

ANNUAL REPORT

2016



บริษัท เอบีโก้ โฮลดิ้งส์ จำกัด (มหาชน)
Abico Holdings Public Company Limited

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Message from Company's Chairman

In the previous year of 2016, the Company has been operating in the main businesses regarding investment which includes the contract manufacturing business, the office space rental business, and the dairy farming. The Company saw a total income of 477.24 million baht, 6% less than in 2015; with a net profit of 146.41 million baht, 39.12% more than in 2015. Even though the Company's outlook in 2016 was still satisfying in terms of profitability, there were some factors affecting our performance throughout 2016. One of which was lower amount of orders in Abico Dairy Farm Company Limited ("a subsidiary company") due to the continually decelerating domestic economy since 2015 and the changes of business plans by customers. In 2017, however, the Company expects more positive trends because of the plan to expand our customer base and varieties of products, in which the Company is specialized and acknowledged.

As for PPO Farm Company Limited ("a subsidiary company") which operates in the dairy farming business, it saw a modest profit in the previous year. The underlying reason was that the operating cost in animal feed has been increasing in the past years. The Company has tried to reduce the cost by growing corn that was used as animal feed in the farm. This measure helped saving some of the cost. And as for Abico Land Company Limited ("a subsidiary company") which operates in the office space rental business, it owns the leasehold right of buildings and a plot of land where the building are situated for 20 years. The buildings are used as offices for the Company and all of its subsidiaries.

As for our investment in Malee Group Public Company Limited ("an associated company"), the Company has increased the investment to 26.82% in 2016, compared to 26.20% in 2015. It saw an investment return in the forms of dividend for the year 2016 and market appreciation. The investment's fair market value as of December 31, 2016 was 4,318.25 million baht.

In 2017, the Company is still determined to improve our manufacturing and management policy in all sectors to reduce expenses and costs in manufacturing, administration, and management; as well as to search for new business opportunities. Our purposes are to build competitiveness in our businesses and produce great returns for our shareholders. Finally, our board of directors, on behalf of the Company, would like to express our gratitude to shareholders, business partners, customers, and financial institutions for your contribution to our operation. The Company will be determined to continually improve quality and safety for our customers; with our commitment to good governance, transparent operation, as well as social and environmental responsibility.

On behalf of the Company's Chairman

(Mr. Chatchai Boonyarat)

Company's Chairman

Abico Holdings Public Company Limited

Company's Board of Directors

Name	Mr. Chatchai Boonyarat
Age	69 years old
Positions in the Company	Chairman, Director
Shareholding ratio	None
Relation among family within the Company	Spouse, Mrs. Chintana Boonyarat, and father of Mr. Chaichat Boonyarat
Education	Master Degree: Manufacturing Engineering, Boston University, United States of America Bachelor Degree: Chemical Engineering, Chulalongkorn University
Training for Director's Roles	Chairman 2000 Course, Thai Institute of Directors(IOD) Capital Market Academy (CMA) Course, 11 th Class
Experiences	1992 – Present: Chairman, Abico Holdings Public Co. Ltd. 1995 – Present: Chairman, Malee Group Public Co. Ltd.
Appointment date to director	3 November 1992
Position in other listed Companies	President, Malee Group Public Co.,Ltd.




Name	Mr. Kitti Vilaivarangkul	
Age	60 years old	
Position in the Company	Managing Director, Director	
Shareholding Ratio	None	
Relation among family within the Company	None	
Education	Master Degree: Business Administration, Thammasat University. Bachelor Degree: Accounting (Second Class Honors), Ramkhamhaeng University	
Training for Director's Roles	Directors Accreditation Program DAP2005 Course, Thai Institute of Directors (IOD) Director Certification Program DCP 2010 Course, Thai Institute of Directors (IOD)	
Experiences	1999 - Present: Managing Director, Abico Holdings Public Co. Ltd. 2003- Present: Executive Director, Malee Group Public Co. Ltd. 2003- Present: Director, Malee Enterprise Co. Ltd. 1997-Present: Director, Abico Dairy Farm Co, Ltd. 1997-Present: Director, Abico Land Co., Ltd. 1997-Present: Director, PPO Farm Co. Ltd.	
Appointment date to director	31 July 1999	
Position in other listed Companies	Director, Malee Group Public Co.,Ltd.	



Name	Mrs. Chintana Boonyarat
Age	65 years old
Position in the Company	Director
Shareholding Ratio	0.11%
Relation among family within the Company	Spouse, Mr. Chatchai Boonyarat and mother of Mr. Chaichat Boonyarat
Education	Bachelor Degree: Business Administration, Menlo University, United States of America
Training for Director's Roles	Directors Certification Program DCP 5/2000, Thai Institute of Directors (IOD)
Experiences	1992 - Present : Director, Abico Holdings Public Co., Ltd. 1999 - Present, Executive Director, Malee Group Public Co., Ltd. 2016 - Present, Director, Abico Land Co.,Ltd. 2013 - Present: Executive Director, Central Marketing Group Co., Ltd.
Appointment date to director	3 November 1992
Position in other listed Companies	Director, Malee Group Public Co.,Ltd.

Name	Mr. Chaichat Boonyarat
Age	37 years old
Position in the company	Director
Shareholding Ratio	24.48%
Relation in family within the Company	Son of Mr. Chatchai Boonyarat and Mrs. Chintana Boonyarat
Education	Master Degree: Business Administration, Sasin Graduate Institute of Business Administration Bachelor Degree: Electrical Engineering, Rochester Institute of Technology
Training for Director's Roles	Directors Certification Program DCP 182/2013 Course
Experience	2013 – Present: Director, Abico Holdings Public Co. Ltd. 2016 – Present: Director, Abico Land Co.,Ltd.
Appointment date to director	29 April 2013
Position in other listed Companies	None



Name	Mr. Khemadhat Sukonhasingha	
Age	68 years old	
Positions in the Company	Audit Committee Chairman, Independent Director	
Shareholding Ratio	None	
Relation in family within the Company	None	
Education	Honorary Doctor of Industrial Technology, King Mongkut's University of Technology North Bangkok National Defense College, National Defense Course, Joint Public and Private Sectors Bachelor Degree: Engineering (Electrical Communication), Chulalongkorn University.	
Training for Director's Roles	Director Certificate Program Course (2006), Thai Institute of Directors (IOD) Audit Committee Program Course (2006), Thai Institute of Director (IOD)	
Experiences	2000 – Present: Audit Committee Chairman and Independent Director, Abico Holdings Public Co., Ltd. 2005 - 2014 Audit Committee and Independent Director, Malee Group Public Co., Ltd. Present Advisor in Technology, Euro Asia Business Consultant Co., Ltd. Present Committee, National Science and Technology Development Agency Present Audit Committee, Ministry of Science and Technology Present Audit Committee Chairman, King Mongkut's University of Technology Thonburi	
Appointment date to director	14 September 2000	
Position in other listed Companies	None	

Name	Mr. Mati Tungpanich	
Age	75 years old	
Positions in the Company	Audit Committee, Independent Director	
Shareholding Ratio	None	
Relation in family within the Company	None	
Education	Master Degree: Master in Architecture, Massachusetts Institute of Technology (MIT) Bachelor Degree: Architecture, Chulalongkorn University	
Training for Director's Roles	None	
Experiences	2013 – Present: Audit Committee and Independent Director, Abico Holdings Public Co. Ltd. 1999 – 2012: Audit Committee and Independent Director, Malee Group Public Co., Ltd. 2007 – 2011 Audit Committee and Independent , Siam Steel Public Co., Ltd. ปัจจุบัน President Honorary Advisor, Design+Develop Co.,Ltd. 2011 Royally appointed Member of Royal Institute, Arts Institute 2004-2007 President, Architect Council of Thailand	
Appointment date to director	29 April 2013	
Position in other listed Companies	None	



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Company's History

The Company was established around mid-1992 as Khun Wanchai Chirathiwat and General Finance and Securities Public Co., Ltd. jointly bought Associated Palm Oil Co., Ltd.'s 3,305,500 shares, holding 55.09 percent of the company's Baht 60 million capital which was later increasing to Baht 500 million. The company was transformed to public company later and changed name to be Abico Holdings Public Co., Ltd. on November 3, 1992.

