has determined the key personnel in organization with the talent review process Individual development plan. Human Resources, together with the management of each department, will jointly evaluate an employee's potential and Individual Development Plan clearly, to ensure that employees and organizations will benefit from the succession plan's objectives.

The company provides health benefits to employees as follows :

- Personal Accident insurance for staff who have regular work outside.
- Travel insurance for staff who travel for work abroad.
- Annual health check.
- Health checking for risk factor related work
- Provide a standard medical room with standby certified nurse.

The company organizes activities for employees to participate with the company as follows :

- Songkran Festival
- Buddhist Lent Day activities
- To make merit by offering new yellow robes to Buddhist monks
- Religious days

Complaints channels and complaints handling process of employees

To promote and encourage labor practices according to the Code of Business Conduct and Labor Practices Principles The company provide the channel(s) for employees to express their recommendation or whistle blowing which may bring damages to the company, the employee's unlawful actions or unethical actions, in writing and send them to the executive or responsible manager.

Employees who want to express complaints, can send them in 2 ways

1. Write a complaint letter in the red box beside the office.
2. Inform directly by informing the human resource department manager or the labor relations officer.

Employee Complaint Management Process

1. Employees send complaints.
2. The management is open the red box to bring complaints to check.
3. The human resource manager receives a letter of complaint from the management to proceed or send to the relevant department as the operator.
4. Labor Relations Officer Summary of monthly complaints.
5. The chairman of the welfare committee in the workplace arranges for a meeting to summarize the results of the rectification of complaints, requiring 3 months / time.
6. Labor Relations Officer Make a meeting invitation letter to the welfare committee in the workplace.
7. Labor Relations Officer Prepare a meeting report.



Good Corporate Governance

Code of Conduct

The Board of Directors' Meeting No. 1/2017 (first time after change company status) on September 5, 2017, has approved the policy on corporate governance in accordance with the guidelines of the Stock Exchange of Thailand to ensure transparency in the operation of the company at all levels, both working staff and executive level, the executive board as well as the board. For the benefit in the long run of the shareholders, customers Investors and the general public. The Code of Business Ethics and the Code of Conduct, serve as a guideline for the directors' performance for the executives govern in line with Code of Best Practice for Code of Best Practice in keeping with Good Corporate Governance principles set by the Stock Exchange of Thailand.

The essence of corporate governance is divided into 5 categories; Right of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

Additionally, in 2018 the Company made further improvements in the contents of the handbook on Business Ethics and Code of Conduct; through adding relevant information relating to Principal of Corporate Governance Code for listed companies 2017 of the stock exchange of thailand by propose to the Board of Directors for approval in the meeting. The board of director verified the performance that able to practice and found that the performance was in accordance with the stipulated policy and work processes, except for a few matters that has been record in the resolution of the Board of Directors Meeting .

This updated Handbook was communicated and distributed to all Board of Directors, executives and all employee within the company. This is so that they will fully understand the required operating behavior guidelines in a correct manner. They will all discharge their duties and responsibilities with honesty, full adherence to all relevant laws, transparency, strict observance of the principles of fairness and positive morals, such as positive moral standards together with fairness, transparency. They will not to be involved with any conflict of interests situations, and not to act in any way that violates or infringes on the intellectual property rights of others.

Chapter 1: Rights of Shareholders

The Board of Directors recognizes the importance of the fundamental rights of shareholders. The principle is to treat the shareholders fairly. And in accordance with the law, such as the right to buy, sell and transfer shares. Right to receive dividends Right to receive information of the company. Right to attend the shareholders' meeting The right to vote on various agendas. The proxy holder shall have the right to vote in the meeting. The right to appoint directors and auditors Right to express opinions and ask questions at the shareholders' meeting. The right to propose agenda and nominate director in advance and do not do any acts that violate or destroy the rights of shareholders.

1. Meeting of Shareholders

The Company has held the Annual General Meeting of Shareholders. In accordance with the regulations of the Stock Exchange of Thailand, following the guidelines of the shareholders meeting of the Office of the Securities and Exchange Commission (SEC).

- 1.1 Company discloses the policy to support or encourage all groups of shareholders to attend the shareholders' meeting.
- 1.2 The company ensures the provision of information, date, time, venue and meeting agenda with explanation and reasons for each agenda or the requested resolution as indicated in the invitation to the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders or in the attachment of the agenda.
- 1.3 The Company provides facilitation to shareholders to completely exercise their right to attend the meeting and vote and refrain from any action which limit the meeting opportunity of the shareholders such as process of the meeting attendance to vote should not be difficult or overexpensed, the venue should be convenient to access, etc;

- 1.4 The Company allows shareholders to submit their questions prior to the meeting date with specific information of submitting questions in advance which is informed with the meeting invitation letter. In addition, the information is posted on the Company's website
- 1.5 The Company encourages shareholders to use proxy forms in which the shareholders can set the voting direction and the shareholders shall propose at least one independent director as an alternative to the shareholder's proxy.

2. Operations of the Shareholders' Meeting

- 2.1 The Company has promoted the use of technology for the shareholders' meeting in term of registration and voting counting and displaying result which help the meeting operation to be rapid, correct, and accurate
- 2.2 All directors should attend the shareholders' meeting so that the shareholders can ask questions to Chairman of each sub-committee on related matters.
- 2.3 At the shareholders' meeting, the vote shall be performed for each agenda
- 2.4 The Board of Directors should promote or prepare an independent person with the responsibility of counting or monitoring votes at the general meetings and extraordinary meetings of the shareholders of which are disclosed to the meeting for acknowledgement and recorded in the minutes
- 2.5 The Board of Directors should encourage the use of ballots in important agenda such as connected transactions, acquisition or disposal of assets, etc., for transparency and accountability, in case there are future arguments;
- 2.6 Chairman of the meeting should allocate appropriate time and encourage the shareholders to express their opinions and questions relating to the company at the meeting;

3. Preparation of the report and the resolution of the shareholders' meeting

- 3.1 Minutes of the shareholders' meeting will record explanation of the voting procedure and the method of score displaying to the meeting for acknowledgement prior to the meeting with the opportunity for the shareholders to ask questions. In addition, the record shall include questions, answers, and voting results of each agenda whether there are approvals, objections, and abstentions, as well as list of directors attending the meeting or taking leave.
- 3.2 The Company will disclose the voting results of each agenda of the shareholders' general meeting and the shareholders' extraordinary meeting to the public through the Company's website.

Chapter 2: Equitable Treatment of Shareholders

The establishment of confidence among shareholders, with the assurance that the Board of Directors and the management shall monitor the appropriate use of shareholders' fund, is an important matter toward the investment confidence with the Company. Therefore, the Board of Directors shall monitor the shareholders' equitable treatment and basic rights to ensure their protection as follows

- a) The right to appoint a proxy to attend the shareholders' meeting and cast their votes.

When a shareholder can not attend the meeting in person, he/she can exercise the right to appoint a proxy or another person or independent director of the company to act on one's behalf. When the independent director is a proxy, the shareholder shall submit the proxy form indicating complete information and one's copied identification card or passport or any other identification document as specified to the Company prior to the meeting date.

- b) The right to propose additional agendas

The Company allows shareholders to propose additional agendas in addition to the agenda of the Annual General Meeting (AGM) of Shareholders. The additional agenda can be proposed according to the following processes

- To submit the proposed agenda to be included in additional agendas with reasons, details of facts, and necessary information in the meeting agendas of the shareholders' general meeting

- The Company will examine the shareholdership and the shareholder of the shareholder who propose the additional agenda and the shareholder's registration as of the book closing date. The consideration criteria for the proposition of the additional agenda is the agenda must be significantly related to or affects the Company's business operation. Upon the resolution to approve the additional agenda by the Board of Directors, the agenda shall be included in the shareholders' meeting agenda indicating that it is proposed by the shareholder

c) The right to nominate a person to be a director

A shareholder has the right to nominate a person to be director under The Company's right reserve to consider eligible persons with following criteria:

- A person must be qualified and shall not possess prohibited characteristics by law as stipulated by Limited Public Company Act, Securities and Exchange, and the Good Corporate Governance principle;
- A person shall possess educations, work experiences, or other qualifications as specified by the Company or as the Nominating Committee deems appropriate;
- Must devote sufficient time. And fully dedicated to the maximum benefit of the company. It is a duty and always ready to attend the meeting.
- A person shall not in the position of Director of more than 5 listed companies

The Independent Directors will consider the qualified candidates to propose to the shareholders' meeting for approval. If the meeting of the independent directors choose not to propose to the shareholders' meeting, the candidate will be proposed to the shareholders' meeting for the consideration with an opinion of the Board of Directors and the resolution of the shareholders' meeting is finalized. The documents required from the shareholders in order to nominate the candidate for the position, namely, (1) Director of Nomination Form; and (2) Information of the candidate attached with shareholding certificate, issued by securities companies/ agents, signed by the owner of the information for approval and guarantee. The documents must be mailed with registration to the Company within the specified period.

d) Prevention of Use of inside information

The Company has a policy to restrict the use of inside information to only the middle to high level executives within the related department or company. The previous audited financial statements will be retained with the Director of Accounting and Finance Department. While other confidential information will be used for consulting with individuals at the managerial level only. The Company has penalties for relevant persons when there is a misuse of inside information to cause the damage of the Company. In addition, the Company requires directors and executives to report their shareholdings of the Company held by their spouses and minor children to the SEC and the Company

e) Supervision of Insider Trading

The Company has no policy for employees, executives, and insider information on the Company's operating results to trade the company's securities, starting from the date of the acknowledged information till the disclosure of the information to the public. It is forbidden to disclose internal information that shall not be disclosed to the public in order to increase the price of the securities, especially within the period of one month prior to the disclosure of the financial statements to the public and within 24 hours after the disclosure of such financial statements.

In addition, the Directors and the Executives of the Company must report the change in the Company's securities holding to the Office of the Securities and Exchange Commission in pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 and acknowledge the penalty under the Securities and Exchange Act. B.E. 2535, including the report of the shareholding changes of spouses and minor children.

Chapter 3: Roles of Stakeholders

The Company places a great importance on the supervision of all stakeholders such as customers, employees, business partners, shareholders, investors, creditors and the communities where the Company is located. All stakeholders will be taken care of by the Company with the rights following related laws. The company shall not do anything that violates the rights of the stakeholders as stipulated by laws or as agreed. The Company has considered stakeholders' participation encouragement process following roles and duties to strengthen the Company's growing operation as well as to build sustainable security to the business and to provide fair benefit to all parties. In addition, the Company also prepares channels for stakeholders to communicate, suggest, or provide information to the independent directors or Audit committee of the Company.

The Company has considered the participation encouragement process between the Company and its stakeholders in order to establish wealth, financial stability, and corporate sustainability as follows :

- To place the emphasis upon all levels of the Company's employees appropriate remuneration with capability of each employee, together with the focusing on consistent proficiency development, including placing the importance upon taking care of the workplace environment with the work safety awareness and quality of life of employees.

The company is aware of safety, health and environment that is an important aspect of business operations and sustainable business growth. Therefore, there are safety policies as follows

- 1) Work safety is the first responsibility in the work of all employees.
- 2) The company will support, promote the improvement of working conditions and the environment to ensure safety.
- 3) The company will support the promotion of various safety activities that will instilling a safety mindset in all the staff .
- 4) All employees always must consider their own safety and colleagues. As well as company assets is important .
- 5) All employees must take care of cleanliness and readiness in the workplace.
- 6) All employees must cooperate in the company occupational health safety project. And have the right to express opinions to improve working conditions and working methods to be safe.
- 7) Reduce an accident and the lost time Injury frequency.

The company has provided a work safety manual and trained employees to know about the safety policy cause of the accident ,preventive measures and specific operations to be safe for new employees.

Statistics on accidents or illness rates caused by work year 2018

Number of accidents during the year lost time injury not more than 3 days.	13 times
Number of accidents during the year year lost time injury more than 3 days.	14 times
The number of employees died from work-related accidents.	None
Number of day due to accidents ,lost time injury.	140 days

- The purchase of products and services suppliers shall follow trade agreement with the strict compliance to mutual contracts in order to build beneficial long-term relationship between the two parties.
- To comply with the terms of the loan agreement.
- To be attentive and responsible to customers in terms of product quality and good standardized service, keeping customer's confidentiality, and the emphasis upon on fair and equitable pricing under the pricing policy.
- To comply with the rules. A good competition by avoiding dishonesty in order not to destroy a competitor.
- To place an importance and provide responsibility toward nearby communities and society, concerning environment, as well as to support public benefit activities of the society and to develop environment of communities and society for a better living as considered appropriate.

Section 4: Disclosure and Transparency

The Company places an importance to the disclosure of information which is under the supervision of The Board of Directors to ensure the correctness, accuracy, on-time, and transparency of the Company's important information either financial information or non-financial information. The information is disclosed through easily accessible channels as stipulated by law with equality and reliability. The important information of the Company which will be disclosed are financial information and non-financial information which may affect the Company's securities price. This is in accordance with the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

The Company will ensure that the quality of its financial reports is accurate and in compliance with generally accepted accounting standards and audited by independent auditors certified by the Office of Securities and Exchange Commission. In addition, the Company will disclose the following information in order to illustrate the transparency of business operations, namely, the disclosure of information on the Board of Directors and the Audit Committee such as numbers of meetings and meeting attendance of each Directors in the previous year, the disclosure of remuneration policy for Directors and senior executives, including types and characteristics of compensation, and the report of the corporate governance policy and policy compliance results. The above information, apart from disclosing to the public through the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand, it will be disclosed through the Company's website.

Chapter 5: Responsibilities of the Board

The Board of Directors consists of qualified, knowledgeable, and various experiences such as marketing, finance, accounting, management. Which can bring experiences that have been developed and formulated policies that will benefit the business of the company by the Board of Directors is independent in making decisions for the best interests of the Company's business operation. The Board of Directors must be independent in decision making for the utmost benefit of the Company and the shareholders as a whole with important duties of policy establishment as well as monitoring and examining the operation of the management, including assessment of the performance in comparison with the plan. The 9 members of the Board of Directors consists of 4 Executive Directors, 5 Non-Executive Directors, and there are 4 Independent Directors of which accounting for more than one-third of the total members of the Directors as an appropriate check and balance between the Directors. In addition, the Company appoints the Audit Committee which consists of three Independent Directors with a three-year term of office. The scope and the operating authority of the committee is clearly stated in the Charter of the Audit Committee.

The Company has clear and transparent remuneration process which is proposed to the shareholders' meeting for the approval. The shareholders' meeting will consider the appropriateness of directors' remunerations within the scope of duties and responsibilities of each Director to ensure that the remunerations are at the motivating level which helps retention of the proficient Directors in that positions and providing their duties with the Company. The remuneration can be comparable to the remuneration of directors in the same or similar industry.

Every director of the Company understands one's duties and responsibilities as a Director of the Company with readiness to freely express one's opinions and keep oneself up to date. At all time, including perform one's duties with complete and sufficient integrity, caution, and carefulness with the realization of the utmost benefit of the Company and fairness to all shareholders. In addition, every director is devoted to fulfil one's duties with complete and sufficient responsibility, including the meeting attendance unless necessary reason.

In addition, the Board of Directors also emphasizes adequate information disclosure to shareholders, investors and all related parties involved. The disclosures information must be accurate, complete, transparent thorough, and on-time, this includes financial reports, other operating results, and other related Information, as well as information which may affect the Company's securities price as stipulated in the Good Corporate Governance Principles. All information and news shall be distributed to the shareholders, investors, and related persons for their investment decision through several channels either mailing service or the channels of the SET and the SEC, including the Company's website after the Company's shares being listed on the SET.

Performance evaluation of the Board of Directors And the sub-committee

The Board of Directors requires that the Board Self-Assessment will be evaluated annually by using the assessment form that the company Improvement from the example of the Stock Exchange of Thailand and the preparation of 2 evaluation forms as follows: 1) Self-assessment as a whole of Board of Directors 2) Self-assessment as a whole of each sub-committee which consists of 3 sub-committees: 2.1) Audit Committee 2.2) Nomination and Remuneration Committee and 2.3) Risk Management Committee to be used as a framework for monitoring the performance of duties of the Board of Directors that the company has implemented the corporate governance policy that has been approved and / or in accordance with the Good Practices to improve the performance of the Board of Directors in accordance with the policy guidelines.

Performance evaluation process of the Board and sub-committees each group is as follows

- 1) Board of Directors review and approved the evaluation form to ensure accuracy and completeness.
- 2) Company Secretary send the self-evaluation form to the directors within December of each year.
- 3) Director perform an evaluation form and returning the company secretary within January of every year.
- 4) Company Secretary summary the assessment results for the Board of Directors to acknowledge.
- 5) The company secretary brings the evaluation results and additional comments from the board of directors to prepare a plan for improvement.

Criteria used to evaluate the performance of the Board and Sub-committee of each committee covering the following topics

Criteria	Board of Directors	Sub-committee
Structure and Qualification of the Directors	/	/
The Board of Directors' Meetings	/	/
Performance of the Board of Directors	/	/
The Relationship with the Management team	/	-
Self-development of the Directors and the development of the Executives	/	-

Performance evaluation of the Board of Directors and The Board of Directors and Sub-committee for the year 2018 are as follows:

Board of Directors	The average score is 3.39 of 4.00.
Audit Committee	The average score is 3.70 of 4.00.
Nomination and Remuneration Committee	The average score is 3.05 of 4.00
Risk Management Committee	The average score is 3.61 of 4.00

Sub-Committees

On September 5, 2017, the Board of Directors's meeting No.1/2017 (First time after the transformation to public company limited) has a resolution to approve the scope of duties and responsibilities of the four Sub-Committees, namely, the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Compensation Committee as follows

Audit Committee

As of September 5, 2017, the names of the Audit Committee consisted of 3 members.

- | | | |
|-----------------|--------------|---------------------------------|
| 1. Mr.Pichai | Kojamitr | Chairman of the Audit Committee |
| 2. Mr. Warapong | Nandabhiwat | Audit Committee |
| 3. Mr. Anucha | Dumrongmanee | Audit Committee |

Miss. Soontaree Mulmao is the Secretary of the Audit Committee. Appointed by the Board. Member of the Audit Committee 1/2018 on 19 February 2018

Remark: - The member of the Audit Committee with experiences in auditing the credibility of the financial statements is Mr. Anucha Dumrongmanee who holds a bachelor's degree in Accounting and Business Administration from Chiang Mai University and has worked in a position as Director of Finance and Accounting at Mandarin Oriental Dhara Dhevi, Chiang Mai and held the position, Director of Finance and Accounting at the Asia Pacific at the Starwood Hotels Singapore office.

Scope of Authority and Responsibilities of the Audit Committee

1. To review the financial statements to ensure their accuracy as well as their adequacy of disclosure with the co-ordinating of external auditors and executives who are responsible for quarter and annual preparation of financial statements.
2. To review the Company's internal control system and internal audit system to ensure their appropriateness and effectiveness.as well as to consider the independency of the internal audit unit, and to provide opinion on consideration of appointment, transfer and dismissal of the head of the internal audit unit or other units which are responsible for matters relating to internal audits. It may provide suggestion of reviewing or examining any transaction which may be deemed necessary and important of which will be proposed with important and necessary improvement of the internal control system to the Board of Directors by reviewing with the external auditors and the internal audit manager
3. To review the compliance with the Securities and Exchange, the Stock Exchange of Thailand's regulations, rules, regulations and other laws relating to the Company's business
4. To consider the selection and nomination of an independent person to be the Company's auditor and to propose such person's remuneration to the Board of Directors, as well as to attend a non-management meeting with the auditor at least once a year
5. To review the internal audit plan of the Company by generally accepted standards
6. To consider connected transactions or transactions with possible conflicts of interest to ensure their compliance with laws and the SET's regulations as well as the accuracy and the completeness of the disclosure of the Company's information in such matter. The transactions must be reasonable and provide the utmost benefit to the Company
7. To review the appropriateness and efficiency of the Company's risk management system
8. To report the performance of the Audit Committee to the Board of Directors at least 4 times a year

9. To prepare and to disclose the report of the Audit Committee in the Company's Annual Report, which must be signed by the Audit Committee's Chairman and the report shall consist of at least the following information:

- 1) An opinion on the accuracy, completeness and reliability of the Company's financial report
- 2) An opinion on the adequacy of the Company's internal control system
- 3) An opinion on the compliance with the the securities and exchange law, the SET's regulations, and agencies or laws relating to the Company's business;
- 4) An opinion on the suitability of the auditor;
- 5) An opinions on connected transactions or transactions that may have conflict of interest;
- 6) The number of the Audit Committee meetings and the attendance of such meetings by each member of the Audit Committee;
- 7) An opinion or overall comment received by the Audit Committee from the performance of duties under the Charter;
- 8) Other transactions, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors

10. To jointly giving opinions on the consideration of appointment, removal, evaluation of the performance of the internal audit unit's officers

11. According to the scope of duties, the Audit Committee has a power to invite the relevant Company's management/ executives/ or officers to provide comments, attend a meeting, or submit relevant or necessary documents

12. The Audit Committee has an authority to hire consultants or outsiders in accordance with the Company's regulations or as authorized by related laws or organizations to provide comments or advice if necessary

13. The Audit Committee must evaluate the performance by self-assessment and report the results of the evaluation, together with problems and obstacles that may cause the operation to fail to achieve the purpose of setting up the Audit Committee to the Board of Directors of the Company for acknowledgement every year

14. To review and improve the Charter of the Audit Committee.

15. To perform other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

Term of Office of Audit Committee

The Audit Committee has the term of office is three years, meaning the period between shareholders' general meeting to shareholders' general meeting in next year. A retired member of the Audit Committee may be nominated and reappointed to the position.

Executive Committee

As at December 31, 2018, the Company has 7 members of the Executive Committee

1. Mr. Ongart	Kittikhunchai	Chairman of Executive Committee
2. Ms. Morakot	Kittikhunchai	Vice Chairman Executive Committee
3. Mrs. Jiraporn	Kittikhunchai	Executive Director
4. Mrs. Suraporn	Prasatngamloet	Executive Director
5. Mr. Anan	Boonmahathanakorn	Executive Director
6. Mr. Sanit	Sresuwan	Executive Director
7. Mr. Vira	Nopwattanakorn	Executive Director

Scope of Authority and Responsibilities of the Executive Committee

1. To control the management of the Company to ensure its compliance with the policy stipulated by the Board of Directors and to report the operating results to the Board of Directors. At the meeting of the Executive Committee, there must be the Directors attending the meeting no less than half of the members of the Executive Committee. The resolution of the Executive Committee must receive a majority of votes from the meeting and at least half of the votes from all members of the Executive Committee.

2. To determine the stipulation of authority and level of approval of each person with appropriation and to provide separation of duties which may lead to fraud, including procedures of transaction with major shareholders, directors, executives or related persons with appropriateness in order to prevent any transfer of benefits. These shall be proposed to the Board of Directors for approval of the principles. The committee also controls the implementation of the approved principles and regulations.

3. To consider the annual budget and budget expenditure process to be proposed to the Board of Directors and supervise the budget expenditure approved by the Board of Directors.

4. To consider and improve the business plan of the Company to ensure its appropriateness for the benefit of the Company.

5. To consider the approval of the investment and determine investment budget as stipulated in the Operation Authority Handbook.

6. To consider execution of binding contracts with the Company by as stipulated in the Operation Authority Handbook.

7. To be responsible for the sufficiency of important information of the company used for the making decision of the Board of Directors and shareholders, as well as to provide credible financial report in pursuant to good standards with transparency

8. To consider the profit and loss of the Company and propose the annual dividend payment to the Board of Directors.

9. To consider the establishment of a new business or termination of the business and propose to the Board of Directors

10. To supervise the operation process for the operator to immediately report any unusual or abnormal activity or illegal action to the Executive Committee. Upon the occurrence of the event that has significant impact, the report to the Board of Directors's acknowledgement for further consideration of correction within a reasonable period of time.

11. To perform any action to support the above operations or the opinions of the Board of Directors or as delegated by the Board of Directors.

12. To propose any matter resolved and/ or approved by the meeting of the Executive Committee and such matter shall be reported to the Board of Directors for acknowledgement at the next Board meeting

The aforementioned of the delegation of authority and responsibility of the Executive Committee does not include authority and/ or delegation of authority period to approve any transaction of one or other with possible conflict of interest (as defined in the Notification of the Capital Market Supervisory Board), any conflict of interest or benefit against the Company. The approval of such transaction must be proposed to the meeting of the Board of Directors and / or the shareholders' meeting (as the case may be) to consider the approval of the transaction in pursuant to the company's regulations or the related laws and organizations

Risk Management Committee

As at December 31, 2018, the Company has 5 Risk Management Committees

1. Mr.Chaiyot	Suntivong	Chairman of The Risk Management Committee
2. Mr. Pichai	Kojamitr	Risk Management Committee
3. Mrs.Jiraporn	Kittikhunchai	Risk Management Committee
4. Mr.Voravat	Tantranont	Risk Management Committee
5. Mr.Anan	Boonmahathanakorn	Risk Management Committee

Scope of Authority and Responsibilities of the Risk Management Committee

1. To define policies and structures for risk management in order to propose to the Executive Committee in pursuant to the risk management guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.
2. To provide strategy following the risk management policy to ensure the monitoring and controlling of each type of risks to be at acceptable level with the participation of risk management and control of other units
3. To evaluate corporate risk and determine risk management approach to be at acceptable level as well as to ensure that the risk management is in accordance with the established procedures
4. To review the risk management policy and improve its efficiency and effectiveness of the risk controlling
5. To have the authority to call upon related persons to clarify or to appoint and assign roles to risk management officers at all levels with appropriateness who will report to the Risk Management Committee to ensure the achievement of the risk management's objectives
6. To report the results of the risk management to the Executive Committee and the Audit Committee for further quarterly proposing to the Board of Directors
7. To prepare the risk management manual.
8. To identify all aspects of risks and analyze and evaluate possible risks which may occur, including trends which affect the Company
9. To provide plan as a risk protection or reduction
10. To evaluate and prepare the risk management report
11. To organize the integrated risk management system by linking to the information technology system
12. To perform other duties as assigned by the Board of Directors.