Since then, the Company has invested in production and distribution of palm oil, ready to drink milk, raw milk, food products businesses and invested in other investment businesses. It also increased capital from Baht 500 million to Baht 900 million and Baht 1,400 million in 1996 and 1997 respectively so as to meet the Company's objective of investment in various companies and centre company policy of long term planning and specifying direction of growth of companies within the Group.

In 2004, the Company faced financial losses to the extent of short of financial liquidity due to unfavorable economic situation. It resulted in the Company and firms which the Company has invested in facing lack of working capital. Consequently, the Company had to submit rehabilitation plan to Bankruptcy Court. And on November 29, 2012, the court instructed to nullify the rehabilitation plan because the plan was successfully achieved and on September 15, 2014, ABICO Holdings Public Co., Ltd. repayment completely made in accordance with the rehabilitation plan.

During the past 5 years, the Company's important developments were as follow:

2012

The Company had continuously been complying with rehabilitation plans for 8th consecutive year and had paid interest to creditors in accordance with rehabilitation plan as normal. On October 26, 2012, the Company filed petition regarding its fully fulfilling rehabilitation plan, requesting the court to cancel the rehabilitation plan. And on November 29, 2012, the Central Bankruptcy Court approved the request to cancel rehabilitation plan of Abico Holdings (Public) Co., Ltd.

As of December 28, 2012, the Company significantly deleted the entire allowance for impairment losses of investment fund in associated companies because market price of the investment increased significantly during the year. As of December 31, 2012 and 2011 fair value according to market price of Malee Group Public Co., Ltd. was Baht 2,024.92 million and Baht 385.36 million respectively.

Abico Land Co., Ltd. (subsidiary company) had complied with rehabilitation plan by paying interest to creditors in accordance with rehabilitation plan as normal.

2013

The Company principal and interest to almost all creditors according to rehabilitation plan, except a major creditor in accordance with rehabilitation plan. The Company already paid interest as normal and principal of 1st installment payment. The Company will completely pay for the remaining loans in 2014.

Abico Land Co., Ltd. (subsidiary company) had complied with rehabilitation plan by payment of principal and interest to creditors according to rehabilitation plan as normal.

On October 22, 2013, the Company sought permission from the Stock Exchange of Thailand to consider approving the Company's shares to be relisted on the stock exchange. The request is pending the Stock Exchange of Thailand's consideration.

2014

On September 15, 2014, ABICO Holding Public Co., Ltd. repayment completely made in accordance with the rehabilitation plan.

December 25, 2014, the Company sought removal from being delisting and resumption of trading in "mai"

2015

On February 9, 2015 the Company's shares to be relisted on the stock exchange. The request is pending the Stock Exchange of Thailand's.

On February 27, 2015 the Board of director approved to increased investment in Abico Land Co.,Ltd . Currently, the Company held 99.99% of total shared.

On August 18, 2015, the Board of director approved to increased investment in PPO Farm Co.,Ltd, Currently, the Company held 99.99% of total shared.

2016

ABICO Holding Public Co., Ltd, have increase investment in common stock Malee Group Public Co.,Ltd, ("Associate") from 26.20% to 26.82%

Shareholding Structure and Director's Remuneration

1) Top 10 shareholders as of March 10, 2017

No.	Shareholder's name		Number of shares	Ratio (%)
1	Mr. Chaichat	Boonyarat	57,539,080	24.48
2	Miss Roongchat	Boonyarat	50,248,910	21.38
3	Mrs. Kamolchat	Jungrungruangkij	47,000,000	20.00
4	Mrs. Muthita	Ritdej	11,619,710	4.94
5	Miss Sineenart	Panjarenworakul	4,285,720	1.82
6	Thai NVDR Co.,Ltd.		2,219,470	0.94
7	Mr. Vidhaya	Narathisachan	1,400,000	0.60
8	Mrs. Nipanun	Choopojcharaen	1,324,000	0.56
9	STATE STREET BANK EUROPE LIMITE		1,206,166	0.52
10	NORTRUST NOMINEES LTD-CL AC		1,024,292	0.44
11	Others		57,132,652	24.32
	Total		<u>235,000,000</u>	<u>100.00</u>

Number of Company's shares held by Directors

Abico Holdings Public Company Limited

Names		As of March 10, 2017 (shares)
1.	Mr. Chatchai Boonyarat	-
2.	Mr. Kitti Vilaivarangkul	-
3.	Mrs. Chintana Boonyarat	247,410
4.	Mr. Chaichat Boonyarat	57,539,080
5.	Mr. Khemadhat Sukonhasingha	-
6.	Mr. Mati Tungpanich	-
7.	Mr. Techa Boonyachai	-

Subsidiary companies and affiliated companies

Names	Companies' names		
	ADF	A-LAND	PPO FARM
1. Mr. Chatchai Boonyarat	-	1	-
2. Mr. Kittit Vilaivarangkul	1	-	2

2) Remuneration of DirectorsTotal remuneration of every Director in 2016

Directors' remuneration in nominal money comprised attendance fee payable in accordance with number of his/her attending meetings, as follow:

Director's name	Position	Director's remuneration (Baht)	
		Board of Directors	Audit committee
1. Mr.Chatchai Boonyarat	Chairman, Director	160,000.00	-
2. Mr.Kittit Vilaivarangkul	Managing Director, Director	80,000.00	-
3. Mrs.Chintana Boonyarat	Director	80,000.00	-
4. Mr.Chaichat Boonyarat	Director	80,000.00	-
5. Mr.Khemadhat Sukonhasingha	Audit Committee Chairman, Director	80,000.00	210,000.00
6. Mr.Mati Tungpanich	Audit Committee, Director	80,000.00	130,000.00
7. Mr.Techa Boonyachai	Audit Committee, Director	60,000.00	110,000.00
Total		620,000.00	450,000.00

Management compensation

In 2016, the Company paid compensation includes salary, bonuses and other benefits. To executives (Abico Dairy Farm Co., Ltd.), a total of Baht 15,432,052.50

General Information and Reference Persons

Company's name	: Abcio Holdings Public Company Limited
Address	: 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130
Telephone No.	: 02-992-5858-70 Fax: 02-992-5782
Company's registration No.	: 0107535000214
Website	: www.abicgroup.com
Types of business	: investment in production to order business, dairy farm, food and property
Abbreviation	: ABICO
Authorized share capital	: Baht 376,000,000
Paid up capital	: Baht 235,000,000
Number and type of shares	: 235,000,000 shares (All shares are common shares.)
Par value	: Baht 1

Summary of information relating to subsidiary companies (Companies which ABICO holds shares in excess of 50.00 per cent of companies' paid up capital.)