Nomination and Compensation Committee

As at December 31, 2018, the Company's Nomination and Compensation Committee consists of 3 members as follows

- | | | |
|-----------------|---------------|---|
| 1. Mr. Warapong | Nandabhiwat | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Pichai | Kojamitr | Nomination and Remuneration Committee |
| 3. Mr. Ongart | Kittikhunchai | Nomination and Remuneration Committee |

Scope of Authority and Responsibilities of the Risk Management Committee

Recruitment

1. To determine the appropriate nomination methods for the position of directors to suit the nature and business of the organization by stipulating qualification, knowledge, and expertise of each needed aspect
2. To nominate a director to the board of directors upon the proposing agenda for consideration. The nomination may consider the term renewal of the existing director or the nomination from the shareholders or use the recruitment company's service, or consider candidates from the professional lists, or be nominated by each Director, etc.
3. To consider the list of nominees and select qualified candidates whose qualification meet the stipulated criteria.
4. To check if the nominated person's qualification meets the legal requirements or regulations of the related organizations.
5. To approach qualified individuals who meet the eligibility criteria to ensure that the persons are willing to accept the position of the directors of the Company, if appointed by the shareholders.
6. To nominate lists of candidates to the Committee for consideration and enlisting the lists in the notice of the shareholders' meeting, for the shareholders' meeting to consider.
7. To consider the approval of the appointment of senior executives from the Executive Vice President level, as assigned by the Board of Directors.

Compensation

1. To consider the criteria of the remuneration of directors and senior executives to ensure its appropriateness by reviewing appropriateness of the present principles in comparison with the remuneration information of other companies within the same industry of the Company. The criteria shall be appropriate in order to achieve the expected results of fairness and to reward the persons who help the success of the company.
2. To review all forms of compensation such as regular compensation, compensation based on performance, and meeting allowance by taking into account of the same industry practices, the Company's business performance and size, responsibility, knowledge, ability, and experience of the directors and senior executives required by the Company.
3. To consider the performance evaluation criteria of Managing Director, Executive Directors, and senior executives as assigned by the Board of Directors.
4. To stipulate the annual remuneration of directors, Chief Executive Officer, Executive Directors, and senior executives following the compensation criteria which is proposed to the the Board of Directors for approval of compensation of Chief Executive Officer, Executive Directors, and senior executive. While the Directors' compensation will be proposed to the meeting of shareholders by the Board of Directors for approval.
5. To consider the suitability and provide approval upon the issuance of the new shares to the directors and employees of the Company by focusing on the principles of fairness to shareholders, and providing work motivation to the directors and employees which leads to the establishment of long-term value added to the shareholders as well as quality personnel retention.

Authorization Table Chart

Transaction type	Board of Directors	Executive committee	Chef Executive Officer	Executive Vice-President	Director group	Manager group
Budgeting for Capital Expenditures	Exceed 10% of the budget	Not exceed 10% of the budget.	Not exceed 5% of the budget.	-	-	-
Advance payment	Exceed 10 Million baht	Not exceed 10 Million baht	Not exceed 1 million baht.	Not exceed 300,000 baht	Not exceed 50,000 baht	Not exceed 10,000 baht
Petty cash payment	-	-	Exceed 20,000 baht	Not exceed 20,000 baht	Not exceed 10,000 baht	Not exceed 5,000 baht
Credit line approval	Exceed 10 million baht	Not exceed 10 million baht	Not exceed 1 million baht	-	-	-
Sales Contract	-	Exceed 100 million baht	Not exceed 100 million baht	Not exceed 50 million baht	Not exceed 20 million baht	Not exceed 10 million baht
Raw material packing and Ingredients	-	Credit limit 1 million baht	Not exceeding 1 million baht	Not exceeding 500,000 baht	Not exceeding 300,000 baht	Not exceeding 200,000 baht

Note: The above authorization was approved by the Board of Directors Meeting No. 1/2017 (first meeting after the transformation of the company to public limited company) on September 5, 2017.

Nomination and Appointment of Directors and Top Executives

The selection of persons to be appointed as the directors or the executives of the company, the appointed persons to serve as the directors and executives of the Company must be qualified persons under Section 68 of the Public Limited Company Act B.E. 2535 and the Notification of the Capital Market Supervisory Board No. Thor Jor. 28/2551 on Application for and Approval of Issuance of New Shares with the composition and nomination criteria as follows

Composition and Nomination of the Board of Directors

(1) The Company's Board of Directors has a responsibility to operate the Company, consisting of at least five (5) members, and no less than half of the members must have residents within the Kingdom of Thailand, and the Directors of the Company must possess qualification as stated by law, and the Directors can either be the Company's shareholders or not.

(2) The meeting of the shareholders shall have a resolution to appoint the directors in accordance with the following rules and procedures:

2.1 A shareholder's one (1) share is one (1) vote;

2.2 Each shareholder shall exercise all available votes stated in 2.1 to elect one person or several persons as directors. In case of multiple persons, the number of votes for each director can not be divided.

2.3 The persons with the highest number of votes in descending order shall be elected as directors, with the numbers equivalent to the required numbers of directors, or elected at such time. In the case when a person who is elected in the next order has the same number of votes, exceeding the required numbers of directors or elected numbers at that time, Chairman shall be cast the final vote.

(3) At every Annual General Meeting of Shareholders, one-thirds (1/3) of the number of directors at that time shall leave the position. If the number of directors can not be divided into three parts, the nearest numbers to one-third (1/3) shall leave the position, and may be re-elected to the position.

The directors who must leave the position in the first year, and in the second year after the registration of the company, the drawing lots shall be made. For the following years, the directors who serve the longest term in the position, shall retire.

(4) Any director who would like to resign from the position shall submit a resignation letter to the Company. The resignation will take effect from the date the letter reaches the company.

(5) The shareholders' meeting may have a resolution to dismiss a director before the expiration of his term with the votes of no less than three-fourths (3/4) of the total number of shareholders attending the meeting and having the right to vote and the total numbers of shares shall be no less than half of the shares held by the shareholders attending the meeting and having the right to vote.

(6) When there is a vacancy of the position of the director due to reasons other than the expiration of the term, the Board shall select qualified persons, who have no prohibited characteristics stipulated by Public Limited Company Act or the Securities and Exchange Act, to be in the vacant position and attend the next Board's meeting. However, when the term of such Directors is less than two (2) months, the appointed persons to be the Directors shall remain in the position for only within the remaining term of the replaced Directors. The resolution of the Board of Directors in pursuant to the first paragraph shall consist of votes of no less than three-fourths (3/4) of the remaining directors.

(7) The Board of Directors shall elect one director to be Chairman. Upon consideration of the Directors deem appropriate, a Director or Directors may be elected as Vice Chairman with the responsibility to comply with the corporate regulations assigned by Chairman...

Composition and Nomination of Executive Directors

The Audit Committee of the Company must be appointed by the Board of Directors and approved by the shareholders of the Company. They are qualified under the Securities and Exchange Act, as well as the SET's notifications and/regulations. The total numbers of the members of the Committee shall not be less than 3 members and at least one of the Audit Committee's members must have knowledge in accounting and finance. The term of office of the Audit Committee shall be three years from the date of the resolution. Upon the completion of the term, if the Board of Directors or the shareholders' meeting have no resolution to appoint a new set of the Audit Committee, the existing Audit Committee shall continue to perform the duties till the Board of Directors or the Shareholders' Meeting appoint a new set of the Audit Committee to replace the existing Audit Committee of which the term of office is completed, and / or the term of office of the position of the Director is completed. The nominated Audit Committee must be Independent Directors with the qualification of the Audit Committee in accordance with the rules and notifications prescribed by the SEC, and the Stock Exchange of Thailand as follows

Qualifications of Independent Board

(1) To hold shares of no more than 1% of the total shares with voting rights of the Company, parent company, subsidiary, affiliated company, major shareholders, or the authorized control persons of the Company, including the shareholding of related persons of the independent directors.

(2) not being or having been a member of the management, employee, advisor, with regular salary or controlling authorized person of the Company, parent company, subsidiary, affiliated company, the same level subsidiary, major shareholders or controlling authorized person of the company, unless having been out of the aforementioned positions for no less than 2 years prior to the filing of the application date with the Office of the Securities and Exchange Commission. The aforementioned prohibited characteristics, excluding the case where an independent director having been a government official or consultants of the government agency which is a major shareholder or the authorized control person of the company.

(3) Not having blood relations, or by legal registration in the manner of a parent, spouse, sibling and child, including the spouse of a child of an executive, a major shareholder authorized control person or the person to be proposed to be the executive or authorized control person of the company or its subsidiaries.

(4) Not having or having been in business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder, or the authorized control person of the company in a manner that may obstruct one's independent judgment, including not being or having been a significant shareholder or the authorized control person of a person who has business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder, or the authorized control person of the company unless having left the above-mentioned characteristics for no less than 2 years before the date of filing the application with the Office of the Securities and Exchange Commission.

(5) Not being or having been the auditor of the Company, its parent company, subsidiary company, affiliated company, major shareholder, or the authorized control person of the company, and not being a significant shareholder, authorized control person, or partner of the audit office of which the auditors of the Company, its parent company, subsidiaries, associates, major shareholders, or the authorized control person of the company, is from, unless it having left such characteristics for no less than 2 years prior to the date of submission of the application to the Office of the Securities and Exchange Commission.

(6) Not being or having been any professional service provider which includes legal advisors or financial advisors,

receiving the service fee of more than 2 million baht per annum from the Company, its parent company, subsidiary, affiliated company, major shareholders, or the authorized control person of the company, and not being a significant shareholder, the authorized control person, or a partner of a professional service provider, unless having left the above-mentioned characteristics for no less than 2 years before the date of filing the application with the Office of the Securities and Exchange Commission.

(7) Not being a director appointed to be a representative of the Company, major shareholders, or shareholders who are related to major shareholders.

(8) Not engage in any business of the same nature and being significant competitor to the business of the Company, its subsidiaries, or not being a partner within the partnership, or being a director who is involved in the management, employee, staff, consultants with regular salary, or holding more than 1% of the total shares with voting rights of other companies with the same nature and being a significant competitor with the Company or its subsidiaries.

(9) Not having any characteristics which refrain a Director from expressing an independent opinion about the Company's operations.

The Independent Director with aforementioned qualifications may be assigned by the Board of Directors to make decision on the operation of the Company, its parent company, subsidiary, affiliated companies, same level subsidiaries, major shareholders, or the authorized control person by having the Collective Decision.

Qualification of the Audit Committee

(1) Not being a director assigned by the Board of Directors to make decision on the operation of the Company, its parent company, subsidiaries, affiliated companies, same level subsidiaries, major shareholders, or the authorized control person of the company.

(2) Not being a director of the parent company, subsidiary, or subsidiary of the same level, especially the listed company.

(3) Having sufficient knowledge and experience to be able to serve as a member of the Audit Committee There is at least one member of the Audit Committee must have sufficient knowledge and experience to be able to review the credibility of the financial statements.

(4) To perform duties in the same manner as specified in the Notification of the Stock Exchange of Thailand regarding qualifications and scope of work of the Audit Committee.

Composition and Nomination of Executive Directors

Members of the Executive Committee must be directors and / or executives of the Company, and / or employees of the Company, and/ or persons with appropriate qualifications appointed by the Board of Directors. The Board of Directors will appoint the amounts of directors with appropriate numbers and one of the members will be appointed as Chairman of the Executive Committee by the Board of Directors.

Composition and Nomination of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be appointed by the Board of Directors. The Nomination and Remuneration Committee consists of no less than 3 directors who are independent directors and non-executive directors. One of the members shall be elected as Chairman of The Nomination and Remuneration Committee.

Composition and recruitment of the Risk Management Committee

Risk Management Committee must be a director, and / or management of the Company and / or employees of the Company, and / or is the appropriate person appointed by the Board of Directors with the numbers deemed appropriate by the Board of Directors. The Board of Directors will appoint one member of Risk Management Committee to be Chairman of the Risk Management Committee.

Composition and recruitment of the Chief Executive Officer

Executive Officer shall be proposed from the nomination of the Executive Committee through the selection of a member of the Executive Committee during the selection process in order to propose to the Board of Directors for approval of the appointment of the nominated person as Chief Executive Officer.

Supervision of operations of subsidiaries and affiliated companies

To supervise the operations of the subsidiaries and associated companies, the company shall send a representative of the company to be a director of a subsidiary and affiliated company of the company may be chairman of the Board of Directors, Directors of the Company, Chief Executive Officer, Managing Director, Senior Executives, or any person who has the qualifications and experience appropriate to the business and with no conflict of interest with the business of those subsidiaries and affiliated companies. In addition, the representatives of the Company, who are directors of

the subsidiaries must perform the management and administration for its subsidiaries in accordance with the rules and regulations as prescribed by the Company including Delegation of Authority of the subsidiary and the relevant laws of the subsidiary.

Use of internal information

The Board of Directors' Meeting No. 1/2017 (the first time after the Company's transformation) held on September 5, 2017 had a resolution relating to the regulations regarding the use of internal information of the Company which has not been disclosed for one's benefit or other's benefit. The Company's regulations on the matter are as follows:

1. Directors, executives, and employees of the Company follow these steps:

- (A) To keep the internal confidential and / or information of the company;
- (B) Not to disclose the internal confidential and / or information of the company for one's benefit or other's benefits, whether directly or indirectly and whether or not to receive a return
- (C) Not to trade, transfer or receive securities of the Company by using confidential and / or internal information, and / or entering into any legal transaction by using the Company's confidential and / or internal information which may cause direct or in direct damage to the Company.

Directors, executives, and employees of the Company who are in the Company's internal information until shall avoid or suspend trading of the Company's securities within one month prior to the disclosure of the financial statements to the public and 24 hours after disclosure of financial statements or significant information to the public. These requirements include the spouse and minor children of directors, executives and employees of the Company. Any violation the regulations, one will be considered committing a serious offense.

2. Directors and Executives of the Company, including the auditors of the Company must report changes of share-holdings in their own companies as well as the shareholder of their spouses and minor children to the Office of the Securities and Exchange Commission under Section 59.

3. The Company has thoroughly announced such regulations to its directors, executives, and employees.

Remuneration of external auditors

The Company and its subsidiaries pay audit fee for the fiscal year 2016-2018 /1 as follows

• Audit Fee

Unit : Baht

Auditor's remuneration (Baht)	2016	2017	2018
Annual audit fee	2,350,000	2,000,000	2,000,000
Quarterly Review Financial Statements	-	1,050,000	800,000
Total	2,350,000	3,050,000	2,800,000

• Non Audit Fee

Unit : Baht

Auditor's remuneration (Baht)	2016	2017	2018
IPO Fee	-	800,000	-
Auditing fee for corporate income tax privilege in accordance with the conditions in the promotional certificates (BOI)	-	30,000	30,000
Total	-	830,000	30,000

Remarks: /¹ This remuneration Excluded Out-of-pocket to be reimburse by auditors.



Corporate Social Responsibility

The Company has the policy to ensure that its business is socially responsible to the environment and stakeholder. This is in line with the Corporate Social Responsibility (CSR) approach the Stock Exchange of Thailand (SET), which defines 8 principles: 1) fair business; 2) anti-corruption; 3) respect for human rights, 4) fair labour practices, 5) consumer responsibility, 6) Environmental care, 7) Community or social development, and 8) innovation and dissemination of innovations that have been executed or carried out with responsibility toward the society, environment and stakeholders.

Policy overview

The Company takes into account the importance of good corporate governance in order to serve as a guideline for the management, so that the management and employees have confidence in their responsibilities to the stakeholders as well as the community, society and environment (Corporate Social Responsibility). Good Corporate Governance has been set for the purpose to ensure that the management and staff of the Company are aware of the important policies of the organization. And also Their responsibility to perform their work with moral and ethical standards. The standard practices have been set as a guideline to achieve success with accuracy and completeness.

The Board of Directors Meeting No. 1/2017 (first meeting after the transformation of the company to public limited company) on September 5, 2017, approved the Good Corporate Governance Policy and anti-corruption policy. This is a guideline for the operation of the Company. The management and staff strictly adhere to the regulations to be effective in all areas of business operations, the Company must have efficient, and transparent management system which enhances the confidence of shareholders, investors, stakeholders and related parties. All parties passed normal business since the procurement process with partners, study and research on products, services that do not affect the environment, including raising awareness about the role of being good members in society. It emphasizes participation and good relationship between the Company and society on the basis of accuracy, transparency and fairness, and promotes various activities that are beneficial for social and community development. For employee welfare, the regulations are clearly defined and enforced strictly for safety and work equality including guidelines for directors, executives and employees who must perform their duties with honesty. Focusing on and caring for customers is done by providing quality products at fair prices to customers and consumers, based on the ideals of a company that is sincere and honest in the business for more than 20 years.

In addition, the Company has a system of effective management and prevention of conflicts of interest, including corruption. The auditor has been approved by the Securities and Exchange Commission and internal auditors ensure that the Company recognizes the rights of all stakeholders, which are required bylaws and policies set by the Company, whether it be for the shareholders, employees, customers, business partners.

In this regard, the Board of Directors Meeting No. 1/2019 on February 22, 2019, has reviewed and approved the revision of the good corporate governance policy and business ethics to be more appropriate.

Implementation and reporting

The Company has set the Corporate Social Responsibility in Code of Business Conduct as follows:

Fair Business

The company will operate the business by adhering to the correctness and complying with the relevant rules and regulations under moral principles and transparency. Also avoid actions that may cause conflicts or arguments incorrectness by adhering to the responsibility to stakeholders and generate appropriate returns for investors. Including create progress and growth and sustainable. The company also gives importance to conducting its business operations with fairness and operates under business ethics. The company, therefore, respects the rights and intellectual property of others as well as the rights and intellectual property of the company as follows

Policy on respecting rights and intellectual property

1. Conduct business in accordance with laws, regulations and contractual obligations related to rights and intellectual property.
2. Encourage executives and employees to work under respect for the rights and intellectual property of both the company and others. Do not violate copyright trademark or use other people's works for their own benefit or the company.
3. Every department is obliged to help or try to obtain patent rights and protect and protect the rights of the company with intellectual property. Trade secrets which are necessary to maintain business competitive advantage by having to exercise those rights responsibly including respecting the rights of intellectual property owners.

Intellectual property might be copyrights, patents, trademarks company's name, logo or commercial confidentiality. In addition, any information such as inventions, data, innovation, creative ideas, etc.

The company has provided important guidelines for executives and employees such as;

- Executives and employee must perform their duties strictly in compliance with laws relevant to the business of the company and work regulations, and avoid any acts that might cause negative impact on the company's reputation.
- Executives and staffs have duty to preserve the best security of the Company's trade secrets and information.
- Executives and staffs should not disclosed company accessibility password to the outsider or the irrelevant person.
- Executives and employees must strictly conform to the Company's rules and regulations regarding computers.

Anti-corruption

The Company policy is committed to anti corruption has been set as a guideline for directors, management and staff to implement as follows: Do not demand money, or interests or things that are not appropriate, or excessively normal practice. Also, it does not pay as it claimed but offers to give money or benefits or something to the person or related company, or the relevant government agencies involved either directly or indirectly .Exception shall be applied in case of laws, regulation, statement, standard, custom, or business traditions enable to do so.

The company has disseminated anti-corruption policies to external parties, directors, executives and employees through the company website. And have communicated guidelines for employees in the organization by posting announcements within the public relations companies Campaign and encourage serious action.

The channel for whistle – blowing and complaints

The company provided the channel for whistle-blowing or complaint-making that stakeholders are or may be affected by the damage caused by the company's operation, or the employees are involved in unlawful, dishonest acts or corruption via post to the email of

The Audit Committee	audit_committee@sunsweetthai.com.
The company secretary	company_secretary@sunsweetthai.com

or phone number 053 106538 - 40 to 68 to present to the Audit Committee and report to the Board of Directors.

In addition, the internal channels for receiving complaints from many employees as mentioned in "Complaints channel and employee complaint management process".

Respect for human rights

The company recognizes the respect for human life and dignity of all people, which is the foundation of human resource management and development. Including the creation of human relations in society. The Company therefore promotes the observance of basic human rights and equality principles regardless of race, color, gender, language, religion, political belief or belief in any other way. Ethnic or social background, property, origin or status.

Fair treatment

The Company has set the appropriate compensation structure that in line with market rate, abilities, responsibility and behavior through strategic assessment process at all levels: corporate strategy, business strategy and / Division Strategy /Department Strategy and Skill Behavior in which supervisor to assess the subordinate, review their as vice versa subordinate can review their supervisor and also self-assessment, In addition, the Company strives to improve and provide good welfare benefits such as accident insurance for employees. and executives who go abroad, health insurance, Annual Health Check and providing drinking water.

Companies want to empower their employees in their goals, roles and responsibilities, provide opportunities for growth, authenticity. Rewarding and punishing employees must be based on authenticity and providing an appropriate environment and safe area for the employee.

Consumer Responsibility

In terms of customer responsibility, the Company has set a fair pricing policy by considering commercial terms, business negotiations were without no special item that is based on the arm's length basis. In addition, the Company has the policy to procure and improve the service according to commercial terms, and disclose relevant information that is useful, accurate, timely, and without distortion. Taking into account the confidentiality of customer information as company information and not using it for the company and relative benefit.

The responsibility for consumers of the company is having the policy to deliver quality products in accordance with specified standards to the consumer and paying attention to every process, taking into account the customer's highest satisfaction and focus on providing customers with good quality products.

Environmental protection

The company foresees the importance of the environment, being aware of the social and community responsibilities. It is one of the Company's major missions. Management and staff must conserve natural resources and preserve the environment. The environmental laws are strictly adhered to so that they do not affect the environment in the vicinity or cause the least impact. Also included are activities or supporting the activities of stakeholders, which are activities for public benefit and social services on a continuous basis.

Joint development with the community or society

The company has a good sense of responsibility for society. There is a guideline to practice or enforce to comply with laws and regulations. It also, support and volunteerism for community and social activities as it should be.

Innovation and innovation dissemination through social responsibility, environment and stakeholders

The Company has a clear policy on society, community and environment and plans for ISO14001 for social and environmental projects which is an appropriate benefit for the overall environment.

Activities for social and environmental benefits

The Company is committed to engaging in good relationships between the Company and society and the environment by supporting the promotion of various activities.

The Company wants to develop and enhance the agricultural industry in Thailand by working closely with the farmers and the public sector. The company has organized training courses on the cultivation of vegetables, with standard and quality, such as smart farming to reduce the loss of corn farmers. In Chiang Mai and northern areas, support for the reduction in the use of chemical fertilizers and pesticides. Including /anti to GMO (Genetically Modified Organisms)

Since 2016, the company has initiated the annual Sun's Innovation and Technology Sunsweet at its KC Farm Learning Center. Participated by companies and stores in the activities to educate farmers on agricultural innovations and technologies to interested parties like farmer, students, and interested people who live nearby. During Sunsweet Agriculture Innovational Technology Day in 2017 the company has sign memorandum of understanding regarding sweetcorn course between Non-formal education of Mae Wang district and the company to build and develop a learning curriculum to cultivate sweet corn. The course aims to create knowledgeable people with the ability and understanding of sweet corn. This will help improve the quality of personnel in the sweet corn industry.

In 2018, the company provided training for drone or unmanned aircraft to farmers and interested parties. This project can help farmers to use in spraying drugs, taking care of plant diseases and eliminating pests, helping to reduce the amount of chemical use and reduce exposure or inhalation of chemicals that may be directly received

In addition, the company has focused on transferring knowledge about environmental care, such as placing a good wastewater treatment system. And using the remaining raw materials or waste from the production process to be used as an energy source in the production of renewable energy Such as biogas and biomass fuel.

Cooperation in research and development of renewable energy

The company has entered into a memorandum of cooperation with Maejo University on the development of alternative energy to support the use of clean energy in the study and development of renewable energy. At present, the company supports learning about the biogas system for students by coming to learn from the actual practice and can use the company's laboratory to analyze the control of biogas systems.



Solar power generation project on the roof

In 2018, the company implemented a project to produce electricity from solar power on the roof of 500 Kwp (Solar PV Rooftop) to produce electricity for use within the factory and building. Which is considered as one of the useful renewable energy because it is the use of sunlight Which is an existing natural resource and is pure clean energy Does not cause any reaction That makes the environment toxic It also helps to reduce the temperature in the factory because the Solar roof is like a roof to protect the sun.



In addition, the Company also gives importance to participation and building good relationships between companies and communities and society to promote activities that are beneficial to social and community development. As well as organizing activities to practice public benefits for society every year, with the main objective to ensure that all employees are conscious of social development such as



Figure: Educational support activities to employees.



Figure: Activities watering the elderly give scholarships and consumer goods for people in the community etc.



Figure: “Religious activities such as merit making, Lent day etc.”



Figure: “Religious activities : Kathin”



Internal Control and Risk Management

Internal Control and Risk Management

The Board of Directors' Meeting No. 1/2017 (first registered as a public company) was held on September 5, 2017. In the name of the Audit Committee, an independent director that consist of 3 persons convened the meeting. The Board of Directors has assessed the adequacy of the Company's internal control system in five aspects: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitory. The Board of Directors considered that the Company has adequate and appropriate internal control system for the business operation of the Company.

In addition, The Board of Directors' Meeting No. 1/2019 was held on Februry 22, 2019 has assessed the adequacy of the Company's internal control system in five aspects .The Board of Directors considered that the Company has adequate and appropriate internal control system for the business operation of the Company.

For the implementation of the internal control system. The Audit Committee has reviewed the internal control system. and control activities of the company by coordinating with the internal auditor. Internal Auditor and Management Review the financial statements to ensure adequate and reliable disclosure. To ensure that the Company comply with the Securities and Exchange Act, SET regulations, and laws relating to the business operation of the Company.

Internal Audit and Corporate Governance

The Company has appointed IVL Audit Company Limited, an outsource company by Ms. Waldee Sibunruang, who is the Managing Partner. It is responsible for the head of an internal audit of the Company. She was responsible for reviewing the internal control system and assess the adequacy of the internal control system. The internal auditor will report to the Audit Committee meeting as well as prepare the annual internal audit plan for approval. Monitor and verify the accuracy of the operation in accordance with the plans and policies set by the company. The Company has continually improved the quality of its internal controls. The Audit Committee has the opinion that IVL Audit Company Limited, which incharge as the internal audit unit of the Company is qualified experienced in auditing several listed companies.



Related Party Transactions

Relationship type

The Company has transactions with persons who may have conflict of interest. The related transactions are transactions with directors and / or executives and / or major shareholders. And related companies which have conflict of interest as directors and / or executives and / or major shareholders of the Company. For the years ended 31 December 2017 and 2018, the details are as follows

Interconnection (Yes= ✓, No= X)

Company / Individual That may have conflicts.	Relationship type	Year 2017 Until 31 Dec 2017	Year 2018 Until 31 Dec 2018
1. Mrs. Jiraporn Kttikhunchai	<ul style="list-style-type: none"> • A director, an authorized director, a member of Executive Board, a member of Risk Management Committee, Deputy Chief Executive Officer (Head Office) and a major shareholder of the company. • Holds 69.77% of paid-up capital as of 31 December 2018. 	✓	✓
2. Mr. Ongart Kittikhunchai	<ul style="list-style-type: none"> • A spouse of Ms. Jiraporn Kittikhunchai, the Company's director, an authorized director, a member of nominate and remuneration committee, the Chairman of Executive Board, Chief Executive Officer and Deputy Chief Executive Officer (Marketing). • Holds 0.46% of paid-up capital as of 31 December 2018. 	✓	✓
3. Ms.Morakot Kittikhunchai	<ul style="list-style-type: none"> • Mr. Ongart Kittikhunchai's older sister and being the deputy chairman of the Board of Director, an authorized director, the deputy chairman of Executive Board, and Deputy Chief Executive Officer (Production). • Holds 0.46% of paid-up capital as of 31 December 2018. 	✓	✓
4. Mrs.Suraporn Prasatngamloet	<ul style="list-style-type: none"> • Mr. Ongart Kittikhunchai's younger sister and being the Company's director, an authorized director, a member of Executive Board, and Director of General. 	✓	✓

Company / Individual That may have conflicts.	Relationship type	Year 2017 Until 31 Dec 2017	Year 2018 Until 31 Dec 2018
5. Mr.Sanit Sresuwan	• Executive Director And factory director.	✓	X
6. Mr.Kovit Sitthiyos	• Director of Sales and Marketing	✓	X
7. Sun Sweet Agro Tech Co.,Ltd: Manufacturing and distribution business. Canned fruits and ag- ricultural crops	• A company in which Mr. Ongart Kittikhunchai is a director and holds 95.99% of the paid-up capital of Sun Sweet Agro Tech Co.,Ltd. as of December 31, 2018.	✓	X
There is 1 director 1) Mr.Ongart Kittikhunchai			
8. Sunshine Travel Co., Ltd: Travel Business Including busi- ness related to all kinds of tours.	• The company which Mr. Ongart Kittikhunchai is a director and hold 9.09% of paid-up capital of Sunshine Travel Co., Ltd. as of December 31, 2018.	✓	X
There are 3 directors. 1) Mr.Ongart Kittikhunchai 2) Miss Sunantha Saelim 3) Mr.Anupong Kunopranpan	• The company which Mrs. Jiraporn Kittikhunchai holds 9.09% of paid-up capital of Sunshine Travel Co., Ltd. as of December 31, 2018. • The company which Ms. Morakot Kittikhunchai holds 9.09% of paid-up capital of Sunshine Travel Co., Ltd. as of December 31, 2018. • The company which Ms. Suraporn Prasatngamloet holds 9.09% of paid up capital of Sunshine Travel Co., Ltd. as of December 31, 2018.		
9. So Sweet Co., Ltd. The business of selling sweet corn to franchise business.	• A company in which Mr.Ongart Kittikhunchai is a director and holds 99.99% of the paid-up capital of So Sweet Co., Ltd. as of December 31, 2018.		
There are 4 directors. 1) Mr.Ongart Kittikhunchai 2) Mrs.Suraporn Prasatngamloet 3) Mr.Metha Prasartngamloet 4) Miss Phanida Kittikhunchai	• is a company in which Ms. Morakot Kittikhunchai holds 0.005% of the paid-up capital of So Sweet Co., Ltd. as of December 31, 2018. • a company that Mrs.Suraporn Prasatngamloet Holds 0.005% of the paid-up capital of So Sweet Co., Ltd. as at December 31, 2018.	✓	X

Related transaction

Details of the connected transactions between the Company and those who may have conflict of interest in 2017 (ended 31 December 2017) and 2018 (ended 31 December 2018) are as follows.

Interconnection (Yes= ✓, No= X)

Transaction value
(Million baht)

Type of transaction	The Necessary and Responsibility	As of 31 December 2017	As of 31 December 2018
<p>Persons who may have conflicts : Mrs.Jiraporn Kittikhunchai</p> <p><u>Guarantee credit line arranged by a financial institution for the Company and its subsidiary.</u></p> <ul style="list-style-type: none"> On 31 December 2017 Mrs. Jiraporn Kittikhunchai guaranteed credit lines from a financial institution for the Company and its subsidiary, totalling of Baht 1,363.88 million for loan and USD 86.02 million for Forwarding Contract, without receiving any compensation. There is an outstanding balance of such guarantee. On July 20, 2018, the Bank notified the cancellation of personal guarantees to Sun Sweet Public Company Limited. On 31 December 2018 Guarantees of the letter of guarantee and loan facilities for the subsidiary, Mrs. Jiraporn Kittikhunchai, guaranteed by the local financial institution for the subsidiary. With a total loan amount of 82 million baht and USD 2.46 million for the forward exchange trading limit Without compensation for such guarantees. 	<p>The subsidiary is required to use a loan facility from a local financial institution to use as working capital. By guaranteeing the loan facility No compensation or guarantee fees.</p> <p><u>The Audit Committee's opinion</u></p> <p>The Audit Committee opined that the transaction is reasonable as it is a normal business operation and it is a necessary condition in order to be granted the financial support from financial institution for business operation.</p>		
<ul style="list-style-type: none"> The Company has outstanding balance from such transaction. 		Balance 79.29	Balance 0.11

Persons who may have conflicts :
Mr. Ongart Kittikhunchai

Guarantee credit line arranged by a financial institution for the Company and its subsidiary.

- On 31 December 2017
Mr. Ongart Kittikhunchai guaranteed credit lines from financial institution for the Company and its subsidiary, totaling of Baht 1,328.88 million for loan and USD 74.52 million for Forward Contract, without receiving any compensation. There is an outstanding balance of such guarantee.
- On July 20, 2018, the Bank notified the cancellation of personal guarantees to Sun Sweet Public Company Limited.

The subsidiary is required to use a loan facility from a local financial institution to use as working capital. By guaranteeing the loan facility No compensation or guarantee fees.

The Audit Committee's opinion

The Audit Committee opined that the transaction is reasonable as it is a normal business operation and it is a necessary condition in order to be granted the financial support from financial institution for business operation.

		Transaction value (Million baht)	
Type of transaction	The Necessary and Responsibility	As of 31 December 2017	As of 31 December 2018
• On 31 December 2018			
Mr. Ongart Kittikhunchai guarantees loans to local financial institutions for the subsidiaries. With a total loan amount of 82 million baht and USD 2.46 million for the forward exchange trading limit Without compensation for such guarantees.		Balance	Balance
• The Company has outstanding balance from such transaction.		79.29	0.11
<u>Short-term loans from related parties</u>			
• Sun Sweet International Co., Ltd., there is a list of interest expenses from Short-term loans.	Sunsweet International Co., Ltd., the Company's subsidiary, has a necessary to borrow the short-term loan from Mr. Ongart Kittikhunchai Baht 5.00 million for guarantee the short-term loan from financial institution, totaling of Baht 12.00 million. The interest rate for loan from director was 5.12% per year, referred to the interest rate of the promissory note of financial institution, totaling of Baht 129,754 for such transaction. However, Sunsweet International Co., Ltd. already repaid the short-term loan to director on 15 November 2017.	0.06	--
<u>The Audit Committee's opinion</u>			
The Audit Committee acknowledges those transaction			
• <u>Land rental expense</u>			
The company has expenses from land lease.	In 2018, the company used 25 rai 1 ngan 30 square wah of the total land area which is located at Thung Pi Subdistrict, Mae Wang District, Chiang Mai. The land ownership is Mr. Ongart Kittikhunchai, Mrs. Jiraporn Kittikhunchai and Miss Morakot Kittikhunchai for the development and research of sweet corn. In the term of land and building lease agreement owned by Mr. Ongart Kittikhunchai, Mrs. Jiraporn Kittikhunchai and Miss Morakot Kittkhunchai, the agreement condition shows Mr. Ongart Kittikhunchai is only 1 representative for receiving the payment for 1 year of agreement period from January 1, 2018 to December 31, 2018 at 138,000 baht of a rental rate per year. The rental price is in accordance with the ground lease appraisal by using the market price comparison method as a basis for determining the value of the property and objective for public evaluation. According to the appraisal report on February 10, 2017 from Year Appraisal Co., Ltd., Ms. Benjawan Chongyot who is the appraiser of the primary grade, No. 111 and in the list of the valuation company and principal valuers company approved by the Securities and Exchange Commission, Thailand at 11,500 baht of the appraised property per month (or 138,000 baht per year).	0.14	0.17

Type of transaction	The Necessary and Responsibility	Transaction value (Million baht)	
		As of 31 December 2017	As of 31 December 2018
	<p>On July 1, 2018, the additional land lease agreements for 12 rai 2 ngan 65.10 square wah of the total area were made at Thung Pee Subdistrict, Mae Wang Subdistrict, Chiang Mai. The ownership is Mr. Ongart Kitkhunchai, Mrs. Jiraporn Kittikhunchai and Ms. Morakot Kittikhunchai for the same as above purpose. The agreement condition shows Mr. Ongart Kittikhunchai is only 1 representative for receiving the payment for 6 months of agreement period from July 1, 2018 to December 31, 2018 at 33,120 baht of the amount with the same rate as the original lease agreement due to the nearby area.</p> <p><u>The Audit Committee's opinion</u></p> <p>The Audit Committee acknowledged and commented that this investment is reasonable and necessary for the benefit of the business. The conditions and price of the agreement are reasonable when compared to the appraised value of the land and buildings lease by the appraiser who is the appraiser of the primary grade, No. 111 and in the list of the valuation company and principal valuers company approved by the Securities and Exchange Commission, Thailand.</p>		
<u>Other income</u>			
• The Company has other income from the directors to lease land with buildings For use as a residence	In 2018, the company allowed the directors to rent the land with single storey house building for use as a residence where a located at No. 9/9 in the factory area .The land and building owned by the company by under the contract to lease with the rental period for 3 years from January 1, 2017 to December 31, 2019 at the rental rate of 18,600 baht per month including electricity.	0.22	0.22
• The Company has other income from receiving electricity payment from the said transaction.	When the rental contract is due, if the tenant prefer to continou to rent , the contract will be renewed for 3 years with the terms and conditions of the lease in accordance with this contract except the rental rate. The lessee will have to pay an increasing rental fee of 10% of the previous rate.	1,166 Bath	1,178 Bath
<u>Other receivables</u>			
• The company has other receivables from rental income and accrued income from electricity.	The rental price is in accordance with the appraised value of the rental fee by using the market comparison method as a basis for determining the asset value and has an objective for public evaluation which state on report dated 23 November 2016 of Year Appraisal Co., Ltd., with Ms. Benjawan Chongyot, the appraiser of the primary grade, the number No. 111, is the appraiser in the Valuation Company and Principal Valuers company list approved by the Securities and Exchange Commission.	--	--

Type of transaction	The Necessary and Responsibility	Transaction value (Million baht)	
		As of 31 December 2017	As of 31 December 2018
<p><u>The Audit Committee's opinion</u></p> <p>The Audit Committee's opinion The Audit Committee acknowledged and opinioned that the transaction was reasonable. The Company had already done for the rental contract under the reasonable condition and price comparing to the appraisal value by the appraiser who is on the list of valuer approved by the Securities and Exchange Commission.</p>			
<p>Persons who may have conflicts :</p> <p>Ms. Morakot Kittikhunchai</p>			
<p><u>Other Revenue</u></p>			
<ul style="list-style-type: none"> Ms. Morakot Kittikhunchai rent land and building, a single story house located in No. 9/9 in the factory area, which the ownership belongs to the Company for living electricity 	<p>In 2018, the company allowed the directors to rent the land with single storey house building for use as a residence where a located at No. 9/9 in the factory area .The land and building owned by the company by under the contract to lease with the rental period for 3 years from January 1, 2017 to December 31, 2019 at the rental rate of 23,000 baht per month including electricity. When the rental contract is due, if the tenant prefer to continou to rent , the contract will be renewed for 3 years with the terms and conditions of the lease in accordance with this contract except the rental rate. The lessee will have to pay an increasing rental fee of 10% of the previous rate.</p>	0.28	0.28
<ul style="list-style-type: none"> Outstanding balace from such transactions. 		2,233 Bath	2,327 Bath
<p><u>Other receivables</u></p>			
<ul style="list-style-type: none"> The company has other receivables from rental income and accrued income from electricity. 	<p>The rental price is in accordance with the appraised value of the rental fee by using the market comparison method as a basis for determining the asset value and has an objective for public evaluation which state on report dated 23 November 2016 of Year Appraisal Co., Ltd., with Ms. Benjawan Chongyot, the appraiser of the primary grade, the number No. 111, is the appraiser in the Valuation Company and Principal Valuers company list approved by the Securities and Exchange Commission.</p>	--	--
<p><u>The Audit Committee's Opinion</u></p> <p>The Audit Committee acknowledged and opinioned that the transaction was reasonable. The Company had already done for the rental contract under the reasonable condition and price comparing to the appraisal value by the appraiser who is on the list of valuer approved by the Securities and Exchange Commission.</p>			

		Transaction value (Million baht)	
Type of transaction	The Necessary and Responsibility	As of 31 December 2017	As of 31 December 2018
Persons who may have conflicts : Mrs.Suraporn Prasatngamloet			
<u>Other Revenue</u>			
• Ms. Suraporn Prasatngamloet rent land and building, a single story house located in No. 9/9 in the factory area, which the ownership belongs to the Company for living electricity	In 2018, the company allowed the directors to rent the land with single storey house building for use as a residence where a located at No. 9/9 in the factory area .The land and building owned by the company by under the contract to lease with the rental period for 3 years from January 1, 2017 to December 31, 2019 at the rental rate of 10,800 baht per month including electricity. When the rental contract is due, if the tenant prefer to continou to rent , the contract will be renewed for 3 years with the terms and conditions of the lease in accordance with this contract except the rental rate. The lessee will have to pay an increasing rental fee of 10% of the previous rate.The rental price is in accordance with the appraised value of the rental fee by using the market comparison method as a basis for determining the asset value and has an objective for public evaluation which state on report dated 23 November 2016 of Year Appraisal Co., Ltd., with Ms. Benjawan Chongyot, the appraiser of the primary grade, the number No. 111, is the appraiser in the Valuation Company and Principal Valuers company list approved by the Securities and Exchange Commission.	0.28	0.28
• Outstanding balace from such transactions.		1,319 Bath	717 Bath
<u>Other receivables</u>			
• The company has other receivables from rental income and accrued income from electricity.		--	--
<u>The Audit Committee's opinion</u>			
The Audit Committee acknowledged and opinioned that the transaction was reasonable. The Company had already done for the rental contract under the reasonable condition and price comparing to the appraisal value by the appraiser who is on the list of valuer approved by the Securities and Exchange Commission.			
Persons who may have conflicts : Mr.Kovit Sitthiyos			
<u>Revenue from sales</u>			
• The company sold canned sweet corn products to Mr. Kovit Sitthiyos.	<u>The Audit Committee's opinion</u> The Audit Committee acknowledges those transaction	1,755 บาท	--

Type of transaction	The Necessary and Responsibility	Transaction value (Million baht)	
		As of 31 December 2017	As of 31 December 2018
<p>Persons who may have conflicts : Mr. Sanit Sresuwan</p> <p><u>Revenue from sales</u></p> <ul style="list-style-type: none"> The company sold canned corn products to Mr. Sanit Sresuwan. 	<p>Canned sweet corn product distributor the price is based on the price and terms of trade. In the current accounting period, there is no such transaction.</p> <p><u>The Audit Committee's opinion</u> The Audit Committee acknowledges those transaction</p>	320 Bath	--
<p>Persons who may have conflicts : <u>Sun Sweet Agro Tech</u></p> <p><u>Advance payment for telephone and PND 3, 53</u></p> <ul style="list-style-type: none"> The Company has advance payment of monthly fixed line and PND 3, 53, advance payment of telephone and PND 3, 53. The Company has advance payment of monthly fixed line and PND 3, 53. 	<p>PND 3, 53 to Sun Sweet Agro Tech Co., Ltd., which currently has no business activities. However, since April 14, 2017, the Company has canceled the advance payment of fixed-line telephone calls to Sunsweet Agro Tech Co., Ltd. and has a policy to terminate any transaction with Sun Sweet Agro Tech Co., Ltd.</p> <p><u>The Audit Committee's opinion</u> The Audit Committee acknowledges and recommends the termination of such transaction within the second quarter of 2017, and should not commence any transaction with Sun Sweet Agro Tech Co., Ltd. Agropec no longer To eliminate conflicts of interest.</p>	241 Bath	--
<p>Persons who may have conflicts : Sunshine Travel Co., Ltd.</p> <p><u>Expenses relating to the plant promotion</u></p> <ul style="list-style-type: none"> The Company uses the services for arranging the abroad visiting program for corn broker. an accrued expenses from such transaction. 	<p>The Company had the expenses relating to the plant promotion as the Company uses the service of Sunshine Travel Co., Ltd. for arranging the visiting program for corn brokers to Japan in March 2017.</p> <p><u>The Audit Committee's opinion</u> The Audit Committee acknowledged and opined that the transaction was reasonable and benefit to the Company's business since the travel and visiting would enable the brokers to develop and increase the plant efficiency which would benefit to the Company in procurement of raw material. Such expenses from the services are reasonable comparing to other service provider.</p>	0.61	--
<p>Persons who may have conflicts : So Sweet Co., Ltd.</p> <p><u>Advance payment</u></p> <ul style="list-style-type: none"> The company has an upfront payment. Expenses, fees, audit fees, legal fees And miscellaneous expenses. 	<p>The company sells sweet corn products in 2016 for promotional purposes to So Sweet Co., Ltd., which was a subsidiary. So Sweet Co., Ltd. did not operate the business since in the year 2017, the Company did not pay back the Company. However, after the restructuring, there was no recurring transaction and all outstanding debts will be paid to the Company</p> <p><u>The Audit Committee's opinion</u> The Audit Committee acknowledges and agrees that such transaction is a connected transaction of the company that was a subsidiary. Therefore, it is deemed appropriate to pay such debt on the date specified.</p>	0.26	--
<p><u>Product cost</u></p> <ul style="list-style-type: none"> The company sells products for sales promotion (Corn) is a credit. 	<p>The Audit Committee acknowledges and agrees that such transaction is a connected transaction of the company that was a subsidiary. Therefore, it is deemed appropriate to pay such debt on the date specified.</p>	0.16	--



Key financial Informations

The Auditor's Opinion

Report of Independent Auditor who had audited the financial statements of the Company for the year 2016 ended December 31, 2016 and consolidated financial statements of the Company and its subsidiaries and the separate company financial statements for the year 2017 ended December 31, 2017 and year 2018 ended December 31, 2018 which are summarized belows

Financial Statements and Auditor's report

Auditors and the auditor's opinion

The Financial Statement for the fiscal year 2016 ended December 31, 2016

PricewaterhouseCoopers ABAS Limited, with Mr. Vichien Khingmontri, CPA No. 3977, who is the auditor in the list of auditors approved by Securities and Exchange Commission (SEC) has performed audit work in accordance with Thai Standards on auditing. In auditor's opinion, the Consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company. Present fairly, in all material respects, the financial position and its subsidiaries and of Sunsweet Public Company Limited as at 31 December 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

Financial Statements and Auditor's report

Auditors and the auditor's opinion

The Financial Statement for the fiscal year 2017 ended December 31, 2017

PricewaterhouseCoopers ABAS Limited, with Mr. Vichien Khingmontri, CPA No. 3977, who is the auditor in the list of auditors approved by the securities and Exchange Commission (SEC) has performed audit work in accordance Thai Standards on auditing. In auditor's opinion, the consolidated financial statements of the Company and its subsidiaries, and the separate financial statements of the Company. Present fairly, in all material respects, the financial position and its subsidiaries and of Sunsweet Public Company Limited as at 31 December 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

Financial Statements and Auditor's report

Auditors and the auditor's opinion

The Financial Statement for the fiscal year 2018 ended December 31, 2018

PricewaterhouseCoopers ABAS Limited, with Mr. Vichien Khingmontri, CPA No. 3977, who is the auditor in the list of auditors approved by the securities and Exchange Commission (SEC) has performed audit work in accordance Thai Standards on auditing. In auditor's opinion, the consolidated financial statements of the Company and its subsidiaries, and the separate financial statements of the Company. Present fairly, in all material respects, the financial position and its subsidiaries and of Sunsweet Public Company Limited as at 31 December 2018, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

Financial Position and Financial Performance

Statements of Financial Position	Consolidated Financial Statement as at 31 December 2016 (Audited) (Restated) ¹		Consolidated Financial Statement as at 31 December 2017 (Audited)		Consolidated Financial Statement as at 31 December 2018 (Audited)	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	15.46	2.05	119.66	10.15	14.09	1.11
Short-term investment	0.00	0.00	100.00	8.49	0.00	0.00
Trade and other receivables, net	74.48	9.89	105.25	8.93	125.63	9.91
Inventories, net	66.29	8.80	191.84	16.28	403.29	31.82
Other current assets	12.54	1.67	17.73	1.50	9.55	0.75
Total current assets	168.77	22.41	534.48	45.35	552.56	43.60
Restricted deposits at a banks	68.74	9.13	71.88	6.10	6.78	0.53
Property, plant and equipment, net	506.73	67.27	559.41	47.47	697.69	55.05
Intangible assets, net	4.51	0.60	6.69	0.57	5.25	0.41
Deferred tax assets, net	4.48	0.59	5.97	0.51	5.18	0.41
Total non-current assets	584.46	77.59	643.95	54.65	714.90	56.40
Total assets	753.23	100.00	1,178.43	100.00	1,267.46	100.00
Liabilities and equity						
Bank overdrafts and short-term loans from financial institutions	384.92	51.10	0.95	0.08	94.02	7.42
Trade and other payables	139.48	18.52	107.43	9.12	222.31	17.54
Current portion of long-term loans from financial institutions	42.86	5.69	25.20	2.14	0.00	0.00
Income tax payable	3.16	0.42	6.91	0.59	0.04	0.00
Current portion of finance lease liabilities	2.02	0.27	6.50	0.55	6.41	0.51
Other current liabilities	0.63	0.08	2.55	0.22	0.81	0.06
Total current liabilities	573.07	76.08	149.54	12.70	323.59	25.53
Long-term loans from financial institutions	24.61	3.27	51.18	4.34	0.00	0.00
Long-term loans from related persons	1.93	0.26	0.00	0.00	0.00	0.00
Finance lease liabilities	3.99	0.53	16.78	1.42	10.36	0.82
Employee benefit obligations	16.96	2.25	24.78	2.10	24.93	1.97

Statements of Financial Position	Consolidated Financial Statement as at 31 December 2016 (Audited) (Restated) ¹		Consolidated Financial Statement as at 31 December 2017 (Audited)		Consolidated Financial Statement as at 31 December 2018 (Audited)	
	Million Baht	%	Million Baht	%	Million Baht	%
Total non-current liabilities	47.49	6.31	92.74	7.86	35.29	2.78
Total liabilities	620.56	82.39	242.28	20.56	358.88	28.31
Issued and paid-up share capital	102.00	13.54	215.00	18.24	215.00	16.96
Share premium on issue of share	0.00	0.00	665.53	56.48	665.53	52.51
Discount from business combination under common control	(23.80)	(3.16)	(20.64)	(1.75)	(20.64)	(1.63)
Retained earning Appropriated legal reserve	0.00	0.00	8.50	0.72	11.40	0.90
Retained earning Unappropriated	54.47	7.23	72.66	6.17	40.16	3.17
Other component of equity	0.00	0.00	(4.90)	(0.42)	(2.87)	(0.23)
Equity attributable to owners of the parent	132.67	17.61	936.15	79.44	908.58	71.69
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00
Total equity	132.67	17.61	936.15	79.44	908.58	71.69
Total liabilities and equity	753.23	100.00	1,178.43	100.00	1,267.46	100.00

Note: ¹ Financial statement as at 31 December 2016, the company change the reporting framework for preparation of financial statements from Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs) to Thai Financial Reporting Standard (TFRS) to Thai Financial Reporting Standard (TFRS). The accounting policies which have effects for the Group are as follows The company's management has applied retrospective adjustment in the financial statements relating to derecognised of trademark which recorded in intangible assets of Baht 21 Million in order to appropriate and conform with the accounting standards. The effects from correction of accounting errors to the statement of financial position as at 1 January 2016 and 31 December 2016 in the consolidated and separated and separate financial statements are as follows:

1. Intangible assets, net as at 1 January 2016 decreased by 21.00 Million Baht and 31 December 2016 decreased by 21.00 Million Baht.
2. Deferred tax assets, net as at 1 January 2016 increased 4.20 Million Baht and 31 December 2016 increased 4.20 Million Baht.
3. Deficit – Unappropriated as at 1 January 2016 increased 4.20 Million Baht and 31 December 2016 increased 4.20 Million Baht.
4. Discount from business combination under common control as at 1 January 2016 decreased 21.00 Million Baht and 31 December 2016 decreased 21.00 Million Baht.

- The Extraordinary General Meeting of Shareholders No. 3/2017 held on May 11, 2017 passed a resolution to increase the registered share capital by Baht 42.00 million by issuing 420,000 new ordinary shares at a par value of Baht 100 per share, allocated to existing shareholders (right offering). The registered share capital of the Company increased to Baht 150.00 million, divided into 1,500,000 ordinary shares with a par value of Baht 100 per share.

- The Extraordinary General Meeting of Shareholders No. 4/2017 held on August 31, 2017 passed a resolution to change the par value of Baht 100.00 to Baht 0.50 per share, and resolved to increase the registered capital of Baht 65.00 million to Baht 215.00 million by issuing 130,000,000 new ordinary shares at a par value of Baht 0.50, offered to the public (IPO). The newly issued shares accounted for 30.23% of total paid-up capital after the IPO. The Company has already registered the capital increase with the Ministry of Commerce on September 4, 2017. Consequently, the Company has a registered capital of Baht 215.00 million consisting of 430,000,000 ordinary shares with a par value of Baht 0.50 each and paid up capital of Baht 150.00 million, consisting of 300,000,000 ordinary shares with a par value of Baht 0.50 each.