Company's name	: Abico Dairy Farm Co., Ltd.
Headquarters' address	: 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130
Factory's address	: 333 Moo 5 Klangdong Sub-District, Pakchang District, NakhonRatchasima Province 30320
Telephone No.	: 02-992-5858-70 Fax : 02-992-5782
Company's registration No.	: 0235540004263
Types of business	: Producer and distributor of ready-to-drink milk, drinks and fruit juices
Abbreviation	: ADF
Authorized share capital	: Baht 240,000,000
Paid up capital	: Baht 240,000,000
Number and type of share	: 240,000,000 shares (All shares are common shares).
Number of shares held by Company	: 23,999,993 shares (99.99%)

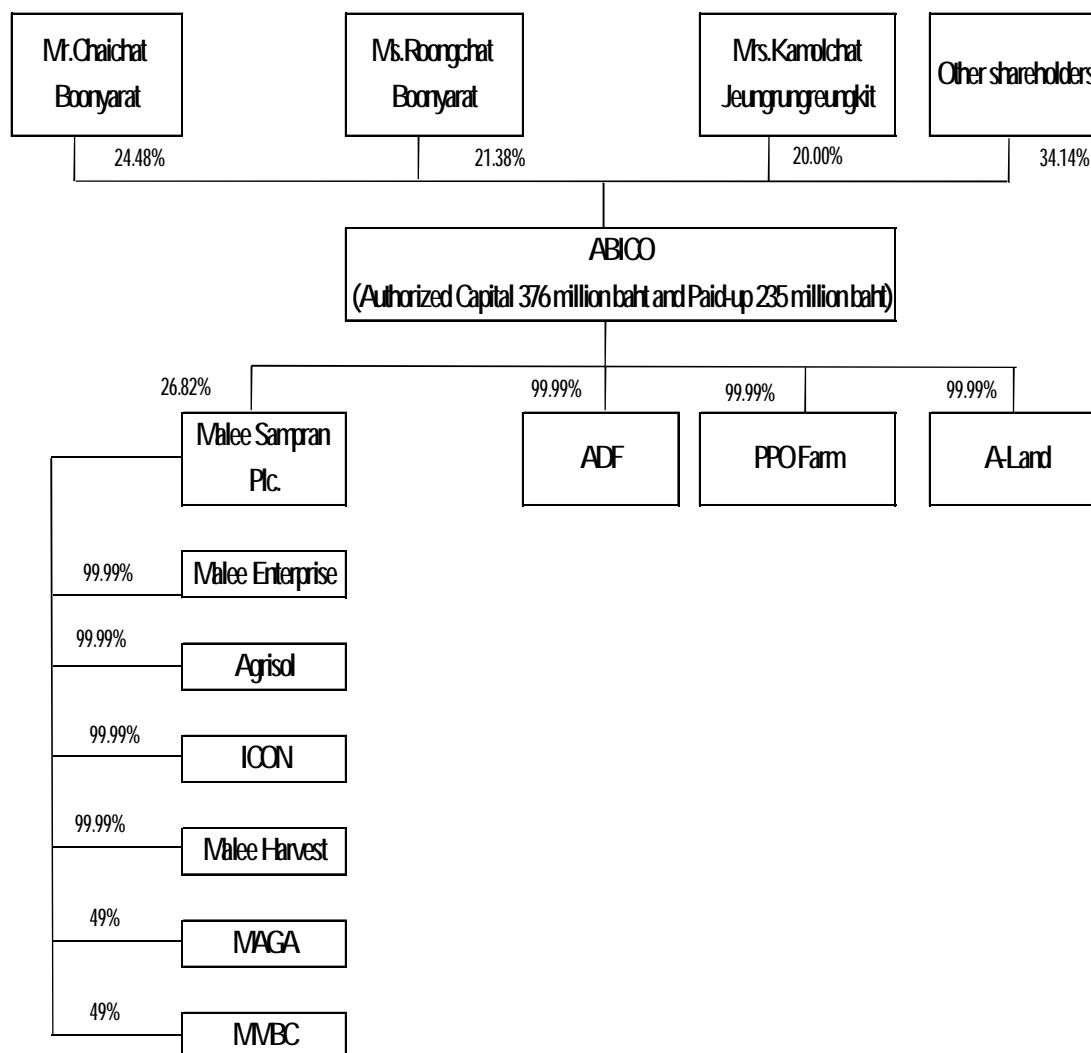
Company's name : PPO Farm Company Limited
Headquarters' address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road,
 Khookhot Sub-District, Lamlukka District, PathumThani
 Province 12130
Farm's address : 217 Moo 1 Sega-Akas-Amnuay Road, Bansang, Bansang
 Sub-District, BuengKan Province
Telephone No. : 02-992-5858-70 **Fax:** 02-992-5782
Company's registration No. : 0105528026309
Types of business : Agriculture and dairy farm
Abbreviation : PPO
Authorized share capital : Baht 19,250,000,000
Paid up capital : Baht 19,250,000,000
Number and type of share : 770,000 shares (All shares are common shares).
**Number of shares held
 by Company** : 769,993 shares (99.99%)

Company's name : Abico Land Company Limited
Headquarters' address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road,
 Khookhot Sub-District, Lamlukka District,
 PathumThaniProvince12130
Telephone No. : 02-992-5858-70 **Fax:** 02-992-5782
Company's registration No. : 0105537090103
Types of business : Property development for lease and building service providing
Abbreviation : ALAND
Authorized share capital : Baht 50,000,000
Paid up capital : Baht 50,000,000
Number and type of share : 5,000,000 shares (All shares are common shares).
**Number of shares held
 by Company** : 4,999,998 shares (99.99%)

Related parties (companies which Abico holds shares between 20.00% - 50.00% of paid up capital)

Company's name	: Malee Group Public Company Limited
Headquarters' address	: 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, PathumThani Province 12130
Telephone No.	: 02-992-5800 Fax :02-992-5799
Company's registration No.	: 0107535000073
Types of business	: Producer and distributor of canned-fruits, UHT juices, and beverage products
Abbreviation	: MALEE
Authorized share capital	: Baht 140,000,000
Paid up capital	: Baht 140,000,000
Number and type of share	: 37,550,000 shares (All shares are common shares).
Number of shares held by Company	: 26.82%

Shareholding Structure of the Group of Companies as of March 14, 2016



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ABICO	ABICO Holdings Public Co., Ltd.
ADF	ABICO Dairy Farm Co., Ltd.
PPO Farm	PPO Farm Co., Ltd.
A-Land	ABICO Land Co., Ltd.
Malee Sampran Plc.	Malee Sampran Public Co., Ltd.
Malee Enterprise	Malee Enterprise Co., Ltd.
Agrisol	Agrisol Co., Ltd.
ICON	Icon Foods, LLC
Malee Harvest	Malee Harvest Co., Ltd.
MAGA	Mega Malee Co., Ltd.
MMBC	Mande Malee Beverage Corporation

Dividend Payment Policy

The Company's dividend policy at a rate not less than 40% of the profit after tax from operations according to the separate financial statements, and reserves of all types, as required by law. However, such payment must be in accordance with the cash flow, investment plans of the Company and subsidiaries, as well as necessities and circumstances in the future.

Year	Net profit per Share (Baht per Share)	Dividend payout (Baht per Share)	Dividend to Net Profit (%)
2014	0.16	0.05	31.72
2015	0.15	0.05	34.54
2016*	0.19	0.075	40.57

Note* : The Board of Directors Meeting No. 1/2017 held on February 23, 2017 has resolved to pay a dividend for operation year 2016 to the shareholders of the Company's at the rate of Baht 0.075 per share shall be proposed at the 2017 Annual General Meeting on April 25, 2017 for consider and approval.

Other Reference Persons

1. Securities' Registrar

Securities Depository Centre (Thailand) Co., Ltd.
93, 14th Floor, The Stock Exchange of Thailand Building,
Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. (02) 009-9000

2. Auditor

Mrs. Natsarak Sarochanunjeen, Certified Public Accountant No. 4563
A.M.T. and Associates.
Silom Plaza, 491/27 Silom Rd.
Bangrak, Bangkok 10500
Telephone (02) 234-1676 Fax: (02) 237-2133

3. Regular contact financial institutions

Siam Commercial Bank Public Co., Ltd., LumLukKa Branch
695-5 Phaholyothin Road, Kookot Sub-District, LumLukKa District,
PathumThani Province 12130
Telephone (02) 531-9280 Fax: (02) 531-5248

4. Legal advisor

Bunchong and Vidhya Low Office Limited.
33/35, 33/39-40 Wall Street Tower Bldg. , Fl.9
Surawong Rd. Kwaeng Suriyawong, Khet Bangrak, Bangkok 10330
Telephone (02) 236-2334, (02) 233-1666 Ext. 3910-1 Fax: (02) 236-3916

***Investors can study the Company's additional information from annual form of items (56-1) or www.sec.or.th

Business Description

Production to order business

Types of products

Products include: UHT milk, pasteurized milk and pasteurized fruit juices.