- The Company received cash from the Initial Public Offering by issuing 130,000,000 new ordinary shares at par value of Baht 0.50 per share. The Company has registered the capital increase with the Ministry of Commerce on December 25, 2017. The Company had registered capital of Baht 215.00 million, consisting of 430,000,000 ordinary shares with a par value of Baht 0.50 each and paid up capital of Baht 215.00 million consisting of 300,000,000 ordinary shares with a par value of Baht 0.50 each. As the result on December 31, 2017, the Company had registered capital of Baht 215.00 million, 430,000,000 ordinary shares and payment. Baht 215.00 million, 430,000,000 ordinary shares with a par value of Baht 0.50 per share

Statement of Comprehensive Income

Statement of Comprehensive Income	Consolidated financial statement (Audited) (Restated) ^{/1} 2016		Consolidated financial statement (Audited) 2017		Consolidated financial statement (Audited) 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.13	99.50
Other income	16.66	0.97	40.76	2.42	9.26	0.50
Total Revenue	1,725.95	100.00	1,687.00	100.00	1,838.39	100.00
Cost of Sales	1,391.17	80.60	1,331.70	78.94	1,561.18	84.92
Gross Profit (Excluded other income)	318.12	18.61	314.54	19.11	267.94	14.64
Selling expenses	122.42	7.09	120.30	7.13	133.92	7.28
Administrative expenses	58.02	3.36	85.94	5.10	75.06	4.08
Loss on exchange rate	0.00	0.00	0.00	0.00	8.10	0.44
Total expenses	180.44	10.45	206.24	12.23	217.08	11.81
Profit (loss) before Financial cost and income tax	154.34	8.94	149.06	8.83	60.12	3.27
Financial costs	25.45	1.47	24.80	1.47	3.24	0.18
Profit before income tax	128.89	7.47	124.26	7.36	56.88	3.09
Income tax	17.34	1.01	6.77	0.40	0.48	0.03
Net profit for the year	111.55	6.46	117.49	6.96	56.40	3.07
Other comprehensive income (loss) for the year, net of tax	-	-	(4.90)	(0.29)	2.03	0.11
Total comprehensive income for the year	111.55	6.46	112.59	6.67	58.43	3.18
Profit attributable to :						
Owners of the parent	111.67	6.47	117.49	6.96	56.40	3.07
Non – controlling interests	(0.12)	(0.01)	-	-	-	-
Total comprehensive income attributable to :						
Owners of the parent	111.67	6.47	112.59	6.67	58.43	3.18
Non – controlling interests	(0.11)	(0.01)	-	-	-	-
Basic earning per share (Calculated from the par value of 0.50 Baht) ^{/1}	0.56		0.44		0.13	

Remark : ^{/1} The Extraordinary General Meeting of Shareholders No. 4/2017 held on August 31, 2017 passed resolution to change the par value of Baht 100.00 to Baht 0.50 per share so the company adjust the par value to the same value for comparative purposes. Adjusted par value in 2016-2018 from baht 100.00 per share to Baht 0.50 per share and calculated by the number of issued and paid-up share of the company.

Statement of Cash Flows

(Unit : Million Bath)

Statement of Cash Flows	2016	2017	2018
	(Audited)	(Audited)	(Audited)
Cash flows from operating activities			
Profit before income tax	128.89	124.26	56.88
Adjustments for			
• Depreciation and Amortisation	48.22	45.60	53.59
• (Reversal of) Doubtful debt expenses	6.06	0.35	(0.19)
• Gain on disposal of equipment	-	(0.03)	(0.13)
• Impairment of assets	-	3.52	0.73
• Loss from write-off of assets	1.51	1.24	1.31
• Unrealised loss on exchange rate	0.02	0.05	0.45
• Employee benefit obligations	1.76	1.70	2.69
• (Reversal of) Loss from decreased in value of inventories	-	1.36	(0.18)
• Interest income	(1.14)	(0.86)	(1.36)
• Finance costs	25.45	24.80	3.24
Changes in working capital	210.77	201.99	117.03
Operating assets (increase) decrease	39.71	(31.18)	(20.92)
• Trade and other receivables	106.01	(127.23)	(211.27)
• Inventories	(7.14)	(6.14)	8.24
• Other current assets			
Operating liabilities increase (decrease)	(0.24)	(21.96)	115.97
• Trade and other payables	0.09	1.91	(1.74)
• Other current liabilities	(0.57)	(2.45)	(7.12)
• Income tax paid (used)			
Cash flows from operating activities	348.63	14.94	0.19
Cash flows from investing activities			
• Proceeds from disposal of equipment	-	0.04	0.36
• Proceeds from disposals of subsidiaries	-	2.47	-
• Proceeds from interest income	1.01	0.89	1.58
• Payment for short – term investments	-	(100.00)	100.00
• Proceeds from (payment for) restricted deposits at a bank	0.61	(3.14)	65.10
• Payment for investments in subsidiaries under common control	(11.17)	-	-
• Payment for purchase of plant and equipment	(122.80)	(93.23)	(193.68)
• Payment for purchase of intangible assets	(4.17)	(3.05)	(0.17)
Net cash from (used) in investing activities	(136.52)	(196.02)	(26.81)
Cash flows from financing activities			
• Proceeds from increase of ordinary shares	(31.06)	(26.05)	(3.13)
• Proceeds from additional paid – up share capital	2.00	48.00	-
• Proceeds from issuance of shares	-	730.53	-
• Increase (decrease) – in short-term loans	(156.90)	(384.41)	93.91

Statement of Cash Flows	2016	2017	2018
	(Audited) (Restated)	(Audited)	(Audited)
• Increase (decrease) in finance lease liabilities	(2.86)	(0.33)	(6.50)
• Proceeds from short – term loans from a related person	-	5.00	-
• Payment for short – term loans from a related person	-	(5.00)	-
• Proceeds from long – term loans from a related person	0.73	0.16	-
• Proceeds from long – term loans from financial institutions	27.99	103.19	-
• Payment for long – term loans from a related person	(0.01)	-	-
• Payment for long – term loans from financial institutions	(64.79)	(94.27)	(76.39)
• Dividend payments	-	(91.98)	(86.00)
• Dividend payments by subsidiaries to non – controlling interests	(5.00)	-	-
Net cash generated from (used in) financing activities	(229.90)	284.84	(78.11)
Net increase (decrease) in cash and cash equivalents	(17.79)	103.76	(104.73)
• Cash and cash equivalents at the beginning of the year	32.74	14.95	118.71
• Cash and cash equivalents at the ending of the year	14.95	118.71	13.98
• Cash and cash equivalents at the end of the year comprise of:			
Cash and cash equivalents	15.46	119.66	14.09
Less Bank overdrafts	(0.51)	(0.95)	(0.11)
Total Cash and cash equivalents	14.95	118.71	13.98

Financial Ratios

Financial Ratios	2016	2017	2018
	(Audited) (Restated)	(Audited)	(Audited)
LIQUIDITY RATIO			
Current Ratio (time)	0.29	3.57	1.71
Quick Ratio (time)	0.14	1.46	0.41
Cash flow current ratio (time)	0.53	0.04	0.00
Account receivable turnover (time)	19.25	19.25	16.93
Average of collection period (day)	19	19	21
Inventory turnover period (time)	18.27	14.36	6.08
Average selling period (day)	20	25	59
Payable turn over (time)	13.53	14.83	12.28
Payable payment period (day)	27	24	29
Cash cycle (day)	12	20	51
PROFITABILITY RATIO			
Gross profit margin (%)	18.61	19.11	14.65
Operating profit margin (%)	8.56	7.94	2.78
Operating cash flow to EBIT (%)	238.25	11.44	0.39
Net profit margin (%)	6.47	6.96	3.07
Return on equity (%)	137.05	21.98	6.12

Financial Ratios	2016	2017	2018
	(Audited) (Restated)	(Audited)	(Audited)
EFFICIENCY RATIO			
Return on assets (%)	13.99	12.16	4.61
Return on fixed assets (%)	34.40	30.59	17.50
Asset turnover (time)	2.16	1.75	1.50
FINANCIAL POLICY RATIO			
Debt to equity ratio (time)	4.68	0.26	0.39
Interest coverage ratio (time)	13.70	0.60	0.06
Commitment coverage ratio (cash basis) (time)	2.26	(0.05)	(0.01)
Dividend payout ratio (%) ^{/3}	-	140.10 ^{/1}	79.98 ^{/2}

Remark : ^{/1}The Extraordinary General Meeting No. 3/2017, held on May 11, 2017 resolved to approve the distribution of the interim dividend from the unappropriate retain earning as of 31 December, 2016 with the company's separate financial statement 1,080,000 shares at baht 43.50 per share, totalling of Baht 46,980,000 and the payment made on May 22, 2017

In addition, The Board of Directors Meeting No. 3/2017, held on November 13, 2017, resolved to approve the interim dividend at rate of Baht 0.15 per share totalling Baht 45,000,000 and the payment made on November 21, 2017.

The Annual General Meeting of Shareholders of 2018 held on April 23, 2018, resolved to approve the distribution of dividend at Baht 0.15 per share, a totalling of 64,500,000. and the payment made on May 15, 2018.

^{/2}The Board of Directors Meeting No. 4/2018, held on November 7, 2018, resolved to approve the interim dividend for Q3'2018 at rate of Baht 0.15 per share totalling Baht 21,500,000 and the payment made on December 6, 2018.

The Board of Directors Meeting No. 1/2019, held on February 22, 2019, The board deemed appropriate to propose the Annual General Meeting of Shareholders held on April 22, 2019 to approve distribution of net profit of 2018, at the rate of Baht 0.05 per share, totaling Baht 21,500,000 and the dividend payment shall be made on May 17, 2019.

^{/3} Dividend payout ratio of the net profit of 2018 after deduction of legal reserve (separate financial statements).



Management Discussion and Analysis

Financial Performance

Overview

Sunsweet Public Company Limited (“the Company”) manufactures and sells processed sweet corn and other agricultural products. In addition, the Company manufactures according to customers’ orders under its own brand. Sun Sweet International Co., Ltd. (SI), a subsidiary of the Company. Sourcing (exporting and importing) of food products and agricultural products such as fresh onion, tapioca starch. Canned pineapple Corn oil Sunflower oil and ketchup, etc. to both domestic and foreign customers.

The revenue structure of the Company and its subsidiaries consisted of: 1) Revenue from the manufacture and sale of processed sweet corn and other agricultural products 2) Revenue from trading by SI, which was mainly operated by the Company. 3) Other income such as seed sales. 4) Other income such as interest income, export compensation income Electricity Revenue, and gain on exchange rate

Revenue from sales of sweet corn and other agricultural products in 2016, 2017 and 2018 were, Baht 1,589.38 million, Baht 1,524.13 million and Baht 1,711.73 million, or 92.08%, 90.34% and 93.11% of the total revenues, respectively. For the year 2016, the Company’s income from sales of sweet corn increased by Baht 155.86 million or 10.91% compared to the previous year. The main reason is the high yield of sweet corn. In the year 2017, the Company had revenue from sales of sweet corn decreased by Baht 64.94 million or 4.10% decrease compared to the same period of the previous year. Since the company has a new machine continued from the end of 2016, the company cannot produce the product efficiently. As a result, the production and distribution volume decreased in the first quarter of 2017. In 2018, The company has revenue from sales of sweet corn products increasing Baht 187.60 million or 12.31% compared to the previous year. The main reason is (1) increased orders from existing customers, and (2) new customers, especially in Canned and Pouch sweet corn from Asia and European customers.

The shareholders’ equity of Sunsweet Public Company Limited for the year 2016, 2017 and 2018 were Baht 111.67 million, Baht 117.49 and Baht 56.40 million and the net profit margin attributable to owners of the parent were 6.47%, 6.96% and 3.07%, respectively. In 2018, the net profit margin to equity holder of the company reached 3.07%, decreased from the year 2017, which was 6.96% net profit margin. The net profit decline was mainly due to high base and the appreciation of the Thai Baht from previous year and due to a slight decrease in selling price per unit, resulting in the recognition of revenue from sales of goods, gross profit and gross profit margin.

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had current ratios of 0.29 times, 3.57 times and 1.71 times, and their quick ratios were 0.14 times, 1.46 times and 0.41 times respectively. In 2017, due to the company continued profitability and the proceeds from the initial public offering (IPO), the Company and its subsidiaries had got the money to use as working capital. This resulted the liquidity of the Company and its subsidiaries improved. In 2018, the Company and its subsidiaries had a high current liability, mainly due to the continuous flow production. The resulting in a low liquidity ratio over than the same period last year.

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had a debt to equity ratio of 4.68 times, 0.26 times and 0.39 times, respectively, due to the debt-to-equity ratio decrease in 2017 and This is a result of an increase in retained earnings from the continued profitability of the Company and its subsidiaries. For the year 2018, The debt to equity ratio increase over than the same period last year, due to trade account payable and factors of Production are increased from the continuous flow production.

Analysis of Financial Performance

Revenue

The Company and its subsidiaries' total revenues for the year 2016, 2017 and 2018 were, Baht 1,725.95 million, Baht 1,687.00 million and Baht 1,838.38 million, respectively, consisted of sales revenue of Baht 1,709.29 million, Baht 1,646.24 million and Baht 1,829.12 million, respectively. Other income were Baht 16.66 million, Baht 40.76 million and Baht 9.26 million, respectively.

Revenue	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.12	99.50
Other income ^{/1}	16.66	0.97	40.76	2.42	9.26	0.50
Total Revenue	1,725.95	100.00	1,687.00	100.00	1,838.38	100.00

Note :^{/1} Other income includes interest income, Export compensation income, Sale of electricity income, Gain on exchange rate, etc.

Revenue from sales

The Company and its subsidiaries total revenues for the year 2016, 2017 and 2018 had sales of , Baht 1,709.29 million, Baht 1,646.24 million and Baht 1,829.12 million, or 99.03%,97.58% and 99.50% of total revenues, respectively. Details of revenue structure as per table below

Revenue Structure by Product Type	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from manufacture and sale of processed sweet corn and other processed agricultural products	1,589.38	92.08	1,524.13	90.34	1,711.73	93.11
1.1 Sweet corn products	1,584.83	91.82	1,519.89	90.09	1,706.80	92.84
- Canned sweet corn	1,195.34	69.25	1,110.82	65.85	1,229.90	66.90
- Pouch sweet corn	135.99	7.88	161.70	9.59	252.67	13.74
- Frozen sweet corn	253.50	14.69	247.37	14.66	224.23	12.20
1.2 Other processed agricultural products	4.55	0.26	4.24	0.25	4.93	0.27
Revenue from trading Business	35.68	2.07	37.96	2.25	19.24	1.05
Total revenue from sales of products	1,625.06	94.15	1,562.09	92.59	1,730.97	94.16
- Revenue from selling other products ^{/1}	84.23	4.88	84.15	4.99	98.15	5.34
Total revenue from sales	1,709.29	99.03	1,646.24	97.58	1,829.12	99.50
- Other revenue ^{/2}	16.66	0.97	40.76	2.42	9.26	0.50
Total Revenue	1,725.95	100.00	1,687.00	100.00	1,838.38	100.00

Note :^{/1} Revenue from selling other products includes revenue from selling seed, fertilizer, revenue from selling waste from production process, etc.

^{/2} Other revenue includes interest receivables, revenue from export compensation, revenue from sale of electricity, profit from exchange rate, etc.

(1) Revenue from production and distribution of processed sweet corn and other agricultural products

Company and its subsidiaries main income is from the production and distribution of sweet corn and other agricultural products. In 2016-2018, the sale of sweet corn and other agricultural products were Baht 1,589.38 million, Baht 1,524.13 million and Baht 1,711.73 million, representing 92.08%, 90.34% and 93.11% of total revenues respectively.

In 2016, the Company's income from sales of sweet corn increased by Baht 155.86 million or 10.91% compared to the previous year. The main reason is the high yield of sweet corn. And regularly throughout the year. The company has expanded the area to promote farmers. Along with the development and promotion of knowledge to bring technology to help farmers. Farmers have higher yields per rai and higher quality. As a result, the company has sufficient raw material and more output to customers. It can be seen that in 2016, the value of sales of all types of sweet corn increased. Especially sweet corn containing vacuum pouch and frozen sweet corn have continued to grow. In addition, the baht weakening in 2016 is another factor that makes the sale of sweet corn increased. Although the company sets the selling price in foreign currency, it is close to the previous year. However, the company can exchange in baht because of weak baht.

In the year 2017, the Company's income from sales of sweet corn decreased by Baht 64.94 million or 4.10% compared to the same period of the previous year. Due to the company had renovate the machine. Since the end of 2016, These resulted the company could not produce the product efficiently, and then the production and distribution volume was decreased in the first quarter of 2017.

In the year 2018, the company's income from sale of sweet corn increased by Baht 187.60 million or 12.31% over to the same period last year. The sale growth from increased in existing and new customer order. The sales increase was mainly driven by solid sales in both Canned and Pouch sweet corn products packed in vacuum bags from Asia and European customers. In addition, for the year 2018 the raw material (sweet corn) increased by 128,473 Ton or 24.5% compared to the same period of the previous year. Due to the company has expanded the area to promote farmers and bring technology to help farmers. As a result, the company has sufficient raw material for the production.

(2) Revenue from trading business

In 2016-2018, revenue of the company and its subsidiaries from trading business were amounting to , Baht 35.68 million, Baht 37.96 million and Baht 19.24 million, representing 2.07%, 2.25% and 1.05% of total revenues, respectively.

Currently, the subsidiary who engaged in sourceing (Importing and exporting) for other agricultural products. SI has been focusing on trading with the majority of the company customers. Customers are required to pay SI before the order in order to manage liquidity to match with current financial position. Therefore, the trading business is not so high.

Revenue from selling other products

Revenue from selling other products of the Company and its subsidiaries are as follows: 1) Revenue from the sale of sweet cornseeds to the broker or farmers. 2) Revenues from by-products from the production process, such as corn husk and corn cob ect. for animal feed. The Company and its subsidiaries' revenue from selling other products in 2016, 2017 and 2018 were, Baht 84.23 million, Baht 84.15 million and Baht 98.15 million, or 4.30%, 4.88%, 4.99% and 5.34% of total revenue respectively.

In 2018, the Company's revenue from selling other products increased by Baht 14.00 million or an increase of 16.64 % from the previous year. This was due to the increase in sales of seeds to farmers by Baht 3.96 million as a result of increased crop production. The revenue from disposals of materials from the by-products of the production increased by Baht 10.04 million and the production of sweet corn increased.

Other income

Other income of the Company and its subsidiaries comprised of interest income, income tax, export tax refund Electricity Revenue, and gain on Exchange rate. The Company and its subsidiaries had other income in 2016, 2017 and 2018 at Baht, Baht 16.66 million, Baht 40.76 million and Baht 9.26 million, or 0.97%, 2.42% and 0.50% of total revenues respectively. In the year 2017, the Company's other income was Baht 40.76 million, an increase of Baht 24.10 million or 144.62% over the same period of the previous year.

This increase was due to gain on exchange of Baht 22.35 million, compensation income from a financial institution amounting to Baht 11.06 million. This case came from the Company sued former fraudulent counterfeit employees. The dispute has taken place since 2011. In 2015 the Supreme Court has sentenced the financial institution to pay damages to the company. The Company received compensation in August 2017. In addition, the Company had other income from damages from suppliers of packaging materials and machinery suppliers of Baht 1.26 million. In 2018, the company has other income Baht 9.26 million which was an decrease of Baht 31.50 million from the sme period of the previous year, due to high base and the appreciation of the Thai Baht from previous year, this is the result to the company loss on foreign currency exchange by Baht 8.10 million.

Cost of sales and gross profit

Cost includes raw materials, ingredients, labels and packaging, salaries, wages, and overtime. Expenditure on sweet corn promotion, Electricity fuels, Miscellaneous Factory Expenses, and depreciation of the building. In 2016, 2017 and 2018, the Company and its subsidiaries had a cost of sales of, Baht 1,391.17 million, Baht 1,331.70 million and Baht 1,561.18 million, or 80.60% 78.94% and 84.92% of the total revenue respectively.

The Company and its subsidiaries' gross profit for the year 2016, 2017 and 2018 was Baht 318.12 million, Baht 314.54 million and Baht 267.94 million, or 18.61%, 18.61% and 14.65% of total revenue respectively.

For the year 2016, the Company and its subsidiaries had gross profit margin of 18.61%, an increase of 15.74% from 2015, mainly due to the better management of production costs the Company developed knowledge and skills about sweet corn plantation for Brokers and farmers in Smart Farming project, which enabled the Company to source highly quality sweet corn with lower costs per unit. In addition, the Company's investment in developing machinery such as corn cutter It also reduces the loss of corn kernel during production. The cost of production per unit decreased. In addition to increase in sales volume of Sweet corn pouch and frozen sweet corn products in 2016 was another reason for the higher margin.

For the year 2017, the Company and its subsidiaries had a gross margin of 19.11%, which was an increase Baht 46.60 million or 18.61% from the same period of last year. This mainly increased due to the Company's management of sweet corn promotion. Efficiency by increasing participation in the development and education of sweet corn cultivation. Throughout the period. The company can buy sweet corn and produce it regularly. In addition, at the beginning of the second quarter of 2017, the Company completed the installation of machinery. For example, Automatic Can Filling Machine which was able to reduce labor force and increase accuracy of weight measurement and packaging led to lower loss rate and packaging time. Moreover, the company invest a new automatic sterilizer machine that replace the traditional retorts. The strength of the new machine is the reduction of time and energy used to kill germs This will increase product quality, reduce production costs,

For the year 2018, the company and its subsidiaries had a gross profit by Baht 267.94 million, which was an decrease of 14.81% from the same period of last year. This mainly due to Baht appreciation against other currencies, and due to slightly decrease in selling price per unit.

Selling expenses

The cost of sales includes freight charges, commissions, advertising and promotional, salary and other benefit of salesman, etc. In 2016, 2017 and 2018, the Company and its subsidiaries had selling expenses of Baht 122.42 million, Baht 120.30 million and Baht 133.92 million or 7.09%, 7.13% and 7.28% respectively. In 2016, the Company and its subsidiaries had selling expenses of Baht 122.42 million, a decrease of Baht 5.20 million or a decrease of 4.08% from the previous year. The increase due to declined in export expenses in line with the decrease in foreign sales volume. However, the Company and its subsidiaries had higher expenses related to personnel expense from sales department. In addition, the bad debt written-off amounting to Baht 3.87 million, which is the advance payment for 2 suppliers who sourcing tapioca chip but the company have not received the goods as agreed. The company has to make a claim to the supplier of such payment. In the year 2016 the company making legal action to collect debt. Then, suppliers agreed to made compromise agreement to repay amounting to Baht 0.15 million and Baht 0.30 million. At present, the first debtor has fully repaid the debt. Another one is in the process of repayment.

For the year 2017, the Company and its subsidiaries had selling expenses of Baht 120.30 million, a decrease of Baht 2.12 million or a decrease of 1.73% from the same period of the previous year. due to increasing in export cost.

In 2018, Selling expenses for the year ended was Baht 133.9 million, increasing by Baht 13.6 million or 11.32% over the same period last year, This increase was mainly due to increase in domestic and export logistics activities along with higher sales volume.

Administrative Expenses

Administrative expenses consist of salary and other benefit, consulting fee, other miscellaneous expenses depreciation of building, office equipment and vehicle, and other charge. The company and its subsidiary had the administrative expenses of 2016, 2017, and 2018 amount to Baht 58.02 million, Baht 85.94 million and Baht 75.62 million, or 3.36%, 5.10% and 4.08% of total revenue respectively.

In the year 2016, administrative expenses amounting to Baht 58.02 million, an increase of Baht 2.38 million or 4.28% over the previous year mainly due to the increase in administrative expenses such as personnel expenses (restructure of the base salary), audit fees and consulting fees according to preparing for listed in SET.

For the year 2017, the Company and its subsidiaries had administrative expenses of Baht 85.94 million, an increase of Baht 27.92 million or an increase of 48.12% from the same period of the previous year. This is mainly due to the increase in administrative expenses such as personnel expenses (restructure of the base salary), the remuneration for the members of Board of Directors, additional capital registration fee and noticing impairment losses of machine and factory equipment.

For the year 2018, the general and administrative expenses amounted to Baht 75.05 million, decreasing by Baht 10.88 million or 12.66% over the same period last year, due to the decrease in administrative expenses such as consulting fees and listing fees in mai.

Financial Costs

Financial costs consisted of: Interest expenses arising from the use of credit facilities from financial institutions and / or other sources of funds, such as interest on the use of credit facilities, packing credit, promissory notes (P/N) and interest from long-term loan agreement. In 2016, 2017 and 2018, the Company and its subsidiaries have financial costs of Baht 25.45 million, Baht 24.80 million and Baht 3.24 million, or 1.47%, 1.47% and 0.18% of total revenues respectively.

For the year 2016, the Company and its subsidiaries had a financial cost of Baht 25.45 million, a decrease of Baht 15.49 million or 37.84% from the previous year. The decrease due to long-term loans from the bank decreased. The repayment of principal in the period specified in the loan agreement. In addition, the interest from the use of the export credit line (Packing Credit) decreased, which is in line with the interest rate decreases in 2016.

For the year 2017, the Company and its subsidiaries had a financial cost of Baht 24.80 million, a decrease of Baht 0.65 million or a decrease of 2.55% compared to the same period of the previous year. The decrease was due to during the year The company has more working capital and reduce the use of short-term loans from the bank. Although long-term loans are increase from investment in machinery. However, the Company has withdrawn such loan at the end of the second quarter of 2017, so the financial cost was not incurred in this period.

For the year 2018, the finance costs amounted to Baht 3.24 million, declining by Baht 21.56 million or 86.94% over the same period last year due to the company used proceeds from IPO to repay loans from financial institutions, leading the company to be able to rely more on internal working capital rather than using the short-term loan from bank, and then the finance cost had decreased.

Net Profit and Net Profit Margin

The Company and its subsidiaries' net profit attributable to equity holders of the parent company for the years 2016, 2017, 2018 amounting to Baht 111.67 million, Baht 117.49 million and Baht 56.40 million respectively.

In the year 2016, the Company and its subsidiaries had a net profit attributable to owners of the parent of Baht 111.67 million, an increase of Baht 91.58 million or of 455.96%. Due to increased of total revenue and effective production management .Including lower financial costs led to higher net profit .

For the year 2017, the Company and its subsidiaries had net profit attributable to owners of the parent of Baht 117.49 million, an increase of Baht 5.82 million or 5.21% over the same period of the previous year. The main reason is the higher gross margin when compared to the same period last year. Although there are higher selling and administrative expenses.

For the year 2018, The company's consolidated net profit for the year end December 31, 2018 amounted to Baht 56.40 million, dropping by Baht 61.08 million or 51.99% over the same period last year. This mainly due to Baht appreciation against other currencies, and due to slightly decrease in selling price per unit.

Net profit attributable to owners of the parent for the years 2016, 2017 and 2018 was 1.18%, 6.47%, 6.96% and 3.07%, respectively. The net profit margin continued to increased for the year 2016, 2017 and decreased in 2018 can be explained as follows.

- In the year 2016, the net profit margin of the parent company was 6.47% increase from the year 2015 which was 1.18%, mainly due to the increase in gross margin percentage from 15.74% in 2015 to 18.61% in 2016. In addition, the selling and administrative expenses to total revenue decreased. As a result, net profit margin increased.
- For the year 2017, the net profit margin was 6.96%, increased from the same period of last year with the net profit margin of 6.47%, mainly due to effective production management led to higher gross profit margin. In addition, Other income increased due to higher gain on exchange rate and compensation from a financial institution in the case of the Company suing its ex-officer for corruption and forgery of signature on cheque, as mentioned above
- For the year 2018, the net profit margin was 3.07%, decreased from the same period of last year with the net profit margin of 6.96%, mainly due to Baht appreciation against other currencies, and due to slightly decrease in selling price per unit.

Return on equity

The Company and its subsidiaries' return on equity for the years 2016, 2017 and 2018 were 137.05%, 21.98% and 6.12%, respectively. In 2016-2017, the return on equity was increased according to as increase on net profit. However, the return on equity in 2017 decreased to 21.98% due to the increase in paid up share capital and premium on issue of IPO shares. Major causes of shareholders' equity at year-end 2017 had a higher value and effected to the return on equity is lower. For the year 2018, the company's return on equity was decreased to 6.12%, mainly due to Baht appreciation against other currencies, and due to slightly decrease in selling price per unit.



Financial position of the Company and its subsidiaries

Total assets

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had total assets of Baht 753.23 million, Baht 1,178.43 million and Baht 1,267.46 million respectively.

Current assets

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had current assets of Baht 168.77 million, Baht 534.48 million and Baht 552.56 million, representing 22.41%, 45.35% and 43.60% of total assets, respectively. Details of the major current assets mainly consisted of

- Cash and cash equivalents: As at 31 December 2016, 2017 and 2018, the values were Baht 15.46 million, Baht 119.66 million, and Baht 14.09 million, or accounted for the total assets. 2.05%, 10.15% and 1.11% respectively. It consist of petty cash, current deposits and savings accounts with financial institutions.
- Current Investments: As of December 31, 2017, the value was Baht 100.00 million or accounted for 8.49% of the total assets. This is a fixed deposit with a maturity of 6 months due to the company can raise the capital from initial public offering (IPO), which is part of investment plan in machinery, started in 2018.
- Trade and other receivables, net: As of December 31, 2016, 2017, and 2018 the value was Baht 74.48 million, Baht 105.25 million and Baht 125.63 million or accounted for the total assets 9.89%, 8.93% and 9.91% respectively.

Trade and other receivables, net (Million Baht)	31 December 2016	31 December 2017	31 December 2018
Account receivable	72.30	98.70	117.32
Less Allowance for doubtful accounts	(8.72)	(0.35)	(0.10)
Account receivable, net	63.58	98.35	117.22
Other receivable, net	0.25	2.08	4.57
Prepaid expenses	6.06	3.08	2.79
Advance payment	0.34	0.22	0.37
Others	4.25	1.52	0.68
Total trade and other receivables, net	74.48	105.25	125.63

Considering the value of trade accounts receivable as at 31 December 2016, 2017 and 2018, it was found that, In 2016, the Company and its subsidiaries recorded the allowance for doubtful accounts increased from the year 2015 amount of Baht 2.19 million. Allowance for doubtful accounts of Baht 0.48 million comes from the sale of seeds to farmers and the sale of fertilizer to broker in the amount of Baht 1.36 million which occurred in 2009, the Company has considered the opportunity to collect money from trade accounts receivable and then had the opinion that the company might not had opportunities to collect the money. Therefore, at the Board of Directors Meeting No. 3/2017 (after transformation to public company) dated November 6, 2017, the Board of Directors passed a resolution to approve the write-off of all such receivables of Baht 8.67 million

The Company has set a policy of allowance for doubtful accounts of 100% for overdue receivables over 360 days and 50% for overdue receivables over 180 days.

Trade receivables (Million Baht)	31 December 2016	%	31 December 2017	%	31 December 2018	%
Undue	17.99	24.88	32.40	32.83	25.34	21.60
Overdue						
- Less than 3 months	43.99	60.85	63.49	64.32	91.24	77.76
- More than 3 months to 6 months	0.62	0.85	2.27	2.30	0.63	0.54
- More than 6 months to 12 months	0.38	0.53	0.07	0.07	0.01	0.01
- More than 12 months	9.32	12.89	0.47	0.48	0.10	0.09
Total trade accounts receivable	72.30	100.00	98.70	100.00	117.32	100.00
Less Allowance for doubtful accounts	(8.72)		(0.35)		(0.10)	
Trade account receivable, net	63.58		98.35		117.22	

The above table shows the aging of trade receivables. The trade receivables were mainly receivables not yet due and receivables overdue up to 3 months, which is equal to Baht 61.98 million, Baht 95.89 million and Baht 116.58 million or 85.73%, 97.15% and 99.36% of the total accounts receivable as of December 31, 2016, 2017, 2018 respectively.

The Company has a policy to provide credit term to domestic trade receivables for approximately 7-45 days, based on the customer's financial status, Payment history, the frequency of order and order value. However, the Company does not provide credit term for foreign customers. In 2016-2018, the Company and its subsidiaries have average collection period of 24, 19, and 19 days, respectively.

Other receivable include payment supports farmer, advance payment As at 31 December 2016, 2017 and 2018, the Company had other receivables of Baht 10.90 million, Baht 6.90 million and Baht 4.57 million, respectively.

Inventories, net (Million Baht)	31 December 2016	%	31 December 2017	%	31 December 2018	%
Raw material	2.84	4.30	4.85	2.51	1.65	0.41
Finished goods	34.39	51.87	151.03	78.18	362.82	89.70
Packaging and packaging materials	26.67	40.23	30.76	15.92	32.73	8.09
Supplies	2.39	3.60	6.55	3.39	7.27	1.80
Total inventories	66.29	100.00	193.19	100.00	404.47	100.00
Less allowance for not realizable value of inventories	-		(1.35)		(1.18)	
Inventories, net	66.29	100.00	191.84	100.00	403.29	100.00

The major inventories of the Company and its subsidiaries are finished goods. As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had the proportion of finished products to total inventories. 68.43%, 51.87% and 78.18%, respectively. Most finished goods of the Company are semi-finished products. The finished goods and the remaining seeds. As of December 31, 2019, the value of finished products was decreased significantly. This was due to in 2016, the company received more orders from customers. It had sold out. In addition, at the end of 2016, the quantity of sweet corn was decreased.

The company had less raw materials. As of December 31, 2017, the finished goods have increased from 2016 as the products were prepared for deliver to customers in early of 2018 according to customer schedules, due to in fourth quarter the volume of production was increased over the same period last year.

Based on the average selling period of the Company in 2016-2018, the average selling period were 20 days, 25 days and 59 days respectively. The average selling period of the Company and its subsidiaries in 2018 was increased due to the preparation to delivered to customers in early 2019 as mentioned above.

The Company and its subsidiaries have policy to set up allowance for obsoleted inventories from the obsolescence of inventories. Subjected to type of product. There are consist of canned sweet corn which shelf life more than 2 years, pouch whole kernel sweet corn which shelf life more than 1 year, and frozen sweet corn products which shelf life over 6 months from the date of manufacture. The Company will set allowance for all deteriorated inventories.

Non-current assets

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had non-current assets of Baht Baht 584.46 million, Baht 643.95 million and 714.90 million, representing 77.59%, 54.65% and 56.40% of total assets, respectively. The details are as follows.

- Property, plant and equipment - net: As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had net book value of property, plant and equipment amounting to Baht 506.73 million, Baht 559.41 million and Baht 697.69 million or 67.27%, 47.47% and 55.05% respectively. Total assets The Company has invested in machinery and equipment continuously in the past 3 years.

In the year 2017, the company invested in major machinery which is Hydrolock, a continuous high temperature sterilizer (Continuous Sterilizer) that replaces the traditional batch sterilizer (Batch Retorts) the strength of this machine is the reduction of time and energy used to kill germs. This will increase product quality. Reduce production costs and flexible to use with multiple packages, Hydrolock has been installed and commercially launched on April 30, 2017. In addition, the company has invested in machinery for the production of sweet corn in pouch. Such as vacuum packing machine, corn trimming, blanching machine. Including investment in machinery to develop other production lines such as automatic corn cutter, automatic filling machine, improvement of batch sterilizer and the robots arranged the caned into automatic pallets.

In the year 2018, the company invested in major machinery as follow:

- Frozen 3 Tons project to increase the production capacity from 1 ton per hour to 3 tons per hour
- Solar PV Rooftop Project to utilize rooftop transformed to electricity. Solar is one of clean natural energy sources to help save the environment also save the operating costs.
- Automatic Corn Cobbette project to increase the efficiency of chopping corn stick. As the result, saving labour and time.
- Seamer 12 oz. machine that increase seamer capacity to match with continuous sterilizer (Hydrolock) As a result, the company save electricity cost and labour cost.
- Color Sorter machines with high efficiency in the separation of items that are discoloured, Extraneous Vegetable Matter (Such as husk, corn silk, cob).
- Restricted bank deposits: As at 31 December 2016, 2017 and 2018, restricted bank deposit of Baht 68.74 million, Baht 71.88 million and Baht 6.78 million, representing 9.13%, 6.10% and 0.54% of total assets respectively. The Company has secured savings and fixed deposit accounts with a financial creditors for guarantee of credit facilities, and the company's overdraft.

Source of funds

Liability

Liability

As at 31 December 2016, 2017, and 2018, the Company and its subsidiaries had total liabilities of Baht 620.56 million, Baht 242.28 million and Baht 323.59 million respectively, representing 82.39%, 20.56% and 28.31% of liabilities and shareholders' equity. Significant changes are as follows

Current liabilities

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had current liabilities of Baht 573.07 million, Baht 149.54 million and Baht 323.59 million respectively, representing 76.08%, 12.70% and 25.53% of liabilities and shareholders' equity respectively. The details are as follows.

- Bank overdrafts and short-term borrowing from financial institutions: As at 31 December 2016, 2017 and 2018, bank overdrafts and short-term borrowing from financial institutions were Baht 384.92 million, Baht 0.95 million and Baht 94.05 million or 51.10%, 0.08% and 7.42% of liabilities and shareholders' equity respectively. The major items such as short-term borrowing for packing credit, bank overdrafts and short-term loans and the liabilities under the promissory note (P/N) etc. The credit line is used to order and stock raw materials and working capital. However, in December 2017, the Company received cash from IPO and partially used for working capital. And then reduced the use of credit lines from financial institutions. As a result, the value of bank overdrafts and short-term loan from financial institutions as at December 31, 2017 significantly decreased.
- Trade and other payables : As at 31 December 2016, 2017 and 2018, the value was Baht 139.48 million, Baht 107.43 million and Baht 222.31 million or 18.52%, 9.12% and 17.54% respectively of total liabilities and shareholders' equity as detailed in the table below.

Trade and other payables (Million Baht)	31 December 2016	31 December 2017	31 December 2018
Trade payables	107.61	71.95	182.22
Other payables	4.56	2.79	2.95
Accrued expenses	11.26	9.51	27.10
Advances from customers	16.05	23.18	10.04
Total trade and other payables	139.48	107.43	222.31

From the above information, it is found that most transactions are trade payables. The company has ordered sweet corn and other raw materials which related to production. The credit term of trade payable was approximately 30-90 days, depending on the type of raw materials. The payment period in 2016-2018 is 27 days, 24 days and 29 days, respectively. In the year 2018, is the decrease mainly due to the increasing of the purchase of rawmaterial.

Non-current liabilities

As at December 31 2016, 2017, and 2018, the company and its subsidiary had non current liabilities of Baht 47.49 million, Baht 92.74 million and Baht 32.29 million representing a ratio of 6.31%, 7.86% and 2.78% of liabilities and shareholders' equity. Details of non-current liabilities are as follows:

- Long-term loan : As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had long-term loan from financial institutions amounting to Baht 24.61 million, Baht 51.18 million and Baht 0.00 million or 3.27%, 4.34% and 0% of total liabilities and shareholders' equity, respectively. When combined with current portion of long-term loans, the Company and its subsidiaries have outstanding long-term loans totaling Baht 67.47 million Baht 76.38 million and Baht 0.00 million representing 8.96%, 6.48% and 0% of total liabilities and shareholders' equity respectively.

In 2016, the Company has withdraw additional long-term loans from financial institutions amounting to Baht 27.99 million for the purchase of machinery such as the compress machine, batch sterilizer conveyers and filling machine. In the year 2016, the Company has withdraw additional long-term loans from financial institutions amounting to Baht 103.18 million for investment in machinery such as Hydrolock and labeling equipment and packaging line. In addition, The part of cash recived from IPO use for repayment of long-term loans from financial institutions amounted to Baht 50.00 million, which is in line with the IPO plan. As a result, at the end of 2017, The long-term loans totally slightly increased from pervious year. In 2018, the company used cash from the initial public offering (IPO) to repay long-term loans from financial institutions. As a result, the company used to working capital increased.

In 2018, the company used cash from the initial public offering (IPO) to repay long-term loans from financial institutions. As a result, the company used more working capital.

• Long-term loans from related parties: As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had long-term loans from directors of Baht 1.93 million, Baht 0.00 million and Baht 0.00 million respectively or 0.26%, 0.00% and 0.00% respectively. In 2015, So Sweet Co., Ltd., a subsidiary of the Company needed for loans from the directors. To use as working capital in business. However, the Board of Directors Meeting No. 2/2017 held on April 24, 2017 resolved to approve to sell all ordinary shares held by the Company in So Sweet Co., Ltd. to Mr. Ongart, who is one of So Sweet Co., Ltd's director. Such transaction already done in July, 2017. Therefore of December 31, 2017, the two companies had no status as a subsidiary of the company. As the result , the company and its subsidiaries will have no outstanding long-term loans from directors.

Shareholders' Equity

As at December 31 2016, 2017, and 2018, the Company and its subsidiaries had shareholders' equity of Baht 132.67 million, Baht 936.15 million and Baht 908.59 million representing a ratio to liabilities and shareholders' equity of 17.61%, 79.44% and 71.69% respectively, with the following details

Issued and paid-up share capital:

• As at 31 December 2016, the Company's registered capital was Baht 108.00 million, divided into 1,080,000 ordinary shares with a par value of Baht 100.00 per share. The registered and paid-up share capital was Baht 102.00 million divided into 1,000,000 ordinary shares. Par value of Baht 100.00 each, fully paid. and 80,000 ordinary shares with a par value of Baht 100.00 per share, paid up Baht 25 per share. Subsequently, the company had fully paid up share capital of Baht 108.00 million on April 7, 2017.

• The Extraordinary General Meeting of Shareholders No. 3/2016 held on May 11, 2016 passed a resolution approving the increase of registered capital of Baht 42.00 million by issuing 420,000 new ordinary shares at par value of Baht 100 per share by the original stock proportion. As a result, the company's registered capital increased to Baht 150.00 million, divided into 1,500,000 ordinary shares with a par value of Baht 100 each. The Extraordinary General Meeting of Shareholders No. 4/2016 held on August 31, 2016 resolved to change the par value. It was resolved to increase the registered capital by Baht 65.00 million to Baht 215.00 million by issuing 130,000,000 new ordinary shares at par value of Baht 0.50. For the initial public offering (IPO) or 30.23% of total paid-up capital after the IPO, the Company has registered the capital increase with the Ministry of Commerce. On September 4, 2017, the Company had registered capital of Baht 215.00 million, consisting of 430,000,000 ordinary shares with a par value of Baht 0.50 each and paid up capital of Baht 150.00 million consisting of 300,000,000 ordinary shares with a par value of Baht 0.50 each. In addition, the Company received money from the initial public offering of 130 million shares at a par value of Baht 0.50 per share. The Company registered the increase of paid-up share capital with the Ministry of Commerce on December 25, 2017. As a result, as of December 31, 2016, the Company had registered capital of Baht 215.00 million. 430,000,000 ordinary shares with a par value of Baht 0.50 each and paid-up capital of Baht 215.00 million

• Share premium on issuing ordinary shares: As at December 31, 2016, the Company had an excess of 665.53 million Baht, representing 56.48% of total liabilities and shareholders' equity. December 25, 2017 The Company received cash from the initial public offering of 130 million shares at a par value of Baht 0.50 per share. Baht 5.85 per share, totaling Baht 760.50 million, with expenses directly related to the offering to the public of Baht 29.97 million and presented as a deduction from premium on ordinary shares.

• Retained earnings - Unappropriated: As at 31 December 2016, 2017 and 2018, the Company had Unappropriated retained earning (Deficit) of Baht 54.47 million, Baht 72.66 million and Baht 40.17 million The share of debt and equity accounted for 7.23%, 6.17% and 3.17% respectively.

- The Extraordinary General Meeting of Shareholders No. 3/2017 held on May 11, 2017 passed a resolution approving the interim dividend payment from unappropriated retained earnings as at December 31, 2016 to Baht 43.50 per share. The total dividend payment was 46,980,000 Baht and the dividend was paid to the shareholders on May 22, 2017.
- In addition, the Board of Directors Meeting No. 3/2017 held on November 13, 2017 passed a resolution approving the interim dividend payment to the existing shareholders (before the IPO) of 300,000,000 shares at the rate of Baht 0.15 per share, totaling Baht 45.00 million. Dividend payment will be made within November 24, 2017. The Company paid such dividend to the shareholders on November 21, 2017.
- The Annual General Meeting of Shareholders of 2018 held on April 23, 2018 passed a resolution approving the dividend payment at December 31, 2017 to the shareholders of 430,000,000 share by Baht 0.15 per share. The total dividend payment was 64,500,000 Baht and the dividend was paid to the shareholders on May 15, 2018.
- The Board of Directors Meeting No.4/2018, held on November 7, 2018 resolved to approve the distribution of the interim dividend to the shareholders of 430,000,000 share at the rate of Baht 0.05 per share. The total amount of Baht 21,000,000 and the dividend was paid on December 6, 2018.
- The Board of Directors Meeting No.1/2019, held on February 22, 2019. The board deemed appropriate to propose the Annual General Meeting of Shareholders held on April 22, 2019 to approve distribution of net profit of 2018, at the rate of Baht 0.05 per share, totaling Baht 21,500,000 and the dividend payment shall be made on May 17, 2019.
- Discount from business combination under common control as at 31 December 2016, 2017 and 2018. The lower of the share capital of the business combination under common control is equal to (23.80) million baht (20.64) million baht and (20.64) million baht, respectively, as detailed in the following list.
- The Extraordinary General Meeting of Shareholders No. 1/2016 held on May 16, 2016 approved the acquisition of all shares of So Sweet Company Limited from the existing shareholders. This is considered a business acquisition under the same control with the investment value of Baht 2.00 million. that subsidiary has a net debt of Baht 1.10 million, resulting in a net difference of Baht 3.10 million. However, the Company sold its investment in Sunsweet Bio Energy Co., Ltd. and So Sweet Co., Ltd. to the directors on July 17, 2017, totaling Baht 3.80 million, thus the two subsidiaries are not under control. Since the mention date of . In the consolidated financial statements, there was a reversal of that transaction from the business combination under the same control amounting to Baht 3.16 million.
- The significant component of the discount from business combination under common control was the adjustment of the KC brand that the company previously recorded as intangible assets of Baht 21.00 million and consider that the company purchased the trademark of Baht 21.00 million from KC Chiang Mai Industrial Foods Co., Ltd., in 2009 means purchased assets from affiliated companies under common control. In addition, the fair value is not appraised at fair value by the independent appraiser. Based on the facts and circumstances at the time, KC Chiang Mai Food Industry Co., Ltd. did not conduct any business for a period of time. The Company has continued to suffer losses from its business operations. The fair value of such assets is very low or close to zero. Therefore, the Company should not recognize the asset acquisition transaction, however, since such transaction is a purchase from a subsidiary under the common control. The management of the Company has adjusted the transaction by eliminating the intangible asset and recorded as discount from business combination under common control.

Debt to equity ratio

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had a debt to equity ratio of 4.68 times, 0.26 times and 0.39 times respectively, the debt to equity ratio of 2016 significantly decreased due to the increase in retained earnings from the net profit in 2016.

For the year 2017, the Company received cash from the initial public offering (IPO) and partially used it as working capital to reduce the use of credit lines from financial institutions. Some of the funds were used to repay long-term loans from financial institutions. As a result, the value of liabilities at the end of 2017 decreased, while the value of equity at the end of 2017 increased from the excess of the value of ordinary shares resulting from the IPO, resulting in a debt to equity ratio as of December 31, 2017, significant decreased.

For the year 2018, The debt to equity ratio increase over than the same period last year, due to trade account payable and factors of production are increased from the continuous flow production.

Interest coverage ratio and commitment coverage ratio

In 2016, 2017 and 2018, the Company and its subsidiaries have an interest coverage ratio of 13.70 times 0.60 times and 0.06 times respectively. In 2017, the interest coverage ratio decreased as the Company and its subsidiaries have decreased cash flow from operating activities. This is due to the increasing of inventory, on the other side, trade payable and short-term loans from financial institutions decreased.

For the year 2018, the interest coverage ratio decrease although an interest payment decreased due to speed-up of production to built inventory for customers which diliver schedule on 2019.

In 2016, 2017 and 2018, the Company and its subsidiaries had commitment coverage ratio of 2.34 times, (0.05) times and (0.01) times respectively. In 2017, The ratio was negative due to cash flow from operating activities was decreased while there were cash flow used for machinary investment and dividend payments.

For the year 2018, The commitment coverage ratio was negative but better than previous year due to cash flow from operating activities was decreased although inventory volume higher than last year. Although The commitment coverage ratio in 2017 and 2018 were negative which reflects the inadequacy of cash flow from operating liabilities, the company managed liquidity by using short-term loans from financial institutions during the year.

Liquidity

As at 31 December 2016, 2017 and 2018, the Company and its subsidiaries had current assets of Baht 168.77 million, Baht 534.48 million and Baht 552.56 million, while current liabilities were Baht 573.07million, Baht 149.54 million and Baht 323.59 million, respectively. The liquidity ratios were 0.29 times, 3.57 times and 1.71 times. The quick ratios were 0.14 times, 1.46 times and 0.41 times respectively. The low quick ratio is also a result of the loss from the year 2014 caused by the significant loss on exchange rate as mentioned above. In addition, the investment to improve machinery continuously since 2015, resulting in the company has debt obligations. Such transactions effected to the Company's operateing cash flow. However, the continuous profitable performance, including the company received cash from the initial public offering (IPO) and partially used it as working capital. As a result, the liquidity of the company improved significantly.

Cash Cycle

In 2016-2018, the Company and its subsidiaries had cash cycle days was 51 days, 12 days and 20 days respectively, The company had better cash turnover ratio due to the average collection period and the selling period were better, including the extension of average payment period increased. In 2018, due to trade account payable ,payables for the purchase packaging

Cash Flows for the year ended December 31, 2018

Net cash from (used) in operating activities

The Company and its subsidiaries' cash provided by operating activities was 0.20 million baht due to the company's profit from operations before changes in assets and operating liabilities of 117.04 million baht, and as a result of the increase in trade payables and other payables. While inventories, accounts receivable, and others receivables were increased.

Net cash from (used) in investing activities

The Company and its subsidiaries had cash used in investing activities of Baht 26.81 million from machineries and equipments of Baht 193.68 million and cash flow to pay short-term investment of 100.00 million baht.

Net cash provided by (used in) financing activities

The Company and its subsidiaries had cash from financing activities of Baht 78.11 million. Mainly cash received from long-term loans from financial institutions amounting to Baht 76.39 million while repay the bank overdrafts and short-term loan from the financial institution was Baht 93.91 million. and dividends paid to shareholders of Baht 86.00 million.

Capital Expenditure

The objective of capital expenditure of the Company and its Subsidiaries is to invest in plant construction and investment in additional machinery to support future business growth. The details of the investment are as follows.

Table of Capital Expenditure

Capital Expenditure (Million Baht)	2016	2017	2018
Expenditures for investments in fixed assets	122.80	93.23	193.68
Expenditure on investment in temporary investment	-	100.00	-

Factors and influences that may affect future operations or financial position

Fluctuations in volume and price of sweet corn

Sweet corn is the main raw material used in most of the company's products. The agricultural products are fluctuating in terms of quantity and price. This is due to many factors, such as climate change, natural disasters, such as floods, droughts, may affect sweet corn yields on cultivated areas and the quality of sweet corn. This may also be a result of government policies such as the promotion of alternative energy crops. Renewable Energy Policy This may result in farmers switching to higher-yielding crops. As a result, the total sweet corn area was changed. Therefore, if the company can not supply enough quality sweet corn for production. As a result, the company has no raw material to produce enough products. To sell to customers or increase raw material costs.

However, the Company is aware of the risk from fluctuations in the quantity and price of sweet corn as mentioned above. The Company has managed such risks by making contract farming with brokers or farmers, the company also has a Smart Farming project to help farmers cultivate sweet corn in the project. The company can plan, control and monitor production volume to meet the needs of the company. In addition, the company has a raw material promotion team that is responsible for planning the crop with the brokers and farmers. It also raises additional planting areas to ensure adequate production.