Types of customers

Currently, the Company's production to order business produces products for many major companies in food and beverage sector.

Production

Production capacity

Production capacity of UHT, pasteurized milk, pasteurized fruit juice,

	<u>2016</u>	<u>2015</u>
Full production capacity (ton/year) (2 shifts)		
UHT milk	90,000	80,000
Pasteurized milk	22,000	22,000
Pasteurized fruit juice	16,000	16,000
Real quantity of production (ton/year) (2 shifts)		
UHT milk	22,951	31,026
Pasteurized milk	7,889	8,002
Pasteurized fruit juice	2,527	3,218
Per cent of production capacity		
UHT milk	25.50	38.78
Pasteurized milk	35.86	36.37
Pasteurized fruit juice	15.79	20.11

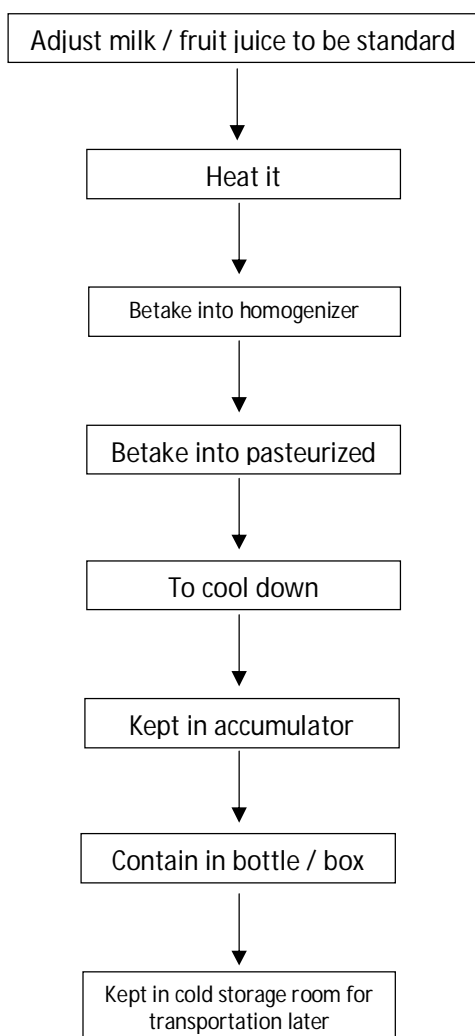
Note : Number of shifts of production are 2 shifts per day, 8 hours per shift, depending on customers' order.

Production procedures

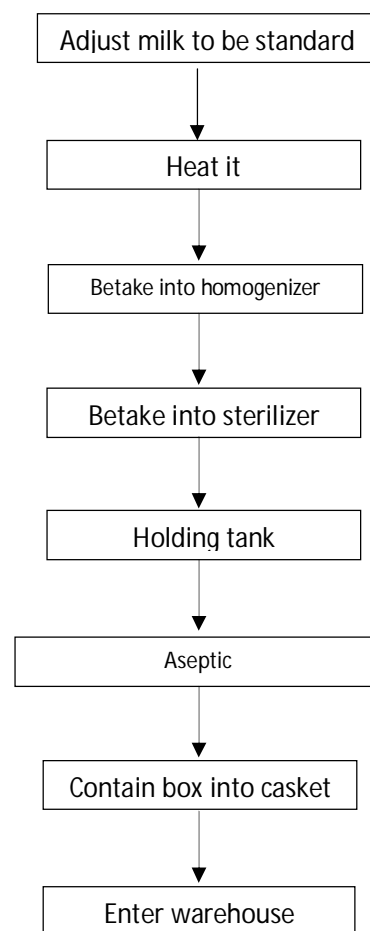
Pasteurized milk and pasteurized fruit juice must be kept in low temperature environment. Keeping period is short at about 16 and 30 days from production date (respectively). For UHT milk, the product can be kept for a long period, i.e. about 8 months, and can be kept at normal temperature.

Raw milk from farm will be under temperature control to be less than 8 degree Celsius so as to maintain quality and freshness of the milk. After factory receives raw milk, the product will be suck up to be kept in big bucket through milk sucking hose. Entire procures are free from contacting people or outside atmosphere so as to get hygiene and standard milk. Regarding entire stages of production, starting from receiving raw milk until being finished product, quality verification is imposed on all stages. Currently, the Company invests to purchase new machinery and improve existing machineries to be modern to be prepared for production expansion. And personnel is also developed to be knowledgeable and specialized in accordance with new technology to be prepared for demand of both existing and new customers.

Production procedures of pasteurized factory



Production procedures of UHT factory



Type of customers and customer target

The business of contracting manufacturing of UHT milk, pasteurized milk and fruit juices, both partial and full services, of the company is made with the customers which sell UHT milk, pasteurized milk and fruit juices and have required the company to produce the merchandises for them to sell in the markets. The target customers of the company are those who have no manufacturing base and those having low production capacity to satisfy the need of the market.

Marketing

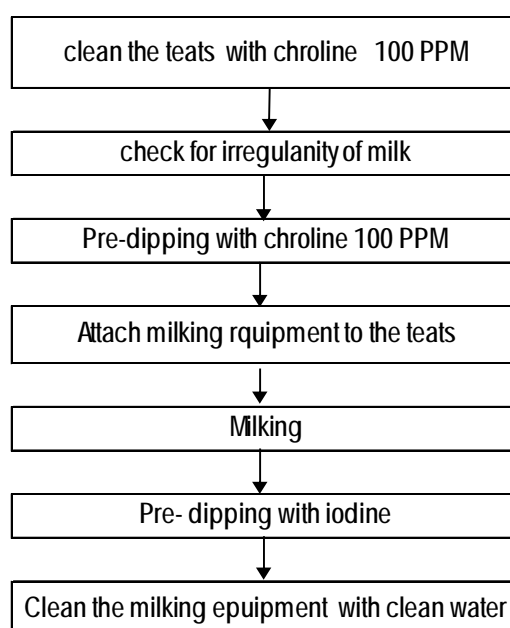
As the company has not owned a brand for its products but it is contracted for production of the merchandises of the leading brand which is worldwide renowned and of which the quality is acceptable to the consumer goods industry, the customers have come to contact the company itself and contact with the merchandises which have no production base of their own to produce the products that the company is able to manufacture such as UHT milk, pasteurized milk and fruit juices.

2. Dairy Farming BusinessType of products

The company has undertaken the dairy farming business to produce and sell raw milk to customers.

Production capacity

PPO is one farm located at No. 217 Moo.1 Seka-akat amnuai Rd., Sang, Seka, Bungkan with production capacity of the company is subject to the number of dairy cows while a dairy cow could produce raw milk at 16-18 kilograms per cow per day. As of 31 December 2016, there are 309 dairy cows ready for milk production. In the year 2016, the Company could produce 2,163,712 kg of raw milk.

Milking Process

Distribution and Distribution Channel

For distribution channel, the company sold its raw milk to Vanichphoom Cooperative at the price lower than the regulatory price provided because the cooperative is responsible for expenses of delivery of raw milk from sale to the selling spot.

3. Real estate development business

Type of products

The company is involved in the business of the office building rental, the 6-floor building, with space divided in accordance with the need of the customers on the rented space and the benefits earned by the company are the rental income and the service income. The term of the lease does not exceed 3 years while the rent and the service charge are collected on a monthly basis.

Production capacity

The company undertakes the office building rental business with 6-floor building for one unit and multi-purpose building for one unit and the parking space is available for 88 vehicles and the rented space (not including the common area) is 5,682 square meters while the space of 4,582 square meters or 80.64 percent of the total space has already rented out.

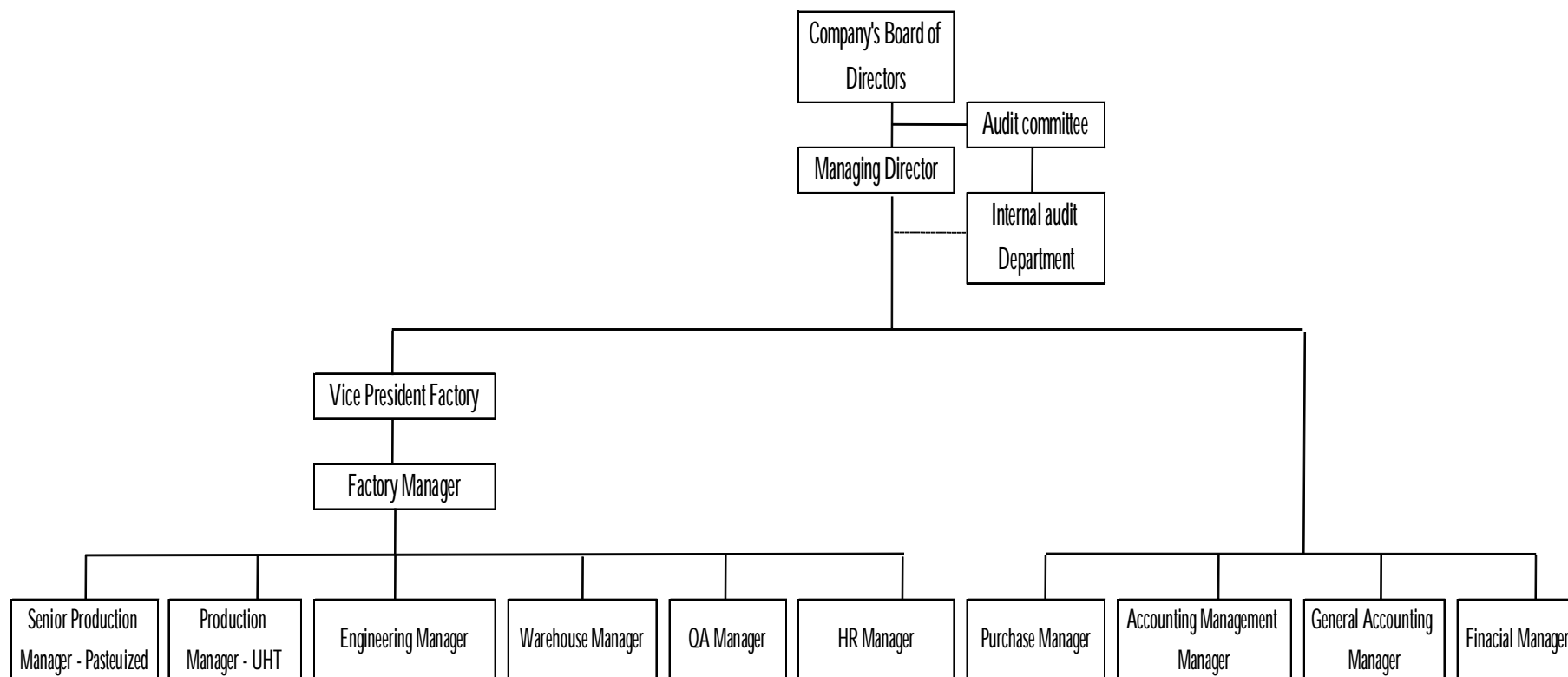
Type of customers and customer target

The customer group of the company is the companies looking for the rented space of the office to undertake the business in Rangsit area while the travelling to Bangkok is not too far.

Revenues Structure

Product	Perform by	% of shareholding by Company	2016		2015		2014	
			Million Baht	%	Million Baht	%	Million Baht	%
Producer and distributor of ready-to-drink milk, drinks and fruit juices	Abico Dairy Farm Co., Ltd.	99.99	423.33	88.71	454.45	89.52	493.72	90.45
Real estate development	Abico Land Co., Ltd.	99.99	12.50	2.62	13.82	2.72	13.73	2.51
Agriculture and dairy farm	PPO Farm Co., Ltd.	99.99	41.41	8.67	39.38	7.76	38.37	7.04
Total (million Baht)			477.24	100.00	507.65	100.00	545.82	100.00

Management Structure



Summary of financial data

Summary of financial statements and companies' performance

Unit : Thousand Baht	2016	2015	2014
<i>Statements of financial position</i>			
Assets	1,252,375	1,110,675	896,691
Liabilities	486,115	478,820	473,255
Shareholder's Equity	766,260	631,855	423,436
<i>Statements of comprehensive income</i>			
Total income	507,459	547,826	612,879
Gross profit	58,820	64,376	73,023
Net profit	146,408	105,231	131,354
Basic earnings per share	0.62	0.45	0.56

Important financial ratios

	2016	2015	2014
<i>Liquidity ratio</i>			
Liquidity ratio (times)	0.88	00.44	0.46
Quick Liquidity ratio (times)	0.50	0.27	0.28
Liquidity Ratio of Cash Flow (times)	0.28	0.22	0.21
Accounts Receivable Turnover ratio (times)	8.18	7.97	7.72
Average loan collection period (days)	44	45	46
Inventory Turnover ratio (times)	6.58	7.30	8.53
Average product distribution period (days)	55	49	42
Payable turnover (times)	23.54	12.58	10.61
Debt payment period (days)	15	29	34
Cash Cycle (days)	83	66	55

Important financial ratios (continue)

	2016	2015	2014
<u>Profitability ratio</u>			
Gross profit ratio (%)	12.33	12.68	13.38
Operating Profit Margin ratio (%)	3.79	3.92	9.20
Net Profit ratio (%)	28.85	16.63	18.96
Return on Equity (ROE) ratio (%)	20.94	19.94	36.50
<u>Efficiency ratio</u>			
Return on Asset ratio (ROA) (%)	12.39	10.48	15.52
Return on Fixed Asset (ROFA) ratio (%)	34.41	30.67	41.96
Asset Turnover ratio (times)	0.43	0.63	0.82
<u>Financial Policy ratio</u>			
Debt to Equity ratio (D/E) (times)	0.63	0.76	1.12
Interest payment capability ratio	4.81	1.64	4.23

Management's Discussion and Analysis of Financial Position and Operating Results

Management's Discussion of Operating Results as of December 31, 2016

Summary of consolidated performances for the year ended on December 31, 2016, compared with December 31, 2015, Company and subsidiary companies' income decreased Baht 30.42 million, or up 6% and gross profit decreased Baht 8.38 million because the domestic economic recession consumers to reduce their consumption. The company's customers have decreased the volume of order. Net profit increased Baht 41.18 million, or increasing 39.12% because profit operation in associate increased from last year and the Company increased investment as a result, the Company's share of profit of associates increased from Baht 56.08 million in last year.

Management's Discussion of Financial Statements as of December 31, 2016

Total assets were Baht 1,252.38 Million, increasing from the year 2015, amounting 141.71 million Baht to be 12.75%.