Document 1 : Details of Directors, Executives, and Company Secretary

1. Mr.Krairit Boonyakiat

Position	Chairman, Independent Director
Age(year)	73 years
Education	<ul style="list-style-type: none"> • Bachelor of Science, Chulalongkorn University • Master of Science and Management (MSc), Massachusetts Institute of Technology (USA)
Diploma	<ul style="list-style-type: none"> • Honorary Doctor of Business Administration Program in Marketing, Chiang Mai University • Anti-Corruption for Executive Program (Thai Institute of Directors Association: IOD), 2015 • Post Graduate of International Trade From the United Nations School of Managers (Turin City, Italy) • Directors Certification Program (DCP 0/2000) Thai Institute of Directors Association
Family Relationship with Executives	None
Shareholding in the Company (%)	0.03974%

Working Experiences

Duration	Position and agency/company	Business details
2016-present	Chairman, Independent Director / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
1994-present	Director / Safety Insurance PLC.	Investment insurance and others
2009-present	Director / Pan Rajdhevee PLC.	Manufacture and distribute cosmeceuticals and cosmetics.
2007-present	Director / Mittraphap product PLC. Friendship commodities PLC.	Produce and distribute live pigs

Document 1 : Details of Directors, Executives, and Company Secretary

2. Mr.Pichai Kojamitr

Position	Vice Chairman, Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Committees, Risk Management Committee
Age(year)	69 years
Education	<ul style="list-style-type: none"> • Bachelor of Economics, Thammasat University • Master of Business Administration, Kasetsart University
Diploma	• Directors Certification Program (DCP 2/2000) of Thai Institute of Directors Association
Family Relationship with Executives	None
Shareholding in the Company (%)	-

Working Experiences

Duration	Position and agency/company	Business details
2016-present	Vice Chairman, Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Committees, Risk Management Committee/ Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2012-present	Investment Committee, Dhipaya Insurance PLC.	Investment insurance

Document 1 : Details of Directors, Executives, and Company Secretary

3. Mr.Warapong Nandabhiwat

Position	Director, Chairman of the Nomination and Remuneration Committee, Audit Committee, Independent Director
Age(year)	61 years
Education	• Bachelor Degree in Industrial Engineering, Lehigh University (Pennsylvania, USA)
Diploma	• Directors Certification Program (RCP 3/2001, DCP 16/2002 and ACP 41/2012) Thai Institute of Directors Association
Family Relationship with Executives	None
Shareholding in the Company (%)	0.03974% (Spouse)

Working Experiences

Duration	Position and agency/company	Business details
2016-present	Director of Audit Committee, Independent Director /Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2005-present	Director / Immunothai Co., Ltd.	Produce and distribute health and beauty products (from herbs)
2007-present	Director / Snitnan Brothers Co., Ltd.	Home rental services
1982-present	Director / Snitan Co., Ltd.	Provide wharf and petrol services

Document 1 : Details of Directors, Executives, and Company Secretary

4. Mr.Anucha Dumrongmanee

Position	Director, Audit Committee, Independent Director
Age(year)	62 years
Education	• Bachelor of Arts (Business Administration), Chiang Mai University
Diploma	• Directors Certification Program (DCP 136/2017) Thai Institute of Directors Association
Family Relationship with Executives	None
Shareholding in the Company (%)	0.03974%

Working Experiences

Duration	Position and agency/company	Business details
2016-present	Director, Audit Committee ,Independent Director / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2561-present	Executive, Director Pinkanakorn Development Agency (Public Organization)	Public organization develops and manages tourist destinations in Chiang Mai.
2015-present	Qualified Committee International College Chiang Mai Rajabhat University	University
2012-present	Director The Kampan 2012 Co., Ltd.	Real estate rental, trading and operating business
2009-present	University Affairs Committee and Asset Management Committee of Maejo University	University
2005-present	Lecturer Faculty of Business Administration and Accountancy Chiang Mai University	University

Document 1 : Details of Directors, Executives, and Company Secretary

5. Ms. Morakot Kittikhunchai

Position	Vice Chairman, Executive committee, Deputy Chief Executive Officer (Production)
Age(year)	68 years
Diploma	<ul style="list-style-type: none"> • Directors Certification Program (DCP 131/2016) of Thai Institute of Directors Association • Mini-MBA Mini-MBA batch 10 , Chiang Mai University
Family Relationship with Executives	Sister of Mr.Ongart Kittikhunchai and Mrs. Suraporn Prasatngamloet
Shareholding in the Company (%)	0.46511%

Working Experiences

Duration	Position and agency/company	Business details
1997-present	Vice Chairman, Executive committee, Deputy Chief Executive Officer (Production) / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2005-present	Director / Sunsweet International Co., Ltd.	sourcing food and agricultural products

Document 1 : Details of Directors, Executives, and Company Secretary

6. Mr. Ongart Kittikunchai

Position	Director, Nomination and Remuneration Committee, Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer (Marketing)
Age(year)	63 years
Education	• Honorary Doctorate of Science (Food Technology), Maejo University
Diploma	• Directors Certification Program (DCP 131/2016) Thai Institute of Directors Association • Mini-MBA batch 1, Chiang Mai University • Capital Market Leader Program (CMA) 26/2018) by Capital Market Academy
Family Relationship with Executives	Younger brother of Ms.Morakot Kittikhunchai, Older brother of Mrs. Suraporn Prasatngamloet, Spouse of Mrs.Jiraporn Kittikhunchai
Shareholding in the Company (%)	0.69767%

Working Experiences

Duration	Position and agency/company	Business details
1997-present	Director, Nomination and Remuneration Committee, Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer (Marketing) / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2016-present	Director / Chiang Mai Social Enterprise Co., Ltd.	Social Enterprise Business
2014-present	Director / Sosweet Co.,Ltd.	Sweet corn products sales business by retail franchise system
2014-present	Sunshine Travel Co., Ltd.	Tourism business, including all tourism-related businesses
2005-present	Director / Sunsweet International Co., Ltd	sourcing food and agricultural Products
2005-present	Director / Sunsweet Bio Energy Co., Ltd.	Alternative energy business, in electricity generation from biogas system
1992-present	Director / Sunsweet Agrotech Co., Ltd.	Canned fruits and agricultural crops manufacturing- and distributing business

Document 1 : Details of Directors, Executives, and Company Secretary

7. Mrs.Jiraporn Kittikhunchai

Position	Director, Executive committee, Risk Management Committee, Deputy Chief Executive Officer (Head Office)
Former name	Mrs. Jiraporn Saelim
Age(year)	61 years
Diploma	<ul style="list-style-type: none"> • High Vocational Certificate of Accountancy, Rajamangala University of Technology Lanna • Directors Certification Program (DCP 131/2016) Thai Institute of Directors Association
Family Relationship with Executives	Spouse of Mr. Ongart Kittikhunchai
Shareholding in the Company (%)	69.76735%

Working Experiences

Duration	Position and agency/company	Business details
1997-present	Director, Executive committee, Risk Management Committee, Deputy Chief Executive Officer (Head Office) / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2011-present	Director / Wiangjedlin Co.,Ltd.	Distribution of ice cream
2006-present	Director / Coffee Link CO.,Ltd.	Food and Beverage
2005-present	Director / Sunsweet International Co., Ltd.	Sourcing food and agricultural products

Document 1 : Details of Directors, Executives, and Company Secretary

8. Mrs.Suraporn Prasatngamloet

Position	Director, Executive committee, Director of General Management
Former name	Miss Suraporn Kittikhunchai
Age(year)	59 years
Diploma	<ul style="list-style-type: none"> • Diploma in DAP 131/2016 from the Thai Institute of Directors Association • Mini-MBA, Chiang Mai University Batch 10
Family Relationship with Executives	Younger sister of Ms.Morakot Kittikhunchai and Mr.Ongart Kittikhunchai
Shareholding in the Company (%)	-

Working Experiences

Duration	Position and agency/company	Business details
1997-present	Director, Executive committee, Director of General Management / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2014-present	Director / So Sweet Co.,Ltd	Sweet corn products sales business by retail franchise system

Document 1 : Details of Directors, Executives, and Company Secretary

9. Mr.Chaiyot Suntivong

Position	Director, Chairman of the Risk Management Committee
Age(year)	66 years
Education	<ul style="list-style-type: none"> • Bachelor of Engineering Program in Electrical Engineering, Khon Kaen University • Master of Development Management of Business Administration, National Institute of Development Administration • Honorary Doctorate Faculty of Business Administration, Maejo University
Diploma	<ul style="list-style-type: none"> • Applied International Management Program from Swedish Institute of Management • Certificate of feasibility study of JICA • Directors Certification Program
Family Relationship with Executives	None
Shareholding in the Company (%)	0.02451%

Working Experiences

Duration	Position and agency/company	Business details
2016-present	Director, Chairman of the Risk Management Committee / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2018- present	Director in the Board of Directors of the Information Technology Service/ Chiang Mai University	University
1996-2013	Lecturer Faculty of Business Administration Chiang Mai University	University

Document 1 : Details of Directors, Executives, and Company Secretary

10. Mr.Vira Nopwattanakorn

Position	Executive Committee, Director of Accounting and Finance
Age(year)	56 years
Education	• Bachelor of Business Administration (Accountance), Ramkhamhaeng University
Family Relationship with Executives	None
Shareholding in the Company (%)	0.00833%

Working Experiences

Duration	Position and agency/company	Business details
2005-present	Executive Committee, Director of Accounting and Finance /Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products

11. Mr.Sanit Sresuwan

Position	Executive Committee, Director of Production
Age(year)	67 years
Family Relationship with Executives	None
Shareholding in the Company (%)	0.02000%

Working Experiences

Duration	Position and agency/company	Business details
2001-present	Executive Committee, Director of Production / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products

Document 1 : Details of Directors, Executives, and Company Secretary

12. Mr.Kovit Sitthiyos

Position	Director of Sales and Marketing
Age(year)	58 years
Family Relationship with Executives	None
Shareholding in the Company (%)	0.01056%

Working Experiences

Duration	Position and agency/company	Business details
2001-present	Director of Sales and Marketing / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products

13. Ms.Soontaree Mulmao

Position	Company Secretary, Internal Audit Manager
Age(year)	52 years
Education	• Bachelor of Accounting Finance and Banking, Payap University
Diploma	• Directors Certification Program (DCP 77/2017) Thai Institute of Directors Association
Family Relationship with Executives	None
Shareholding in the Company (%)	0.01021%

Working Experiences

Duration	Position and agency/company	Business details
2017-present	Company Secretary, Internal Audit Manager / Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2014-2017	Accounting Manager / Sunsweet PLC.	
2013-2017	Chief Financial Officer / AFM Flower Seeds (Thailand) Co., Ltd.	Distributes flower seeds

Document 1 : Details of Directors, Executives, and Company Secretary

14. Mrs.Varaporn Kammanid

Position	Accounting Department Manager
Former name	Ms.Varaporn Jintaviwatwong
Age(year)	48 years
Education	<ul style="list-style-type: none"> • Bachelor's Degree Major : Accounting Thammasat University • Master's degree MBA Thammasat University
Diploma	<ul style="list-style-type: none"> • Diploma in Auditing Thammasat University
Family Relationship with Executives	None
Shareholding in the Company (%)	0.01395% (Spouse)

Working Experiences

Duration	Position and agency/company	Business details
2018-present	Accounting Department Manager/ Sunsweet PLC.	Manufactures and distributes processed sweet corn and agricultural products
2013-2017	Assistant Vice President Finance & Accounting Department/ Berli Jucker Public Compny Limited	Manufactures and distributes <ul style="list-style-type: none"> • Packaging Product • Consumer Product • Healthcare& Technical product • Modern retail (BigC) • Other

Attachment 2 : Board of directors' statement of responsibility for financial reports

The Board of Directors is responsible for the financial statements and the consolidated financial statements of Sunsweet Public Company Limited and its subsidiaries including financial information presented in the annual report. The financial statements are prepared according to Generally Accepted Accounting Standards. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements can be used for the benefit of the shareholders and investors.

The Board of Directors has established a risk management system to maintain an appropriate and effective internal control system that ensures accurate accounting information is and sufficient to keep the property as well as prevent corruption or abnormal operations.

The Board of Directors has appointed the Audit Committee which comprises of independent directors to review the quality of financial reports, internal control system, and internal audit and also consider the disclosure of connected transactions and finally report the results of the review to the Board of Directors.

Financial Statements and the consolidated financial statements of the Company and its subsidiaries have been audited by the Company's auditor, PricewaterhouseCoopers ABAS Limited. The auditor can review and express opinion in accordance with the auditing standard and the auditor's opinion appear in the auditor's report as shown in the annual report.

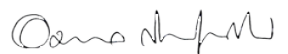
The Board of Directors believe that the effectiveness of the Company's overall internal control system is satisfactory and able to create credibility and reliability for the Company's financial statements and the consolidated financial statements of Sunsweet Public Company Limited and its subsidiaries for the period ended December 31, 2018.

Mr. Krairit Boonyakiat



Chairman

Mr. Ongart Kittikhunchai



Chief Executive Officer

Attachment 3: Audit Committee Report

To Shareholders of Sunsweet Public Company Limited

The Board of Directors of Sunsweet Public Company Limited appointed the Audit Committee on February 1, 2016 that consisted of 3 independent directors who are qualified in finance, accounting and management as specified in the Audit Committee Charter. This is also in line with the guidelines and requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). They are as follows:

1. Mr. Pichai Kojamitr	Chairman of Audit Committee
2. Mr. Warapong Nandabhiwat	Member of Audit Committee
3. Mr. Anucha Dumrongmanee	Member of Audit Committee

Mrs. Soontaree Mulmao, Internal Audit Division manager acted as Secretary to the Audit Committee

For the year 2017, the Audit Committee convened 4 times, performed completely duties in accordance with the scope of the Audit Committee Charter and the duties assigned by the Company's Board of Directors. Mr. Pichai Kojamitr and Mr. Anucha Dumrongmanee attended all the 4 meetings while Mr. Worapong Nandabhiwat attended 3 meetings out of 4 meetings. The activities of the Audit Committee for 2018 can be summarized as follows

1. The Audit Committee has reviewed the accuracy, completeness, and reliability of both quarterly and annual financial statements for the year 2018, reviewed and audited by the Company's auditor. They also discussed with the management and auditors to consider important accounting policies and the Audit Committee commented that the Company's internal accounting and financial reporting process has an appropriate internal control system. The auditor has independent or ease in the performance of his duties without any limitation on the scope of audit. This ensures that the financial statements show that the Company's financial position and results of operations are in accordance with the accounting standards. The information is sufficiently disclosed and approved by the Board of Directors
2. The Audit Committee reviewed the effectiveness and adequacy of the internal control system based on the quarterly internal audit report for the year 2018 to acknowledge the notices and propose ways to prevent possible damage to management including consider and follow up feedback performance in the report of the internal auditor and the auditor. In addition, the Audit Committee reviewed the competence and efficacy of the internal control system in the important areas; for example, delegation of authority manual, and policy on transactions of major shareholders, directors, executives and related persons. The Audit Committee assessed that the Company has adequate internal control in the important work flow.
3. The Audit Committee considered the related transactions or transactions that may have conflicts of interest with the Company. The Audit Committee believes that the management has decided to make such transactions for the benefit of the Company and treat as important to outsiders, and with normal trading conditions of reasonable prices. The rating is based on the appraised value of assets in the capital market and major appraisers listed on the SEC approved list.
4. The Audit Committee has approved the appointment of an external company. In addition, the company has set up an internal audit unit for internal auditing that included reviewing and approving the annual internal audit plan to be in line with the work system. The Internal Audit Committee considers that the internal audit firm is competent and experienced in internal audit and that is related to the important work and cycle which is sufficient to ensure that the financial statements are reliable and in compliance with the law and company terms.
5. The Audit Committee reviewed the risk management system of the Company by acknowledging the report from the representative of the Risk Management Committee who also suggested that the company's risk management system be more effective. The Company however has a significant and aptly risk management system.
6. The Audit Committee has reviewed the compliance with the Securities and Exchange Act, the Stock Exchange of Thailand and the law relating to the business of the company, to strictly comply with the laws and regulations.
7. The Audit Committee has prepared a report on the performance of the Audit Committee to the Board of Directors on a quarterly basis, providing useful suggestions for the administration of the Management which subsequently made the appropriate adjustments.

Attachment 3: Audit Committee Report

8. The Audit Committee has considered, selected, proposed the establishment of and the remuneration of the auditor for the year 2018; evaluated based on the independent of the auditor, skills of the team, experience in monitoring, and other services beneficial to the business to be received, and the appropriateness of the audit fee. The Audit Committee has resolved to propose to the Board of Directors for approval from the shareholders' meeting to appoint the auditors from the Company, PricewaterhouseCoopers ABAS Limited, as the Company's auditor for the year 2018 and the audit fee of the Company and its subsidiaries, the amount of Baht 2,800,000

For the Audit Committee



(Mr. Pichai Kojamitr)
Chairman of Audit Committee

SUNSWEET PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Independent Auditor's Report

To the shareholders of Sunsweet Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Sunsweet Public Company Limited (the Company) and its subsidiary (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Revenue recognition. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition from sales of goods</p> <p>The Group's revenue from sales of goods for the year ended 31 December 2018 was Baht 1,829.12 million. This comprised both domestic and export sales of agricultural products including fresh and processed of fruits and vegetables. As a result, the Group's recognition from sales is different and the Group has a significant number of sales of goods in advance contracts that stipulate varying conditions in the agreements.</p> <p>I focused on the accuracy of revenue recognition and revenue cut-off for sales because of the magnitude of the value of revenue. The recognition depends on the conditions stipulated in each contract, differences in the shipment terms and differences in the point at which goods were transferred to the purchaser.</p>	<p>I performed the following procedures regarding the revenue recognition:</p> <ul style="list-style-type: none"> • Understood of the process, evaluated the design, and tested the Group's internal controls with respect to the revenue cycle. I did this by making enquiries with the responsible people, and testing a sample to assess the effectiveness of the Group's internal control. • Selected a sample of sales documents to assess whether the recognition was consistent with the conditions in the relevant agreement, and whether it complied with the Company's policy. • Examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period with sales contracts, invoices, delivery notes, bills of lading and other related shipping documents. • Reviewed credit notes that the Company issued after period-end to verify whether the underlying sales and credit notes were recorded in the correct period. • Performed analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the accounting period. <p>As a result of procedures, I found that the revenue recognition from sales of goods was appropriate and supported by available evidences.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

The audit committee assists the director in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Vichien Khingmontri
 Certified Public Accountant (Thailand) No. 3977
 Bangkok
 22 February 2019

Sunsweet Public Company Limited**Statement of Financial Position****As at 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	14,089,326	119,659,932	13,658,509	117,784,875
Short-term investments	8	-	100,000,000	-	100,000,000
Trade and other receivables, net	9	125,633,668	105,251,466	125,628,693	104,087,399
Inventories, net	10	403,287,825	191,837,050	403,116,726	191,659,299
Short-term loan to a subsidiary	30.5	-	-	-	5,033,666
Other current assets	11	9,549,476	17,729,445	9,030,076	16,904,197
Total current assets		552,560,295	534,477,893	551,434,004	535,469,436
Non-current assets					
Restricted deposits at a banks	12	6,783,700	71,883,700	1,783,700	63,383,700
Investments in subsidiary	13	-	-	7,369,971	7,369,971
Property, plant and equipment, net	14	697,689,836	559,413,848	697,273,810	558,293,947
Intangible assets, net	15	5,254,177	6,686,074	5,254,177	6,686,074
Deferred tax assets, net	16	5,176,787	5,972,497	5,175,389	5,971,550
Total non-current assets		714,904,500	643,956,119	716,857,047	641,705,242
Total assets		1,267,464,795	1,178,434,012	1,268,291,051	1,177,174,678

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited**Statement of Financial Position****As at 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17.1	94,015,011	953,243	93,907,000	-
Trade and other payables	18	222,310,857	107,432,536	222,332,044	106,898,208
Current portion of long-term loans					
from financial institutions	17.2	-	25,200,000	-	25,200,000
Income tax payable		42,979	6,909,855	-	6,871,921
Current portion of finance lease					
liabilities	19	6,412,407	6,503,547	6,412,407	6,071,560
Other current liabilities		804,101	2,540,763	802,882	2,536,039
Total current liabilities		323,585,355	149,539,944	323,454,333	147,577,728
Non-current liabilities					
Long-term loans from					
financial institutions	17.2	-	51,185,000	-	51,185,000
Finance lease liabilities	19	10,364,034	16,776,440	10,364,034	16,776,440
Employee benefit obligations	20	24,930,065	24,782,264	24,923,073	24,777,530
Total non-current liabilities		35,294,099	92,743,704	35,287,107	92,738,970
Total liabilities		358,879,454	242,283,648	358,741,440	240,316,698

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited
Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	21				
Authorised share capital					
430,000,000 ordinary shares					
at par value of Baht 0.50 each		215,000,000	215,000,000	215,000,000	215,000,000
Issued and paid-up share capital					
430,000,000 ordinary shares at par value					
of Baht 0.50 each, fully paid-up		215,000,000	215,000,000	215,000,000	215,000,000
Share premium on issue of share	21	665,525,655	665,525,655	665,525,655	665,525,655
Discount from business combination					
under common control		(20,637,124)	(20,637,124)	(21,000,000)	(21,000,000)
Retained earnings					
Appropriated - legal reserve	23	11,400,000	8,500,000	11,400,000	8,500,000
Unappropriated		40,166,871	72,662,625	41,494,668	73,733,117
Other component of equity		(2,870,061)	(4,900,792)	(2,870,712)	(4,900,792)
Equity attributable to owners					
of the parent		908,585,341	936,150,364	909,549,611	936,857,980
Non-controlling interests		-	-	-	-
Total equity		908,585,341	936,150,364	909,549,611	936,857,980
Total liabilities and equity					
		1,267,464,795	1,178,434,012	1,268,291,051	1,177,174,678

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenue from sales		1,829,125,081	1,646,239,436	1,809,938,862	1,611,829,518
Cost of sales		(1,561,184,367)	(1,331,700,341)	(1,544,667,077)	(1,301,102,147)
Gross profit		267,940,714	314,539,095	265,271,785	310,727,371
Other income	25	9,258,560	18,405,913	9,670,667	18,657,678
Selling expenses		(133,920,247)	(120,294,236)	(132,872,945)	(118,977,590)
Administrative expenses		(75,062,550)	(85,943,315)	(73,753,410)	(81,212,109)
Gain (loss) on exchange rate, net		(8,096,064)	22,353,281	(8,012,703)	22,319,073
Finance costs	26	(3,238,560)	(24,801,785)	(3,227,336)	(24,591,212)
Profit before income tax		56,881,853	124,258,953	57,076,058	126,923,211
Income tax	28	(477,607)	(6,773,674)	(414,507)	(6,731,100)
Net profit for the year		56,404,246	117,485,279	56,661,551	120,192,111
Other comprehensive income (loss):					
Items that will not be reclassified					
to profit or loss					
Remeasurement employee					
benefit obligations	24	2,030,731	(4,900,792)	2,030,080	(4,900,792)
Other comprehensive income (loss):					
for the year, net of tax		2,030,731	(4,900,792)	2,030,080	(4,900,792)
Total comprehensive income					
for the year		58,434,977	112,584,487	58,691,631	115,291,319
Profit attributable to:					
Owners of the parent		56,404,246	117,485,279	56,661,551	120,192,111
Non-controlling interests		-	-	-	-
		56,404,246	117,485,279	56,661,551	120,192,111
Total comprehensive income					
attributable to:					
Owners of the parent		58,434,977	112,584,487	58,691,631	115,291,319
Non-controlling interests		-	-	-	-
		58,434,977	112,584,487	58,691,631	115,291,319
Earnings per share					
Basic earnings per share	29	0.13	0.44	0.13	0.45

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements												
Attributable to owners of the parent												
Other component of equity												
Other												
comprehensive income (loss)												
Remeasurement of employee benefit obligations												
Total other component of equity												
Total equity attributable to owners of the parent												
Non-controlling interests												
Total equity Baht												
Notes	Authorised, issued and paid-up share capital	Share premium	Discount from business combination under common control	Retained earnings		Unappropriated legal reserve		Total equity attributable to owners of the parent		Non-controlling interests		Total equity Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2017												
Changes in equity for the year 2017												
	102,000,000	-	(23,800,511)	-	54,473,422	-	-	-	132,672,911	-	-	132,672,911
21	42,000,000	-	-	-	-	-	-	-	42,000,000	-	-	42,000,000
21	6,000,000	-	-	-	-	-	-	-	6,000,000	-	-	6,000,000
21	65,000,000	665,525,655	-	-	-	-	-	-	730,525,655	-	-	730,525,655
23	-	-	-	8,500,000	(8,500,000)	-	-	-	-	-	-	-
22	-	-	-	-	(91,980,000)	-	-	-	(91,980,000)	-	-	(91,980,000)
	-	-	3,163,387	-	1,183,924	-	-	-	4,347,311	-	-	4,347,311
	-	-	-	-	117,485,279	(4,900,792)	(4,900,792)	(4,900,792)	112,584,487	-	-	112,584,487
Closing balance as at 31 December 2017												
	215,000,000	665,525,655	(20,637,124)	8,500,000	72,662,625	(4,900,792)	(4,900,792)	(4,900,792)	936,150,364	-	-	936,150,364
Opening balance as at 1 January 2018												
Changes in equity for the year 2018												
23	-	-	-	2,900,000	(2,900,000)	-	-	-	-	-	-	-
22	-	-	-	-	(86,000,000)	-	-	-	(86,000,000)	-	-	(86,000,000)
	-	-	-	-	56,404,246	2,030,731	2,030,731	2,030,731	58,434,977	-	-	58,434,977
Closing balance as at 31 December 2018												
	215,000,000	665,525,655	(20,637,124)	11,400,000	40,166,871	(2,870,061)	(2,870,061)	(2,870,061)	908,585,341	-	-	908,585,341

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Separate financial statements										
Notes	Authorised, issued and paid-up share capital	Share premium	Discount from business combination under common control	Retained earnings				Other component of equity		
				Appropriated- legal reserve		Unappropriated		Remeasurement of employee benefit obligations		Total other component of equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Total equity Baht
Opening balance as at 1 January 2017	102,000,000	-	(21,000,000)	-	-	54,021,006	-	-	-	135,021,006
Changes in equity for the year 2017										
Increase in ordinary shares	21	42,000,000	-	-	-	-	-	-	-	42,000,000
Additional paid-up share capital	21	6,000,000	-	-	-	-	-	-	-	6,000,000
Share issuance	21	65,000,000	665,525,655	-	-	-	-	-	-	730,525,655
Legal reserve	23	-	-	-	8,500,000	(8,500,000)	-	-	-	-
Dividends paid	22	-	-	-	-	(91,980,000)	-	-	-	(91,980,000)
Total comprehensive income for the year		-	-	-	-	120,192,111	(4,900,792)	(4,900,792)	(4,900,792)	115,291,319
Closing balance as at 31 December 2017	215,000,000	665,525,655	(21,000,000)	8,500,000	73,733,117		(4,900,792)	(4,900,792)	(4,900,792)	936,857,980
Opening balance as at 1 January 2018	215,000,000	665,525,655	(21,000,000)	8,500,000	73,733,117		(4,900,792)	(4,900,792)	(4,900,792)	936,857,980
Changes in equity for the year 2018										
Legal reserve	23	-	-	-	2,900,000	(2,900,000)	-	-	-	-
Dividends paid	22	-	-	-	-	(86,000,000)	-	-	-	(86,000,000)
Total comprehensive income for the year		-	-	-	-	56,661,551	2,030,080	2,030,080	2,030,080	58,691,631
Closing balance as at 31 December 2018	215,000,000	665,525,655	(21,000,000)	11,400,000	41,494,668		(2,870,712)	(2,870,712)	(2,870,712)	909,549,611