- Trade and other receivables decreased for Baht 13.90 million, the company has received payment from a customer.
- Inventories increased for 8.51 million Baht because the company's purchase of raw materials and packing materials for production to customers.
- Investment in associated company increased for Baht 125.43 million, occurring from realizing of profit sharing in associated companies and increase in investments in associated company.
- Property, plant and equipment increased for Baht 8.65 million, to be 1.57%, because in this year the company has investment in machine for production to customer and calculate depreciation operation.
- Biological assets – dairy cow increased for Baht 2.05 million, because change in fair value of biological assets in this year.
- Other assets were cash and equivalent transactions to cash, intangible assets, deferred income tax assets and assets not used in operation.

Total liabilities were Baht 486.11 million, increased Baht 7.29 million, to be 1.52%.

- Bank overdrafts and short-term loan decreased Baht 205 million because the company has repayment bill of exchange.
- Trade and other payables increased Baht 0.89 million, the company's purchase of raw materials and packing materials for production to customers relative to the increase in inventories.
- Liabilities under financial lease agreement decreased Baht 28.85 million paid to financial lease agreement period.
- Long-term loan increased Baht 236.85 million as the company and subsidiary has entered into finance support agreement with financial institution.
- Other liabilities consisted of bank overdrafts form financial institutions, deferred tax liabilities, employee benefit obligation.

Corporate Social Responsibility

The Company and subsidiary companies pay attention to corporate social responsibility, aimed at running business relating to production on order of ready to drink UHT milk, pasteurized milk and pasteurized fruit juice with target to keep customers' confidential, production good quality products and meeting international standard towards consumers, in time products' delivery to customers as well as maintaining environment from production procedures. Every employee plays part in every production process so as to create satisfaction to customers. In addition, the Company also pays attention to occupational health and safety of the organization's personnels as well as participating in development of society and community for their sustainability. In providing report of social responsibility, the Company provides it under "guidelines of responsibility to society of the business" concept by Thai Corporate Social Responsibility Institute (CSRI). The Company arranges social responsibility as follow:

1. Running business with fairness

The Company commits to and supports good corporate governance. Its internal management system put emphasis on equal, fair, efficient, and transparent working procedures and systems to create trust and confidence among shareholders, investors, stakeholders and all involved parties

The Company and subsidiary companies encourage Executives and employees using customers' resources and assets for maximum benefits, strictly comply with terms and conditions of trade as well as avoid exploiting customers' data for personal benefit among themselves and related parties. They must also take into account quality and standard as per set by Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) so as to create confidence among customers who produce products with the Company for being supplied to consumers.

Abico Dairy Farm Co., Ltd. (subsidiary company) get a license for ISO 9001:2008 a certificate which is international standard certificate which are paid attention by worldwide business organizations.

The Company has developed its innovations by utilizing production in machinery. For obtain quality products and to respond to the expansion of customers to be able to continue to compete with the market.

2. Anti-corruption

The Company realizes importance of running business with transparency as well as supporting and encouraging Executives and employees to refrain from demanding, presenting or giving bribe in terms of nominal money and other forms from their duty performance, and complying with related laws and regulations, and non-supporting of finished works from corruption practice. In 2013, the Company showed intention to participate in "Collective Anti-Corruption of private sector on November 28, 2013.

3. Respect to Human Rights.

Human rights and labor practices in a fair and equal to the local labor force in general, whether it's wages welfare including providing training in enhancing labor skills in the workplace. As well as providing an opportunity to show the potential for the advancement of all employees.

4. Fair Treatment to Labor.

Human resource is one of the key factors for the Company to improve and create value-added production results. Thus the Company has strong determination to provide best condition for its employees through fair treatment, opportunities, compensation, welfare and skill development programs.

Furthermore, the Company has continued to improve and promote internal working environment to ensure good life quality, including health and safety at work, and year 2016, Abico Dairy Farm Co.,Ltd, has received award safety factory accident honorary from Her Royal Highness Princess Maha Chakri Siridhorn such as "Zero-Accident" campaign launched by the Ministry of Labor.

5. Responsibilities to Consumers

Abico Dairy Farm Co., Ltd. (subsidiary company) runs business of production to order of UHT milk, pasteurized milk and pasteurized fruit juice. It has procedure of quality verification procedures of raw materials and packaging in production process before end products are distributed to consumers. Verification is based on inspecting the company's internal personals by standard tools. Inspection also concentrates on state agencies and the Company's customers who hire the Company for production to order. Verification also includes attaching labels at the products with details of ingredient of products during production, benefits and consuming per unit of the products, keeping the products and expiration date. The practice is in line with principle of laws, regulations and international standard so as to create confidence for consumers towards products.

PPO Farm Co., Ltd. (subsidiary company) is dairy farm with international standard level of farm management. The company uses modern machineries to produce feed mill. Hence, it results in good, clean, quality milk with safety and hygienic standard, In addition, quality of milk was certified in terms of standard of milk production from farm and production of raw milk, by Department of Livestock Development. In addition, the company's farm was awarded honorary shield from good species animals network, national level, in 2014. The farm is A-level disease free dairy farm. So, consumers have been confident in quality of raw milk from the farm.

6. Environment Care

The Company pays attention to potential impact towards environment. Consequently, it constructed 6 waste water treatment ponds which can accommodate entire waste water from production process. And Biological Oxygen Demand (BOD) is also checked every month by Environment and Laboratory Co., Ltd. Department of Industrial Works also inspects the Company's plants once a year. And the Company has had no record of defying regulations at all.

7. Responsibilities to Communities Society

The Company has been hiring local labor so as to create employment and sustainable development of skilled labour to communities both in OEM business and dairy farm business. The move is also stimulating economy in communities.

Risk factors**Risk factor****Business running risk**

Subsidiary company (Abico Dairy Farm Co., Ltd.), a major company operation of Abico Holdings Public Co., Ltd., depends mostly on our customer in contract manufacturing. Due to the fact that we don't have our own products, as well as to prevent any negative effect on our operation, we are dealing business with many different customers in order to spread the risk of depending too much on only one customer. Moreover, we have long-term contract manufacturing agreements with our customers. Regarding dairy farms business, which is run by a subsidiary company and is exposed to risk of milk's prices which are under government sector's control, as a result, it should not pose any risk. In addition, consumers' behavior of milk drinking is uptrend. So, they should be positive factors towards raw milk's prices in the future. Consequently, PPO Farm Co., Ltd. (subsidiary company) does not make derivatives agreement or any other agreements to reduce risk of raw milk's prices.

Production risk

The raw materials, including major packaging supplies are procured by the customers and the company is required to arrange the training related to quality control and major manufacturing steps that the customer has sent its officer with competent and skill to assist the company while the company has a risk that the machine employed in the production may broke down until it could not be operated and the manufactured goods may not pass the quality inspection.

Interest rate risk

The company and its subsidiary companies incur the interest rate risk because there is a loan from commercial banks and financial institutes, most of which have the floating interest rate. Thus the company and its subsidiary companies may be affected by the interest rate risk due to fluctuation in the market interest in the market in the future and that may affect the operating results of cash flow of the company and its subsidiary companies.

Risk in Fluctuation of Raw Material Price and Supply of Raw Material

As for business of production hire to order, which customers allow the company to be a major supplier of raw materials, namely, milk powder, the price of milk powder depends on fluctuation of market price, causing uncertainty in raw material price. Moreover, an order of milk powder must have quota that is able to proceed in purchase ordering. The company has requested quota of milk powder to be enough with order quota of customers. As the matter of price, if price increases, the company will be able to adjust the price with customers. As for business of dairy farms, tapioca chips have to be used as feed for dairy cattle. However, the price of tapioca chips increases. For solving this problem, the company cultivates corn by itself and uses pellets, corn cobs and corn husks replacing tapioca chips as all of them have cheaper price and nutrition value for dairy cattle similar to tapioca chips which have higher price and does not affect quantity and quality of milk.

Risk of lacking of skillful workers

As the government increases minimum wage throughout the country with workers returning to original domicile to enter into agricultural sector increasingly from supports in several projects of public sector and entering into AEC; several industrial sector, including the company has to adapt by applying more modern machine and technology for increasing and extending production; therefore, tendency in lacking of skillful workers is possible. However the company still focuses on personnel by having a procedure in recruiting new personnel and arranging training for developing skill and ability of workers specifically in performance; in addition, a plan is prepared for developing new generation personnel in order to handle the lacking of skillful workers.

Good Corporate governance

Corporate governance

The Company recognizes the importance of business operation based on responsibility and integrity and hence has put its emphasis on good corporate governance and management with aim to increase its competitiveness capability, better management efficiency, and transparent / explicit business operation. The Company concentrates on sustainable growth, which will increase value of the Company in a long term for benefit of shareholders and all stakeholders. Company has determined Good Corporate Governance to directors, executives and employees to adhere to as a guideline to perform their duties. The last update of Company's Corporate Governance was on 25 February 2016.

1. Corporate governance policy

The Company recognizes the importance of corporate governance that is based on responsibility and morality and hence has put its emphasis on good corporate governance and management with aim to increase its competitiveness capability and better efficiency of management as well as transparent and explicit business operation. The Company concentrates on sustainable growth, which will increase value of the Company in a long term in the benefit for shareholders and stakeholders. Company applies Good Corporate Governance of year 2012, as stipulated by the Stock Exchange, to adhere to directors, executives and employees operations as a work guidelines. Details are as following:

1.1 Rights of Shareholders

The Company places its importance on rights of shareholders, disclosure of sufficient, accurate, complete, punctual and equal information to all shareholders for reference to their future decisions. Following is the policies determined by the Board of Directors:

- 1.1.1) The Company sent invitation letter along with the meeting agenda showing objectives and reasons of the meeting and opinions of directors in order to enable shareholders study the information included at least 14 days prior to the meeting date. The Company held the Annual General Meeting of Shareholders 2016 on 22 April 2016 at 13:00 hrs. at Evergreen Room, Asia Airport Hotel, No. 99/2, PahonYothin Road, Ku Kot sub-district, Lam LukKa district, PathumThani. In case where shareholders cannot attend the meeting, they may assign any independent Director or any person to attend the meeting on their behalf by using the proxy form which is sent together with the notice to the meeting or it can be downloaded through the Company's website.
- 1.1.2) Facilitate all shareholders equally during the meeting by providing appropriate location and time of the meeting.

- 1.1.3) During the meeting, the agenda will be voted in order without changing any significant information and all shareholders have equal right to review business operation of the Company, inquire and express opinions and suggestions. The meeting will be attended by directors and related executives to answer all question raised during the meeting.
- 1.1.4) The Company provides additional channel for disseminating news on its website. The invitation letter to the meeting is uploaded at least 30 days prior to the meeting date to enable shareholders to download and acknowledge accurate and complete information of the meeting.
- 1.1.5) Directors, senior executives, certified auditor are required to attend the meeting to answer questions from shareholders.
- 1.1.6) The minutes of the meeting are recorded verbatim where all questions and comments are recorded for review and reference purpose. Then the minutes of the meeting will be disclosed in the Company's website and sent to the Stock Exchange of Thailand within 14 days from the date of the meeting.
- 1.1.7) For convenience and to prevent errors, loss or delays, the Company pays dividend (if any) by transferring it to shareholders' bank accounts.
- 1.1.8) It is the Company's policy that shareholders are allowed to propose the meeting agenda and/or questions related to the general meeting of shareholders 3 months prior to the date of the shareholders' meeting to ensure that shareholders will receive highest benefit from the meeting, to maintain the rights and interest of shareholders. The proposal or questions can be submitted through e-mail, fax to the Company Secretary. For Annual General Meeting 2017, the Company invites shareholders to propose agenda from November 11, 2016 until January 13, 2017.
- 1.1.9) Determine criteria to consider the Directors' remuneration based on duties, responsibilities and work performance which is linked to operation result and other relating factors; compare the rate and remuneration of other companies in the same industry of similar based on the survey result provided by the Thai Institute of Directors "IOD". However, the Directors' remuneration must be considered, compared and screened by the Nomination and Remuneration Committee and proposed to the Board of Directors for consideration prior to submission to the annual general meeting of shareholders.
- 1.1.10) The Company agrees to have an independent person to undertake the counting or reviewing the votes in the meeting and disclose to the meeting as well as record in the minutes of the meeting.

- 1.1.11) The Company uses ballots for voting of important agenda such as related transaction, acquisition or disposal of assets etc. for transparency and accountability in case of the conflict that may occur subsequently.

2. The Equitable Treatment of Shareholders' equity

To ensure the fair treatment among all shareholders, the Board of Directors has determined policies as following:

- 2.2.1) Send invitation letter to the meeting which includes sufficient information of all agenda to shareholders at least 14 days prior to the date of meeting in order to enable shareholders to thoroughly look through the information.
- 2.2.2) The right to vote at the meeting is according to the number of shares held by each shareholders where one share represents one vote. The Company grants the right to the shareholders who attend the meeting after the meeting has been started, to vote for the agenda which is under consideration and no resolution has been made yet, and the said person is deemed to constitute a quorum of the meeting for the said agenda and vote.
- 2.2.3) In election of directors to replace those retiring, the Company has a policy that shareholders may vote individually for a director in order to allow shareholders to select the person they want. The Company also provides adequate details of each candidate for consideration of shareholders.
- 2.2.4) The Company enables minor shareholders holding share not less than 5% of the paid-up capital for not less than 12 months, to agenda for the annual general meeting of shareholders, propose list of candidates for directors through email or fax to the Company Secretary.
- 2.2.5) Determine policy to prevent insider trading of relating persons which include directors, senior executives and staff involved with the Company's information (spouse and minor child of the said person as well), and to prohibit the said persons from disposal or acquisition of the Company's securities within 1 month before the disclosure of quarterly and yearly financial statement to the public. The Board of Directors and Management report the changes of shareholding to the Board of Directors' meeting by adding as an agenda in each quarterly meeting.
- 2.2.6) Determine policy on conflict of interest based on the concept that any decision of personnel from all levels which concerns the business operation must be for the best benefit of the Company. And it is the duties of all employees to avoid involving in financial issue and/or relationship with external party which may cause the loss of Company's benefit, conflict of interest or to obstruct work performance. It is determined

that the person relating to or involving with the considered transaction must inform the Company of their relation or involvement thereof and must not participate in consideration and has no power to approve for the said transaction. For such cases, everyone must adhere to the principles and there will be no additional or special terms applied.

- 2.2.7) For convenience, shareholders who cannot attend the meeting in person may assign any person or at least 1 independent director to attend the meeting and vote on their behalf where name of the assigned person will be noticed in the invitation letter to the meeting.
- 2.2.8) All shareholders are treated equally regardless minor or major, Thai or foreign shareholder.
- 2.2.9) The registration of shareholders on the meeting date is via scanning barcode which shows register number of each shareholder provided in the shareholder's register and proxy form for the convenient and fast procedure. To count result of each agenda, only ballot card which show 'disagree' and 'abstain' are collected and counted to deduct from the total amount of voting shareholders. The barcode system is used to collect and verify the result of the ballot from each vote rapidly and the result can be checked after the meeting.
- 2.2.10) The Company determines to have agenda about Directors' remuneration, to clarify to shareholders for approval per annum and to clarify the numbers and types of remuneration of each directors including fixed and variable remuneration.