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited**Statement of Cash Flows****For the year ended 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		56,881,853	124,258,953	57,076,058	126,923,211
Adjustments for:					
Depreciation	14	51,993,717	44,628,557	51,289,842	43,845,687
Amortisation	15	1,601,287	976,297	1,601,287	976,297
(Reversal of) doubtful debt expenses		(189,557)	351,485	(189,557)	351,485
Employee benefit obligations	20	2,686,215	1,701,011	2,683,143	1,720,522
(Reversal of) loss from decrease in value of inventories	10	(177,352)	1,356,843	(177,352)	1,356,843
Gain on disposal of equipment		(134,012)	(38,625)	(134,012)	(38,625)
Loss from write-off of assets	14	1,314,336	1,238,499	1,314,336	1,238,499
Impairment of assets	14, 27	732,054	3,519,630	732,054	3,519,630
Gain on reversal impairment of investment in subsidiary		-	-	-	(1,999,800)
Unrealised loss on exchange rate		448,076	51,678	448,076	51,678
Interest income	25	(1,354,991)	(858,511)	(1,425,814)	(867,231)
Finance costs	26	3,238,560	24,801,785	3,227,336	24,591,212
		117,040,186	201,987,602	116,445,397	201,669,408
Changes in working capital					
Operating assets decrease (increase)					
Trade and other receivables		(20,923,666)	(31,183,136)	(22,014,586)	(30,644,935)
Inventories		(211,273,423)	(127,229,934)	(211,280,075)	(128,395,908)
Other current assets		8,240,387	(6,141,827)	7,934,539	(5,706,127)
Operating liabilities increase (decrease)					
Trade and other payables		115,968,144	(21,955,021)	116,489,993	(21,216,502)
Other current liabilities		(1,736,662)	1,909,321	(1,733,157)	1,907,916
Cash flows from operating activities		7,314,966	17,387,005	5,842,111	17,613,852
Income tax paid		(7,116,873)	(2,446,444)	(7,058,204)	(2,483,759)
Net cash generated from (used in) operating activities		198,093	14,940,561	(1,216,093)	15,130,093
Cash flows from investing activities					
Proceeds from disposals of equipment		359,409	43,300	359,409	43,300
Proceeds from disposals of subsidiaries		-	2,470,215	-	3,799,440
Proceeds from interest income		1,575,005	892,548	1,644,988	816,094
Payment for loans to subsidiary	30.5	-	-	(6,400,000)	(5,000,000)
Proceeds from loans to subsidiary		-	-	11,400,000	-
Proceeds from (payment for) short-term investment	8	100,000,000	(100,000,000)	100,000,000	(100,000,000)
Proceeds from (payment for) restricted deposits at a bank		65,100,000	(3,146,721)	61,600,000	1,763,189
Payment for purchase of plant and equipment		(193,676,991)	(93,230,704)	(193,676,991)	(93,230,704)
Payment for purchase of intangible assets	15	(169,390)	(3,052,191)	(169,390)	(3,052,191)
Net cash used in investing activities		(26,811,967)	(196,023,553)	(25,241,984)	(194,860,872)

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Interest paid		(3,129,954)	(26,052,655)	(3,118,730)	(25,808,416)
Proceeds from increase of ordinary shares and additional paid-up share capital	21	-	48,000,000	-	48,000,000
Proceeds from issuance of shares	21	-	730,525,655	-	730,525,655
Increase (decrease) in short-term loans from financial institutions, net	17.1	93,907,000	(384,406,246)	93,907,000	(384,406,246)
Increase (decrease) in finance lease liabilities		(6,503,546)	(326,991)	(6,071,559)	247,119
Proceeds from short-term loans from a related person	30.4	-	5,000,000	-	-
Payment for short-term loans from a related person	30.4		(5,000,000)		
Proceeds from long-term loans from a related person		-	157,260	-	-
Proceeds from long-term loans from financial institutions	17.2	-	103,185,000	-	103,185,000
Payment for long-term loans from financial institutions	17.2	(76,385,000)	(94,266,000)	(76,385,000)	(94,266,000)
Dividend payments	22	(86,000,000)	(91,980,000)	(86,000,000)	(91,980,000)
Net cash generated from (used in) financing activities		(78,111,500)	284,836,023	(77,668,289)	285,497,112
Net increase (decrease) in cash and cash equivalents		(104,725,374)	103,753,031	(104,126,366)	105,766,333
Cash and cash equivalents at the beginning of the year		118,706,689	14,953,658	117,784,875	12,018,542
Cash and cash equivalents at the ending of the year	7	13,981,315	118,706,689	13,658,509	117,784,875
Cash and cash equivalents at the end of the year comprise of:					
Cash and cash equivalents	7	14,089,326	119,659,932	13,658,509	117,784,875
Less Bank overdrafts	17.1	(108,011)	(953,243)	-	-
Total cash and cash equivalents		13,981,315	118,706,689	13,658,509	117,784,875
Non-cash transactions:					
- Outstanding purchase of fixed assets under finance lease liabilities		-	19,396,423	-	19,396,423
- Purchase of fixed assets which have not been paid		175,993	1,311,492	175,993	1,311,492

The accompanying notes on pages 12 to 49 are an integral part of these consolidated and separate financial statements.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

1 General information

Sunsweet Public Company Limited ('the Company') is a public company listed in the Stock Exchange of Thailand. The Company was incorporated and resident in Thailand on 25 December 1997. The address of its registered office is as follows:

No. 9 Moo 1, Thung Satok Sub-district, Sanpatong district, Chiang Mai, 50120.

For reporting purposes, the Company and its subsidiary are referred to as 'the Group'.

The Company's principal business operation are to manufacture and distribute in agricultural products including fresh and processed of fruits and vegetables.

The consolidated financial statements including the following subsidiary:

Subsidiary	Nature of business	Country of incorporation	Percentage of shareholding (Direct and indirect holding)	
			31 December 2018 %	31 December 2017 %
SunSweet International Co., Ltd.	Trading in agricultural products	Thailand	100	100

These consolidated and separate financial statements were authorised by the Board of Directors on 22 February 2019.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirement of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of the consolidated and separate financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting standards and related interpretations and new financial reporting standards

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Group's management applied the above revised standards and not have significant impact on the Group.

2.2.2 New financial reporting standards and related interpretations are effective for annual periods beginning on or after 1 January 2019 which have changes and are relevant to the Group. The Group has not early adopted this standard.

TFRS15	Revenue from contracts with customers.
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The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

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

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.2 Revised accounting standards and related interpretations and new financial reporting standards (Cont'd)

2.2.2 New financial reporting standards and related interpretations are effective for annual periods beginning on or after 1 January 2019 which have changes and are relevant to the Group. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

Management has assessed the effects of applying the new standard on the group's financial statements and has identified the following areas that will be affected:

Accounting for revenue recognition from sales of goods - TFRS 15 requires the group recognise revenue from sales when control is passed to customer and they received all of the remaining benefits from those goods which includes sales of goods under customer's packaging and brand.

TFRS 15 requires separate presentation of contract assets and contract liabilities. This will result in some reclassifications as of 1 January 2019 in relation to contract asset and/or contract liability from sales of goods under customer's packaging and brand.

Mandatory for financial years commencing on or after 1 January 2019. The group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated.

2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting standards and related interpretations and new financial reporting standards (Cont'd)

2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.3 Group accounting - investments in subsidiaries

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquired as the predecessor accounting. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus (Discounts) arising from business combination under common control" under equity in the statement of financial position and is derecognised when the investment is disposed (transfer to retained earnings).

(5) Separate financial statements

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable cost of investment.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments from acquisition date of three months or less. In the statement of financial position, bank overdrafts are shown in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the year-end. The amount of the allowance is the differences between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss within selling expenses.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories, and presented as cost of goods sold.

2.8 Investments

Investments other than investments in subsidiaries are classified into the short-term investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Short-term investments are fixed deposits that have maturity between 3 to 12 months from the date of acquisition. Short-term investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follow:

Land improvement	5, 10 years
Buildings and buildings improvement	5, 10, 30 years
Machinery and equipment	5, 10, 20 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see more information in Note 2.11).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains - net' in profit or loss.

2.10 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 10 years.

2.11 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.12 Leases

Leases - where the Group is the lessee

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

2 Accounting policies (Cont'd)

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred taxes. Taxes are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

2.15.1 Short-term benefits

The Group recognises a liability of expense for bonuses and other expected short-term benefits where contractually obliged or where there is a past practice that has created a constructive obligation.

2.15.2 Retirement benefits

The Group operates a defined benefit plan which deferred an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.17 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income and other income are recognised on an accrual basis unless collectability is in doubt.

2.19 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (see more information in Note 6).

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

Entities in the Group use forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

The Group hedges at least 70% of anticipated export sales in each major currency based on customer orders.

The Group also hedges the foreign currency exposure of its contract commitments to purchase certain machinery mainly from Sweden. The forward contracts used in its programme mature within 3 months, which can roll over and consistent with the related purchase commitments.

Sunsweet Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest rate risk from loans with interest charged at the floating rates. However, the Group does not use interest rate swaps to hedge certain exposures because the management believes that the fluctuation in interest rates does not have significant impact to the Group.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instrument is not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period, if any.

3.3 Fair value estimation

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents and trade and other receivables - the carrying amounts of these financial assets approximate their fair values due to the relatively short-term maturity of these financial assets.

Short-term borrowings from financial institutions and trade and other payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial liabilities.

The Group discloses fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly that is, as prices or indirectly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group discloses fair values of financial instruments in the following note.

Foreign currency forward contracts : Note 31.1

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4 Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognised.

4.2 Employee benefit obligations

The present value of employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions including discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Additional information of the other key assumptions for employee benefits obligations is disclosed in Note 20.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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6 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The highest operational decision-making authority is the Board of Directors which measure its performance from segment profit.

For the purpose of operational management the Group separated the business into 2 operating segments as follows:

- Sales of goods in domestic segment.
- Export of goods to overseas segment.

	Consolidated financial statements					
	Domestic sales segment		Export sales segment		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue from sales	317,098,216	281,203,372	1,512,026,865	1,365,036,064	1,829,125,081	1,646,239,436
Cost of sales	(223,061,257)	(213,750,680)	(1,338,123,110)	(1,117,949,661)	(1,561,184,367)	(1,331,700,341)
Segment profit	94,036,959	67,452,692	173,903,755	247,086,403	267,940,714	314,539,095
Other income					9,258,560	18,405,913
Unallocated costs						
- Selling and administrative expenses and finance costs					(220,317,421)	(208,686,055)
Profit before income tax					56,881,853	124,258,953
Income tax					(477,607)	(6,773,674)
Net profit for the year					56,404,246	117,485,279

Major customers

The Group has no revenue transactions with a single external customer that amounts to 10% or more of the Group revenue. Therefore, the Group does not present the information about major customers.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	36,000	467,153	33,000	443,706
Cash at banks - current accounts	4,744,588	3,424,492	4,662,135	3,096,240
- savings accounts	9,308,738	33,341,396	8,963,374	31,968,714
- fixed accounts	-	82,426,891	-	82,276,215
	14,089,326	119,659,932	13,658,509	117,784,875

As at 31 December 2018, cash at banks - savings accounts carry interest at the rates of 0.1% to 0.375% per annum (2017 : at the rates of 0.50% to 0.75% per annum).

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7 Cash and cash equivalents (Cont'd)

Cash, cash equivalents and bank overdrafts included the following for the purposes of the statements of cash flows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash and cash equivalent	14,089,326	119,659,932	13,658,509	117,784,875
<u>Less</u> Bank overdrafts (Note 17.1)	(108,011)	(953,243)	-	-
	<u>13,981,315</u>	<u>118,706,689</u>	<u>13,658,509</u>	<u>117,784,875</u>

8 Short-term investments

The movement in short-term investments during the year are as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
As at 1 January	100,000,000	-
Increase (decrease) during the year	(100,000,000)	100,000,000
At 31 December	<u>-</u>	<u>100,000,000</u>

9 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables - third parties	117,317,719	98,309,473	117,317,719	97,279,851
- related parties (Note 30.3)	-	393,076	-	393,076
<u>Less</u> Allowance for doubtful accounts	(103,230)	(348,327)	(103,230)	(348,327)
Total trade receivables, net	<u>117,214,489</u>	<u>98,354,222</u>	<u>117,214,489</u>	<u>97,324,600</u>
Others receivables - third parties	4,629,959	2,050,429	4,629,959	2,050,429
- subsidiary (Note 30.3)	-	-	37,100	36,761
- related parties (Note 30.3)	-	27,562	-	27,562
<u>Less</u> Allowance for doubtful accounts	(55,540)	-	(55,540)	-
Total other receivables, net	<u>4,574,419</u>	<u>2,077,991</u>	<u>4,611,519</u>	<u>2,114,752</u>
Prepaid expenses	2,794,240	3,079,411	2,760,513	2,995,711
Advance payment	369,748	224,115	369,748	224,115
Others	680,772	1,515,727	672,424	1,428,221
	<u>125,633,668</u>	<u>105,251,466</u>	<u>125,628,693</u>	<u>104,087,399</u>

Outstanding balance of trade receivables as at 31 December 2018 and 2017 classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not overdue	25,339,114	32,404,210	25,339,114	32,401,490
Less than 3 months	91,237,467	63,489,623	91,237,467	62,519,033
3 - 6 months	632,478	2,270,838	632,478	2,260,793
6 - 12 months	10,860	72,986	10,860	72,986
Over 12 months	97,800	464,892	97,800	418,625
	<u>117,317,719</u>	<u>98,702,549</u>	<u>117,317,719</u>	<u>97,672,927</u>
<u>Less</u> Allowance for doubtful accounts	(103,230)	(348,327)	(103,230)	(348,327)
Total trade receivables, net	<u>117,214,489</u>	<u>98,354,222</u>	<u>117,214,489</u>	<u>97,324,600</u>

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10 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials	1,646,555	4,846,075	1,646,555	4,846,075
Finished goods	362,820,040	151,032,892	362,817,841	150,955,141
Containers and packing materials	32,730,044	30,763,726	32,561,144	30,663,726
Supplies	7,270,677	6,551,200	7,270,677	6,551,200
	404,467,316	193,193,893	404,296,217	193,016,142
<u>Less</u> Allowance for decrease in value of inventories	(1,779,491)	(1,356,843)	(1,179,491)	(1,356,843)
	<u>403,287,825</u>	<u>191,837,050</u>	<u>403,116,726</u>	<u>191,659,299</u>

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Value added tax refundable	7,314,100	16,439,392	6,805,055	15,642,972
Undue input value added tax	1,417,937	1,113,771	1,407,831	1,084,943
Withholding tax deducted at source	60,667	-	60,418	-
Others	756,772	176,282	756,772	176,282
	<u>9,549,476</u>	<u>17,729,445</u>	<u>9,030,076</u>	<u>16,904,197</u>

12 Restricted deposits at banks

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash at banks - savings accounts	1,000,000	6,000,000	1,000,000	1,000,000
- fixed accounts	5,783,700	65,883,700	783,700	62,383,700
	<u>6,783,700</u>	<u>71,883,700</u>	<u>1,783,700</u>	<u>63,383,700</u>

As at 31 December 2018, restricted deposits at a banks comprise of cash at banks - savings accounts which bear interest rate at 0.10% per annum (2017 : at the rate of 0.10% per annum) and cash at banks - fixed deposits accounts which redeemable in 6 months bear interest rate at 1.0% per annum. (2017 : between the rate of 0.65% to 1.30% per annum). The Group has been used as collateral against bank overdrafts and borrowings from financial institutions (Note 17).

13 Investments in subsidiary

The movements of investments in subsidiary is as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
Opening net book amount	7,369,971	9,169,611
Reversal of impairment of investment	-	1,999,800
Disposals of investment	-	(3,799,440)
Closing net book amount	<u>7,369,971</u>	<u>7,369,971</u>

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13 Investments in subsidiary (Cont'd)

The details of subsidiary as at 31 December 2018 and 2017 are as follows:

Subsidiaries	Nature of business	Country of incorporation	Separate financial statements					
			Paid-up share capital		Shareholding (Direct and indirect)		Cost	
			2018	2017	2018	2017	2018	2017
			Baht	Baht	%	%	Baht	Baht
SunSweet International Co., Ltd.	Trading in agricultural products	Thailand	5,000,000	5,000,000	100	100	7,369,971	7,369,971

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14 Property, plant and equipment, net

	Consolidated financial statements							
		Land improvement	Buildings and buildings improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	Land Baht	improvement Baht	improvement Baht	equipment Baht	and office equipment Baht	Baht	Baht	Baht
As at 1 January 2017								
Cost	98,706,503	9,010,528	133,572,469	367,627,051	10,296,057	22,341,384	157,775,028	799,329,020
Less Accumulated depreciation	-	(5,836,454)	(40,167,708)	(223,254,849)	(7,307,062)	(16,028,604)	-	(292,594,677)
Net book amount	98,706,503	3,174,074	93,404,761	144,372,202	2,988,995	6,312,780	157,775,028	506,734,343
For the year ended 31 December 2017								
Opening net book amount	98,706,503	3,174,074	93,404,761	144,372,202	2,988,995	6,312,780	157,775,028	506,734,343
Additions	-	-	241,822	27,302,184	1,751,657	-	73,223,058	102,518,721
Transfer in (out)	-	-	954,500	201,743,243	-	-	(202,697,743)	-
Disposals, net	-	-	-	-	(4,675)	-	-	(4,675)
Write-off, net	-	-	-	-	(13,328)	-	(1,225,171)	(1,238,499)
Reclassified, net	-	-	-	-	(99,286)	-	-	(99,286)
Disposals in subsidiaries	-	-	-	(112,954)	(235,615)	-	-	(348,569)
Depreciation charge (Note 27)	-	(696,213)	(6,841,735)	(34,100,408)	(941,595)	(2,048,606)	-	(44,628,557)
Impairment charge	-	-	-	(3,122,965)	-	-	(396,665)	(3,519,630)
Closing net book amount	98,706,503	2,477,861	87,759,348	336,081,302	3,446,153	4,264,174	26,678,507	559,413,848
As at 31 December 2017								
Cost	98,706,503	9,010,528	134,768,791	596,559,524	11,694,810	22,341,384	27,075,172	900,156,712
Less Accumulated depreciation	-	(6,532,667)	(47,009,443)	(257,355,257)	(8,248,657)	(18,077,210)	-	(337,223,234)
Less Allowance for impairment	-	-	-	(3,122,965)	-	-	(396,665)	(3,519,630)
Net book amount	98,706,503	2,477,861	87,759,348	336,081,302	3,446,153	4,264,174	26,678,507	559,413,848

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14 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements						
	Land Baht	Land improvement Baht	Buildings and buildings improvement Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht
For the year ended 31 December 2018							
Opening net book amount	98,706,503	2,477,861	87,759,348	336,081,302	3,446,153	4,264,174	26,678,507
Additions	-	2,145,820	747,330	9,501,640	2,041,445	-	178,105,257
Transfer in (out)	-	442,790	9,093,211	62,758,426	293,750	-	(72,588,177)
Disposals, net	-	-	-	(204,731)	(20,665)	(1)	-
Write-off, net	-	-	(241,737)	(1,072,415)	(184)	-	(225,397)
Depreciation charge (Note 27)	-	(691,705)	(5,985,632)	(42,588,392)	(1,110,627)	(1,617,361)	-
Reversal of (impairment) charge	-	-	-	(1,104,391)	(24,328)	-	396,665
Closing net book amount	98,706,503	4,374,766	91,375,520	363,371,439	4,625,544	2,646,812	132,592,252
As at 31 December 2018							
Cost	98,706,503	11,599,138	144,310,267	661,025,807	12,536,121	20,688,112	132,592,252
Less Accumulated depreciation	-	(7,224,372)	(52,937,747)	(293,427,012)	(7,886,249)	(18,041,300)	-
Less Allowance for impairment	-	-	-	(4,227,356)	(24,328)	-	-
Net book amount	97,706,503	4,374,766	91,372,520	363,371,439	4,625,544	2,646,812	132,592,252
							697,689,836

As at 1 January 2017									
	Land Baht	Land improvement Baht	Buildings and buildings improvement Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht	
Cost	98,706,503	9,010,528	133,572,469	366,912,021	9,373,856	18,821,874	157,775,028	794,172,279	
Less Accumulated depreciation	-	(5,836,454)	(40,167,708)	(222,687,798)	(6,664,421)	(14,332,895)	-	(289,689,276)	
Net book amount	98,706,503	3,174,074	93,404,761	144,224,223	2,709,435	4,488,979	157,775,028	504,483,003	
For the year ended 31 December 2017									
Opening net book amount	98,706,503	3,174,074	93,404,761	144,224,223	2,709,435	4,488,979	157,775,028	504,483,003	
Additions	-	-	241,822	27,302,184	1,751,657	-	73,223,058	102,518,721	
Transfer in (out)	-	-	954,500	201,743,243	-	-	(202,697,743)	-	
Disposals, net	-	-	-	-	(4,675)	-	-	(4,675)	
Write-off, net	-	-	-	-	(13,328)	-	(1,225,171)	(1,238,499)	
Reclassified, net	-	-	-	-	(99,286)	-	-	(99,286)	
Depreciation charge (Note 27)	-	(696,213)	(6,841,735)	(34,065,383)	(897,651)	(1,344,705)	-	(43,845,687)	
Impairment charge	-	-	-	(3,122,965)	-	-	(396,665)	(3,519,630)	
Closing net book amount	98,706,503	2,477,861	87,759,348	336,081,302	3,446,152	3,144,274	26,678,507	558,293,947	
As at 31 December 2017									
Cost	98,706,503	9,010,528	134,768,791	595,957,448	11,008,224	18,821,874	27,075,172	895,348,540	
Less Accumulated depreciation	-	(6,532,667)	(47,009,443)	(256,753,181)	(7,562,072)	(15,677,600)	-	(333,534,963)	
Less Allowance for impairment	-	-	-	(3,122,965)	-	-	(396,665)	(3,519,630)	
Net book amount	98,706,503	2,477,861	87,759,348	336,081,302	3,446,152	3,144,274	26,678,507	558,293,947	

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14 Property, plant and equipment, net (Cont'd)

	Separate financial statements						
	Land Baht	Land improvement Baht	Buildings and buildings improvement Baht	Machinery and equipment Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Construction in progress Baht
For the year ended 31 December 2018							
Opening net book amount	98,706,503	2,477,861	87,759,348	336,081,302	3,446,152	3,144,274	26,678,507
Additions	-	2,145,820	747,330	9,501,640	2,041,445	-	178,105,257
Transfer in (out)	-	442,790	9,093,211	62,758,426	293,750	-	(72,588,177)
Disposals, net	-	-	-	(204,731)	(20,665)	(1)	-
Write-off, net	-	-	(241,737)	(1,072,415)	(184)	-	(225,397)
Depreciation charge (Note 27)	-	(691,705)	(5,985,632)	(42,588,392)	(1,110,627)	(913,486)	-
Reversal of (impairment) charge	-	-	-	(1,104,391)	(24,328)	-	396,665
Closing net book amount	98,706,503	4,374,766	91,372,520	363,371,439	4,625,543	2,230,787	132,592,252
As at 31 December 2018							
Cost	98,706,503	11,599,138	144,310,267	660,995,103	12,536,121	17,168,603	1,077,907,987
Less Accumulated depreciation	-	(7,224,372)	(52,937,747)	(293,396,308)	(7,886,250)	(14,937,816)	-
Less Allowance for impairment	-	-	-	(4,227,356)	(24,328)	-	-
Net book amount	98,706,503	4,374,766	91,372,520	363,371,439	4,625,543	2,230,787	132,592,252
							697,273,810

During the year 2018, the management decide to recognised the impairment of certain part of machinery and equipment, furniture, fixtures and office equipment and construction in progress which no longer usable of Baht 0.73 million (2017 : Baht 3.52 million).

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14 Property, plant and equipment, net (Cont'd)

As at 31 December 2018, a certain part of land and land improvement and machinery at the cost of Baht 494.94 million (2017 : Baht 494.94 million) has been pledged as collateral against borrowings from financial institutions (Note 17).

Included in property, plant, and equipment are leased assets, where the Company is a lessee under a finance lease which comprise of machinery, vehicle and office equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of assets under a finance lease	39,845,843	43,075,478	39,845,843	39,845,843
<u>Less</u> Accumulated depreciation	(8,253,933)	(6,865,140)	(8,253,933)	(4,633,596)
Net book amount	<u>31,591,910</u>	<u>36,210,338</u>	<u>31,591,910</u>	<u>35,212,247</u>

15 Intangible assets, net

	Consolidated and separate financial statements		
	Computer software Baht	Computer software under installation Baht	Total Baht
As at 1 January 2017			
Cost	614,780	4,172,516	4,787,296
<u>Less</u> Accumulated amortisation	(276,402)	-	(276,402)
Net book amount	<u>338,378</u>	<u>4,172,516</u>	<u>4,510,894</u>
For the year ended 31 December 2017			
Opening net book amount	338,378	4,172,516	4,510,894
Additions	2,149,637	902,554	3,052,191
Transfer in (out)	5,075,070	(5,075,070)	-
Reclassified, net	99,286	-	99,286
Amortisation charge (Note 27)	(976,297)	-	(976,297)
Closing net book amount	<u>6,686,074</u>	<u>-</u>	<u>6,686,074</u>
As at 31 December 2017			
Cost	7,938,773	-	7,938,773
<u>Less</u> Accumulated amortisation	(1,252,699)	-	(1,252,699)
Net book amount	<u>6,686,074</u>	<u>-</u>	<u>6,686,074</u>
For the year ended 31 December 2018			
Opening net book amount	6,686,074	-	6,686,074
Additions	169,390	-	169,390
Amortisation charge (Note 27)	(1,601,287)	-	(1,601,287)
Closing net book amount	<u>5,254,177</u>	<u>-</u>	<u>5,254,177</u>
As at 31 December 2018			
Cost	8,108,163	-	8,108,163
<u>Less</u> Accumulated amortisation	(2,853,986)	-	(2,853,986)
Net book amount	<u>5,254,177</u>	<u>-</u>	<u>5,254,177</u>

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16 Deferred income tax

Deferred tax assets and liabilities comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets				
Deferred income tax assets to be recovered within 12 months	275,699	691,369	275,699	691,369
Deferred income tax assets to be recovered more than 12 months	5,836,350	5,904,323	5,834,952	5,903,376
	<u>6,111,049</u>	<u>6,595,692</u>	<u>6,110,651</u>	<u>6,594,745</u>
Deferred tax liability				
Deferred income tax liability to be settled within 12 months	(935,262)	(3,622)	(935,262)	(3,622)
Deferred income tax liability to be settled more than 12 months	-	(619,573)	-	(619,573)
	<u>(935,262)</u>	<u>(623,195)</u>	<u>(935,262)</u>	<u>(623,195)</u>
Deferred tax assets, net	<u>5,176,787</u>	<u>5,972,497</u>	<u>5,175,389</u>	<u>5,971,550</u>

The movements of deferred income tax are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	5,972,497	4,474,997	5,971,550	4,470,148
Increase (decrease) in profit or loss (Note 28)	(288,027)	272,302	(288,641)	276,204
Tax charged (credit) relation to components of other comprehensive income	(507,683)	1,225,198	(507,520)	1,225,198
As at 31 December	<u>5,176,787</u>	<u>5,972,497</u>	<u>5,175,389</u>	<u>5,971,550</u>

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

	Consolidated financial statements			
	1 January 2018 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	31 December 2018 Baht
Deferred tax assets				
Allowance for doubtful accounts	-	31,754	-	31,754
Employee benefit obligations	4,956,452	537,244	(507,683)	4,986,013
Amortisation expenses of trademark which differences between accounting and tax basis	663,945	(420,000)	-	243,945
Impairment of assets	703,926	146,411	-	850,337
Allowance for decrease in value of inventories	271,369	(271,369)	-	-
	<u>6,595,692</u>	<u>24,040</u>	<u>(507,683)</u>	<u>6,111,049</u>
Deferred tax liability				
Finance lease obligations	(623,195)	(312,067)	-	(935,262)

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16 Deferred income tax (Cont'd)

Separate financial statements				
	1 January 2018 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	31 December 2018 Baht
Deferred tax assets				
Allowance for doubtful accounts	-	31,754	-	31,754
Employee benefit obligations	4,955,505	536,630	(507,520)	4,984,615
Amortisation expenses of trademark				
which differences between	663,945	(420,000)	-	243,945
accounting and tax basis	703,926	146,411	-	850,337
Allowance for decrease in value of inventories	271,369	(271,369)	-	-
	<u>6,594,745</u>	<u>23,426</u>	<u>(507,520)</u>	<u>6,110,651</u>
Deferred tax liability				
Finance lease obligations	(623,195)	(312,067)	-	(935,262)
	<u>(623,195)</u>	<u>(312,067)</u>	<u>-</u>	<u>(935,262)</u>
Consolidated financial statements				
	1 January 2017 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	31 December 2017 Baht
Deferred tax assets				
Employee benefit obligations	3,391,052	340,202	1,225,198	4,956,452
Amortisation expenses of trademark				
which differences between				
accounting and tax basis	1,083,945	(420,000)	-	663,945
Impairment of assets	-	703,926	-	703,926
Allowance for decrease in value of inventories	-	271,369	-	271,369
	<u>4,474,997</u>	<u>895,497</u>	<u>1,225,198</u>	<u>6,595,692</u>
Deferred tax liability				
Finance lease obligations	-	(623,195)	-	(623,195)
	<u>-</u>	<u>(623,195)</u>	<u>-</u>	<u>(623,195)</u>
Separate financial statements				
	1 January 2017 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	31 December 2017 Baht
Deferred tax assets				
Employee benefit obligations	3,386,203	344,104	1,225,198	4,955,505
Amortisation expenses of trademark				
which differences between				
accounting and tax basis	1,083,945	(420,000)	-	663,945
Impairment of assets	-	703,926	-	703,926
Allowance for decrease in value of inventories	-	271,369	-	271,369
	<u>4,470,148</u>	<u>899,399</u>	<u>1,225,198</u>	<u>6,594,745</u>
Deferred tax liability				
Finance lease obligations	-	(623,195)	-	(623,195)
	<u>-</u>	<u>(623,195)</u>	<u>-</u>	<u>(623,195)</u>

Deferred tax asset from tax loss carried forward will be recognised to the extent to which it is highly probable that the Group will have enough profit to utilise tax benefits in the future.

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17 Borrowings

17.1 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Bank overdrafts	108,011	953,243	-	-
Short-term loans - promissory notes	30,000,000	-	30,000,000	-
- packing credit	63,907,000	-	63,907,000	-
	<u>94,015,011</u>	<u>953,243</u>	<u>93,907,000</u>	<u>-</u>

Bank overdrafts and short-term loans from financial institutions are secured by restricted deposit at a bank (Note 12), certain part of land and land improvement and machinery (Note 14) were secured.

Movement of short-term loans from financial institution is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance	-	384,406,246	-	384,406,246
Additions during the year	102,500,000	1,177,564,261	102,500,000	1,171,164,261
Repayments during the year	(8,593,000)	(1,561,970,507)	(8,593,000)	(1,555,570,507)
Closing balance	<u>93,907,000</u>	<u>-</u>	<u>93,907,000</u>	<u>-</u>

Bank overdrafts and short-term loans from financial institutions as at 31 December 2018 and 2017 are as follows:

No.	Credit limit Baht	Significant condition of loans agreement		Consolidated financial statement		Separate financial statement	
		Interest rate (% per annum)	Secured by	2018 Baht	2017 Baht	2018 Baht	2017 Baht
1	2,000,000	Minimum Overdraft Rate	Fixed deposits accounts and directors	108,011	953,243	-	-
2	787,281,000	Money Market Rate	Land and land improvement, certain part of machinery and equipment	93,907,000	-	93,907,000	-
				<u>94,015,011</u>	<u>953,243</u>	<u>93,907,000</u>	<u>-</u>

Fair value of bank overdrafts and short-term loan are approximates it carrying value because the maturity is within one year. The effect of discounting is insignificant.

17.2 Long-term loans from financial institutions

Outstanding balances of long-term loans from financial institutions as at 31 December 2018 and 2017 are as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Long-term loans from financial institutions		
- Current portion	-	25,200,000
- Non-current portion	-	51,185,000
	<u>-</u>	<u>76,385,000</u>

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17 Borrowings (Cont'd)

17.2 Long-term loans from financial institutions (Cont'd)

The movement of long-term loans from financial institutions are as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Opening balance	76,385,000	67,466,000
Additions during the year	-	103,185,000
Repayments during the year	(76,385,000)	(94,266,000)
Closing balance	-	76,385,000

Details of long-term loans as at 31 December 2018 and 2017 are as follows:

Credit limit Baht	Objective	Interest rate (%)	Principal repayment	Interest repayment	Secured by	Consolidated and separate financial statements	
						2018 Baht	2017 Baht
150,000,000	Investing in machinery	Year 1 MLR-1 Year 2-7 MLR	84 periods (monthly) 1-12 month grace period for principal. 13 - 84 month minimum repayment at Baht 2.1 million	Monthly	Land and land improvement, certain part of machinery	-	76,385,000

Fair value

The carrying amounts and fair values of long-term loans in the consolidated and separate financial statements are as follows:

	Consolidated and separate financial statement			
	Carrying amount		Fair value	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term loans from financial institutions	-	76,385,000	-	74,427,980

The effective interest rates of the Group as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 per annum	2017 per annum	2018 per annum	2017 per annum
Effective interest rate				
- Long-term loans from financial institutions	-	5.84%	-	5.84%

Unused credit facilities

Unused credit facilities as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Bank overdrafts	12,891,989	19,046,757	11,000,000	16,000,000
Short-term loans - promissory notes	170,000,000	143,000,000	170,000,000	143,000,000
Short-term loans - packing credit	533,374,000	800,881,000	523,374,000	787,881,000
Long-term loans from financial institutions	165,491,237	152,425,106	165,491,237	152,425,106
	<u>881,757,226</u>	<u>1,115,352,863</u>	<u>869,865,237</u>	<u>1,099,306,106</u>

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18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade payables - third parties	182,224,169	71,948,237	182,148,356	71,630,551
Other payables - third parties	2,951,439	2,790,194	2,951,439	2,790,194
Advance received from sales of goods	10,034,503	23,181,128	10,034,503	23,181,128
Accrued planting promotion expense	12,829,646	-	12,829,646	-
Accrued wages	4,208,987	2,816,094	4,208,987	2,816,094
Accrued expenses	10,062,113	6,696,883	10,159,113	6,480,241
	222,310,857	107,432,536	222,332,044	106,898,208

19 Finance lease liabilities

Minimum lease payments under finance lease contract are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	7,272,113	8,250,934	7,272,113	7,811,870
Later than 1 year but not later than 5 years	11,065,130	19,619,685	11,065,130	19,619,685
<u>Less</u> Future finance charges on finance lease	<u>(1,560,802)</u>	<u>(4,590,632)</u>	<u>(1,560,802)</u>	<u>(4,583,555)</u>
Present value of finance lease liabilities	16,776,441	23,279,987	16,776,441	22,848,000
Finance lease liabilities:				
- Current	6,412,407	6,503,547	6,412,407	6,071,560
- Non-current	10,364,034	16,776,440	10,364,034	16,776,440
	16,776,441	23,279,987	16,776,441	22,848,000

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	6,412,407	6,503,547	6,412,407	6,071,560
Later than 1 year but not later than 5 years	10,364,034	16,776,440	10,364,034	16,776,440
	16,776,441	23,279,987	16,776,441	22,848,000

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance	24,782,264	16,955,263	24,777,530	16,931,018
Current service cost	2,152,371	1,394,147	2,149,391	1,389,951
Interest cost	533,844	306,864	533,752	306,770
Remeasurement				
- (Gain) Loss from change in actuarial Assumptions (Note 24)	(2,538,414)	6,125,990	(2,537,600)	6,125,990
Increase in obligation of transferred staff from subsidiary	-	-	-	23,801
Closing balance	24,930,065	24,782,264	24,932,073	24,777,530

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20 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used as at the date of consolidated and separate statements of financial position are as follows:

	Consolidate and separate financial statement	
	31 December 2018	31 December 2017
Discount rate	2.4%	2.09%
Expected future salary increase	5%	5%
Staff turnover rate		
- Age less than 31	25%	31%
- Age between 31 to 40	12%	12%
- Age between 41 to 50	8%	4%
- Age above 50	0%	0%
Retirement age	60 year	60 year

The sensitivity analysis for each actuarial assumption are as follows:

Consolidated and separate financial statements					
Impact on defined benefit obligation					
Change in assumption		Increase in assumption		Decrease in assumption	
		2018	2017	2018	2017
Discount rate	1%	Decreased by 4.67%	Decreased by 5.52%	Increased by 5.52%	Increased by 6.62%
Salary growth rate	1%	Increased by 5.32%	Increased by 6.35%	Decreased by 4.61%	Decreased by 5.34%
Staff turnover rate	1%	Decreased by 4.99%	Decreased by 5.82%	Increased by 2.07%	Increased by 2.59%
Life expectancy	1 year	Increased by 0.28%	Increased by 0.37%	Decreased by 0.28%	Decreased by 0.36%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

The weighted average duration of the defined benefit obligation for the Group and the Company are 7.92 years.

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

Expected maturity analysis of retirement and other long-term benefits are as follows:

	Consolidated financial statement		Separate financial statement	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Retirement benefits				
- Less than 1 year	-	4,290,846	-	4,290,846
- Between 1 to 5 years	20,964,298	20,363,376	20,964,298	20,363,376
- More than 5 years	163,418,196	179,751,072	161,729,002	178,226,887
	184,382,494	204,405,294	182,693,300	202,881,109

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21 Share capital

	Consolidated and separate financial statements					
	Authorised share capital		Issued and paid-up share capital		Share premium Baht	Total Baht
	Number of share Shares	Ordinary shares Baht	Number of share Shares	Ordinary shares Baht		
As at 1 January 2017	1,080,000	108,000,000	1,080,000	102,000,000	-	102,000,000
Additional paid-up share capital	-	-	-	6,000,000	-	6,000,000
Increase of share capital	420,000	42,000,000	420,000	42,000,000	-	42,000,000
Total share capital before change in par value	1,500,000	150,000,000	1,500,000	150,000,000	-	150,000,000
Share capital after change in par value	300,000,000	150,000,000	300,000,000	150,000,000	-	150,000,000
Increase of share capital	130,000,000	65,000,000	-	-	-	-
Cash received from issuance of shares	-	-	130,000,000	65,000,000	665,525,655	730,525,655
As at 31 December 2017	430,000,000	215,000,000	430,000,000	215,000,000	665,525,655	880,525,655
Change during the year 2018	-	-	-	-	-	-
As at 31 December 2018	430,000,000	215,000,000	430,000,000	215,000,000	665,525,655	880,525,655

At the Extraordinary Shareholder's Meeting No. 3/2560 on 11 May 2017, it was approved to increase registered share capital from amount of Baht 108 million to Baht 150 million. The 420,000 shares have been issued with a par value of Baht 100 per share based on their current shareholding at the ratio of 1 existing ordinary share for 1 new ordinary share at the offering price of Baht 100 per share. The Company received the proceeds in full and registered the increase in share capital with the Ministry of Commerce on 23 May 2017.

At the Extraordinary Shareholder's Meeting No. 4/2560 on 31 August 2017, it was approved to change a par value from Baht 100 each to Baht 0.50 each and splitting the existing 1.50 million ordinary shares into 300 million ordinary shares. Moreover, it was approved to increase in the registered share capital from amount of Baht 150 million to Baht 215 million by issuing additional 130 million ordinary shares at a par value of Baht 0.50 each. The newly issued shares will be initially public offering.

On 25 December 2017, the Company received cash from initially public offering for 130 million shares with a par value of Baht 0.50 each, at the price of Baht 5.85 per share, totaling to Baht 760.50 million. Expenses related to issuance of shares of Baht 29.97 million were presented by netting with premium on paid-up share capital.

22 Dividend payment

At the Extraordinary Shareholder's Meeting of the Company No. 3/2560 on 11 May 2017, it was approved to pay interim dividend from the retained earnings for the year ended 31 December 2016, for 1,080,000 shares at Baht 43.50 per share, total amount of Baht 46.98 million. The dividend was paid on 22 May 2017.

At the Board of Director's Meeting of the Company No. 3/2560 on 13 November 2017 it was approved to pay interim dividend to the shareholders for 300 million shares at Baht 0.15 per share, total amount of Baht 45 million. The dividend was paid on 21 November 2017.

At the Annual Shareholders' meeting for the year 2018 held on 23 April 2018 approved the dividend payment for the year 2017 to Shareholders for 430 million ordinary shares at Baht 0.15 per share, totalling Baht 64.50 million. The dividend was paid to the Shareholders on 15 May 2018.

At the Company's Board of Directors' meeting No. 4/2561 on 7 November 2018, the Board approved a payment of interim dividend from the nine-month period ended 30 September 2018 operational results at Baht 0.05 per share totalling Baht 21.50 million. The dividend was paid to Shareholders on 6 December 2018.

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23 Legal reserve

	Consolidated and separate financial statement	
	2018 Baht	2017 Baht
Opening balance as at 1 January	8,500,000	-
Appropriation during the year	2,900,000	8,500,000
Ending balance as at 31 December	<u>11,400,000</u>	<u>8,500,000</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

24 Component of other comprehensive income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Other comprehensive income (loss)				
Remeasurements of employee benefit obligations (Note 20)	2,538,414	(6,125,990)	2,537,600	(6,125,990)
Total other comprehensive income (loss)	2,538,414	(6,125,990)	2,537,600	(6,125,990)
<u>Less</u> income tax relating to components of other comprehensive income	(507,683)	1,225,198	(507,520)	1,225,198
Other comprehensive income (loss) for the year, net of tax	<u>2,030,731</u>	<u>(4,900,792)</u>	<u>2,030,080</u>	<u>(4,900,792)</u>

25 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Compensation from legal case	-	11,061,933	-	11,061,933
Interest income	1,354,991	858,511	1,425,814	867,231
Others	7,903,569	6,485,469	8,244,853	6,728,514
	<u>9,258,560</u>	<u>18,405,913</u>	<u>9,670,667</u>	<u>18,657,678</u>

26 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expense				
- loans from financial institutions	2,016,251	23,649,242	2,012,104	23,438,669
Interest expense - finance lease liabilities	1,222,309	1,152,543	1,215,232	1,152,543
	<u>3,238,560</u>	<u>24,801,785</u>	<u>3,227,336</u>	<u>24,591,212</u>

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27 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials and consumables used	1,268,497,398	1,007,928,849	1,268,497,398	1,007,928,849
Change in work in process and finished goods	211,787,148	116,644,323	211,862,700	117,892,925
Staff costs and other benefits	239,129,808	202,585,857	238,650,078	202,194,539
Depreciation and amortisation charges	53,595,004	45,604,854	52,891,129	44,821,984
Transportation expenses	97,671,271	89,567,413	96,122,324	87,329,183
Utilities expenses	37,987,661	30,101,222	37,987,161	30,098,413
Advertising and promotion expenses	6,744,414	4,568,656	6,684,458	4,511,448
Planting promotion expense	37,950,871	12,044,579	37,950,871	12,044,579
Repair and maintenance expenses	18,541,294	21,169,079	18,541,294	21,166,417
Commission and incentive	12,563,876	17,052,610	12,563,876	17,052,610
Services and consultation expenses	10,441,250	11,597,730	10,216,450	11,160,272
Rental expenses	19,546,945	15,822,276	19,846,945	15,546,276
Traveling and entertainment expenses	9,128,163	7,797,702	8,981,166	9,724,606
Loss from impairment of assets	732,054	3,519,630	732,054	3,519,630

28 Income tax

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax on profits for the year	(189,580)	(7,045,976)	(125,866)	(7,007,304)
Deferred tax (Note 16)	(288,027)	272,302	(288,641)	276,204
	(477,607)	(6,773,674)	(414,507)	(6,731,100)

Income taxes disclosed in statement of income were calculated from taxable income at tax rate of 20% for the Group (2017 : 20%).

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit before income tax	56,881,853	124,258,953	57,076,058	126,923,211
Tax calculated at a tax rate of 20% (2017 : 20%)	11,376,371	24,851,791	11,415,212	25,384,642
Tax effect of:				
Exemption from BOI promotion privilege	(11,837,960)	(11,222,980)	(11,837,960)	(11,222,980)
Income not subject to tax	-	(1,609,431)	-	(2,009,391)
Expenses not deductible for tax purpose	355,529	573,515	252,770	462,864
Expenses additionally deductible for tax purpose	(608,715)	(1,004,006)	(607,897)	(1,003,826)
Tax losses for which deferred tax assets had not been recognised	887,601	64,994	887,601	-
Temporary differences which deferred tax assets had not been recognised	178,916	10,313	178,916	10,313
Permanent differences which deferred tax liabilities had not been recognised	-	(4,650,647)	-	(4,650,647)
Adjustment in respect of prior year	125,865	(239,875)	125,865	(239,875)
Income tax	477,607	6,773,674	414,507	6,731,100

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29 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares issued during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to owner of the parent (Baht)	56,404,246	117,485,279	56,661,551	120,192,111
Weighted average number of ordinary shares outstanding (Shares)	430,000,000	269,813,699	430,000,000	269,813,699
Basic earnings per share (Baht per share)	0.13	0.44	0.13	0.45

The Group has no potential dilutive ordinary shares in issue during the year ended 31 December 2018 and 2017. The dilutive earning per share figure is not presented.

30 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships between the Company and related parties are as follows:

Company	Nature of business	Relationship
<u>Subsidiary</u>		
SunSweet International Co., Ltd.	Trading in agricultural products	Direct shareholding, common shareholders and directorship
<u>Related parties</u>		
SunSweet Bio-Energy Co., Ltd.	Produce and sell electricity power and processed scraps from agricultural products	Direct shareholding until 16 July 2017, common shareholders and directorship
So Sweet Co., Ltd.	Retail sweet corn products in franchise business	Direct shareholding until 16 July 2017, common shareholders and directorship
SunSweet Agrotech Co., Ltd.	Manufactured canned fruits and agricultural products	Common shareholders and directorship
Sunshine Travel Co., Ltd.	Travel agency and other related services	Common shareholders and directorship
Coffee Link Co., Ltd.	Sell foods and beverages	Common shareholders and directorship
Wiangjedlin Co., Ltd.	Sell and distributor of ice-cream	Common shareholders and directorship
Chiangmai Social Enterprises Company Limited	Social enterprises	Common shareholders and directorship

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30 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

30.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Service rendered to				
- subsidiary	-	-	360,000	460,000
- related persons	4,132	4,536	4,132	4,536
	<u>4,132</u>	<u>4,536</u>	<u>364,132</u>	<u>464,536</u>
Rental income from				
- subsidiary	-	-	60,000	60,000
- related persons	628,800	628,800	628,800	628,800
	<u>628,800</u>	<u>628,800</u>	<u>688,800</u>	<u>688,800</u>
Interest income from subsidiary	-	-	105,009	33,666

30.2 Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Service rendered from related parties	-	886,000	-	886,000
Rental expense to				
- subsidiary	-	-	300,000	-
- related persons	171,120	138,000	171,120	138,000
	<u>171,120</u>	<u>138,000</u>	<u>471,120</u>	<u>138,000</u>
Interest expense to related persons	-	56,110	-	-

30.3 Outstanding balances arising from sales and purchases goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables - related parties	-	393,076	-	393,076
Other receivables				
- subsidiary	-	-	37,100	36,761
- related parties	-	27,562	-	27,562
	<u>-</u>	<u>27,562</u>	<u>37,100</u>	<u>64,323</u>
Accrued rental expense - subsidiary	-	-	300,000	-

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30 Related party transactions (Cont'd)

30.4 Short-term loans from a related person

	Consolidated financial statements	
	2018 Baht	2017 Baht
Opening balance	-	-
Additions during the year	-	5,000,000
Repayments during the year	-	(5,000,000)
Closing balance	-	-

30.5 Short-term loans to subsidiary

	Separate financial statements	
	2018 Baht	2017 Baht
As at 1 January	5,033,666	-
Additions during the year	6,400,000	5,000,000
Interest increased during the year	105,009	33,666
Repayment during the year	(11,538,675)	-
As at 31 December	-	5,033,666

The short-term loans to subsidiary were made on commercial terms and conditions which unsecured and bearing interest at the rate of 5.12% per annum and received all principle and interest in full on 15 November 2018.

30.6 Key management compensation

Key management includes directors and executive management (regardless of whether they are in the managerial level or not), top management, corporate secretary and internal audit department head. Compensation paid or payable to key management as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Salaries and other short-term benefits	21,439,824	24,440,814
Post-employment benefits	1,013,329	868,416
	<u>22,453,153</u>	<u>25,309,230</u>

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31 Commitments

31.1 Foreign currency forward contracts

a) Purchase foreign currency forward contracts

As at 31 December 2018, the settlement date on open purchase foreign currency forward contracts are 3 months (2017 : 3 months to 6 months). The local currency amounts and contractual exchange rates of the outstanding contracts were:

Foreign currency	Consolidated and separate financial statements					
	Foreign currency contract amount		Contract rate		2018 Baht	2017 Baht
	2018	2017	2018	2017		
USD	86,899	456,943	32.523	39.17	2,819,350	17,844,245

Fair value

The net fair value of purchase foreign forward contracts as at 31 December 2018 is unfavorable forward foreign exchange contracts amount Baht 6,856 (2017 : Baht 54,227).

b) Sale foreign currency forward contracts

As at 31 December 2018, the settlement date on open sales forward contracts are 6 months (2017 : 12 months). The local currency amounts and contractual exchange rates of the outstanding contracts were:

Foreign currency	Consolidated and separate financial statements					
	Foreign currency contract amount		Contract rate		2018 Baht	2017 Baht
	2018	2017	2018	2017		
USD	10,892,389	7,015,318	32.1125 - 33.2350	32.635 - 33.425	355,111,491	228,665,749

Fair value

The net fair value of forward foreign exchange contracts as at 31 December 2018 is favorable forward foreign exchange contracts amount Baht 2,817,424 (2017: unfavorable Baht 3,617,510).

The fair value of forward foreign exchange contracts have been calculated using rate quoted by the Company's banker to terminate the contract on 31 December 2018. The valuation is classified as level 2 of the fair value hierarchy.

31.2 Bank guarantees

As at 31 December 2018 and 2017, the Group had letter of guarantee issued by banks for normal business operations are as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Guarantee for electricity usage	3,502,700	2,902,700

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31 Commitments (Cont'd)

31.3 Commitment from significant contracts

The Group has commitment from significant contracts in relation to sales of goods in advance agreement with customers within the period of 1 month to 1 year but not recognised in the financial statements are as follows:

	Consolidated and separate financial statements	
	2018	2017
Agreement for sales of goods in advance		
- Baht	932,610,999	92,137,083
- USD	13,385,995	17,546,636
- Yen	51,309,730	53,537,875
- Euro	2,005,444	-

31.4 Operating lease commitments

As at 31 December 2018 and 2017, the Group had future lease and service payments required under these contracts in respect of the non-cancellable operating lease agreements of office equipment and vehicles are as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Within 1 year	3,109,500	2,646,000
Later than 1 year but not later than 3 years	3,141,000	2,653,500
	6,250,500	5,299,500

31.5 Capital expenditure commitment

Capital expenditure considered as commitments as at 31 December 2018 and 2017 but were not recognised in the financial statements are as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Property, plant and equipment	19,533,406	35,809,218

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32 Promotional privileges

The Company received four promotional privileges from the Board of Investment as follows:

On 7 May 2009, the Company received promotional privileges for the produce electricity power from biogas. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities for a period of eight years from the date of first income earned. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period. The Company also receives a 50% reduction in the corporate income tax rate for another five years.

On 9 November 2010, the Company received promotional privileges for the manufacture of frozen fruits. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped at 100% of the investment amount (excluding the cost of land and working capital) for a period of eight years from the date of first income. On 7 September 2018, the Company received additional rights and benefits for exemption from corporate income tax for the promoted activities capped at 200% of the investment amount (excluding the cost of land and working capital) for a period of eight years from the date of first income earned on 29 March 2018. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

On 20 June 2017, the Company received promotional privileges for the manufacture of canned vegetables and fruits. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped at 100% of the investment amount (excluding the cost of land and working capital) for a period of eight years from the date of first income earned and maximum exemption of corporate income tax is Baht 28,630,000. On 7 September 2018, the Company received additional rights and benefits for exemption from corporate income tax for the promoted activities capped at 200% of the investment amount (excluding the cost of land and working capital) for a period of five years from the date of first income earned on 29 March 2018. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

On 3 September 2018, the Company received promotional privileges for the manufacture of canned vegetables and fruits due to the modification of machinery to increase production efficiency. The main privileges comprise a reduction in the import duty on imported machinery and exemption from corporate income tax for the promoted activities capped not exceed 50% of the investment amount (excluding the cost of land and working capital) for a period of three years from the date of first income earned and maximum exemption of corporate income tax is Baht 53,055,000. In case of the Company has loss during an exemption from payment of corporate income tax period, loss for the year can reduction from the net profit which occur after the exemption period for a period of five years from the date on which its overdue. Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

To be entitled to the rights and privileges, the Company must comply with conditions and restrictions specified in the promotional certificates.

Revenues from sales are classified into the promoted business and the non-promoted business and presented in the financial statements for the years ended 31 December 2018 and 2017 as follows:

	Separate financial statements		
	BOI Baht	Non-BOI Baht	Total Baht
2018			
Revenue from sales	<u>985,610,914</u>	<u>824,327,948</u>	<u>1,809,938,862</u>
2017			
Revenue from sales	<u>361,418,836</u>	<u>1,250,410,682</u>	<u>1,611,829,518</u>

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33 Subsequent events after the financial statements date

Dividend payment

At the Company's Board of Directors' meeting No.1/2562 on 22 February 2019, the Board approved a proposal to Annual Shareholders' meeting for the year 2019 held on 22 April 2019, to consider approve the dividend payment to shareholders of 430 million ordinary shares at Baht 0.05 per share, totalling to Baht 21.5 million.