3. The Role of Stakeholder

The Company is aware and realizes the rights of all stakeholders whether internal stakeholder which are shareholders, staff, and external stakeholders such as customers, trading partners, creditors, competitors, state sectors and other authorities including surrounding communities. To express appreciation to stakeholder that supporting us in competition and generating profit which is considered as long term value, the Company hence, has determines policies as following:

3.3.1) Stakeholders

- 1) The Company is always aware that shareholders are an owner of the business and the Company is committed to create a long term added value for them.
- 2) Perform their duties with integrity, make any decision based on principles of the profession prudence, and fairness to both major and minor shareholders for the best interest of shareholders as a whole.
- 3) Report status of the Company, operations results, financial statements, accounting and other information which are up-to-date and important in the format that is easy to understand, consistent and accurate.

- 4) Refrain from seeking benefit for their own and other persons by using any information of the Company which has not yet been disclosed to the public or execute any procedure in the manner that may cause conflict of interest to the Company.

3.3.2 Employees

- 1) Treat employees with politeness and pay individual respect to them.
- 2) Fairly treat employees through allowing for new opportunities, compensations, appointments, transfer and skills development.
- 3) Provide fair compensation, provident fund and social welfare to employees and prioritize the welfare of employees.
- 4) Maintain safety working condition to ensure health and assets safety of the employees.
- 5) Make any appointments, transfers, awards and punishments with bona fide, based on knowledge, skill and qualification of each employee.
- 6) Places importance on knowledge and skill development of employees by providing equal opportunities on regular basis with aim to develop ability and lead to professional level.
- 7) Listen to opinions and suggestions based on professional knowledge of the employees.
- 8) Comply with law and regulations relating to employees strictly.

3.3.3 Customers

- 1) Provide service with politeness, enthusiasm, readiness and sincere as if they are one of the family, creating reliability and accountability image of the service.
- 2) Keep information of customers, do not use such information for their own benefit or related person illegally or other illegal activity.
- 3) Provide customers with accurate, adequate, updated information about services of the Company without exaggerated advertising content which may mislead customers of quality or terms of services of the Company.
- 4) Provide advice on service efficiently and for the best interest of customers.

3.3.4 Business partners and/or creditors

- 1) Treats business partners and/or creditors with integrity and honesty, based on highest interest of the Company and fair mutual benefit. The Company avoids any situation that may cause conflict of interest, discusses the problems adheres to business relations.

- 2) Does not request or receive or pay for any interest which is illegal with business partners and/or creditors.
- 3) In case it is found that there is a request or accept or payment for any illegal interest, the information must be disclosed to business partners and/or creditors to seek for fair and rapid solution.
- 4) Comply with the agreed terms and conditions. Failure to do so, the Company will give advanced notice to creditors in order to find solution together.

3.3.5) Competitors

- 1) Does not violate the confidential or acknowledge trading secret of competitors with unfaithful method.
- 2) Follow the fair competition rules.
- 3) Refrain from seeking information, trading secret of competitors through dishonest or inappropriate method.
- 4) Does not damage reputation of competitors by accusing in negative way.

3.3.6) Society and communities

The Company has a policy to conduct business which returns positive interest to economy, society and adhere to good citizen of the nation, comply with laws and applicable regulations strictly, engage in parts that will support and improve quality of society and community. In addition, the Company has set out policies to return profits to society by allocating a certain budget to support social activities that will generate advantages to society, community and create opportunities for environment.

3.3.7) Oversee the safety and health of employees

The Company places an importance of maintaining working environment to ensure safety to lives and assets of employees regularly. Strictly adhering to labor law, the Company provides such as proper and correct arrangement of building, locations and equipment of working, necessary medical care. All employees are required to wear protective equipment whenever they work on the construction site. Furthermore, employees from all levels are encouraged to recognize the value and importance of exercise and take it as a habit. The Company provides health care program to its employees such as annual health check up etc.

3.3.8) Environment

The Company has a policy to support different activities in connection with quality, hygiene and environment, including maintaining safe working condition to ensure health and assets safety of the employees. The Company also recognizes the importance of education and training for employees regarding environment and effective use of environment such as reduce the volume of garbage by reusing paper, file holders, campaign to switch off the lights during lunch break or switch off the lights which are not in use,

taking stairs instead of lift, maintenance and improvement of equipment to be available for work to ensure the safety and create good working conditions. All these are contributed to the efficient development of employees as a whole.

3.3.9) Intellectual Property

The Company has set a clear policy not to undertake any action that will violate the intellectual property whether copyright, patents or trade mark, trading secret and other intellectual property as stipulated by law, for example, using licensed programs, where software is examined and installed by Information Technology Department to prevent using any illegal copies.

3.3.10) Respect to law and human rights

- 1) Protest against any action that violates human right in any circumstances.
- 2) Respect and treat all stakeholders with fairness based on the pride of human rights, without discrimination of races, origins, sex, color, religion, physical condition, family background including to support the monitor of requirement concerning human rights within the Company.
- 3) Protest against any action that is aimed to seek benefit from human trafficking, use of child labor under the age as stipulated by law.
- 4) Support, respect and protect human rights by examining and control Company's business with external party that may be conducted in a way that supports and encourage violation of human rights. Refrain from any action that violates right of employees which is protected under the law.

3.3.11) Anti-Corruption and Corruption

The Company expressed its intention by joining the activity launched by Thailand Institute of Directors (IOD) in collaboration with the Chamber of Commerce, International Chamber of Commerce, Association of Thai Listed Companies, Association of Thai Banks since year 2013. The Board of Directors has determined the anti-corruption policy as follows.

- 1) The management structure is properly balanced between purchasing, accounting, management and internal audit department to prevent abuse of power or other illegal activity.
- 2) Provide training to employees about the policy and practice of anti-corruption of the Company.
- 3) Support and coordinate with public and private authorities and controlling agency including all parts of Thai societies with intention to reduce the corruption and improve the development of the country.

- 4) Directors, executives and employees are not allowed to accept any kinds of corruption, directly or indirectly such as receiving gifts, giving gifts, presents, banquet, donation and any interest to themselves from the person who making business with the Company. The Company provides channel to stakeholders for direct message passing, suggestions and/or complaints regarding the corruption or any action that is not in compliance to the Company's criteria to the Board of Directors to the following address.

Company Secretary

ABICO HOLDINGS PUBLIC COMPANY LIMITED

401/1, Moo 8, Abico Building, Pahon Yothin road, Ku Kot,

Lam Luk Ka, Pathum Thani 12130

The complaints will be considered and proceeded as appropriate case by case without disclosing whistleblower, and the complaint details will be kept confidential under policy to protect whistleblower as well.

4. Disclosure and transparency

The Company recognizes the importance of accurate, complete and transparent disclosure of financial information and general information under the criteria set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand including important information which affects securities price of the Company and decision among investors and stakeholders.

The Company also prioritizes the importance of financial report as to clarify the financial status and actual operation result of the Company, based on correct accounting standard, completeness, punctuality and adequacy under the generally accepted accounting standards.

The Company discloses the information about each directors, roles and duties of the Board of Directors and committee as well as remuneration of directors and senior executives in the Annual Report (Form 56-2) and Annual Statement (Form 56-1).

2. **Board of Director**

List of directors			Title
1.	Mr.Chatchai	Boonyarat	Chairman and director
2.	Mr.Kitti	Vilaivarangkul	Managing director and director
3.	Mrs.Chintana	Boonyarat	Director
4.	Mr.Chaichat	Boonyarat	Director
5.	Mr.Khemadhat	Sukonhasingha	Audit committee chairman and independent director
6.	Mr.Mati	Tungpanich	Audit committee and independent director
7.	Mr. Techa	Boonyachai	Audit committee and independent director

The directors authorized to put their signature on behalf of the company consist of:

- | | | |
|----|-------------------------|--------------------------------|
| 1. | Mr.Chatchai Boonyarat | Chairman and director |
| 2. | Mr.Kitti Vilaivarangkul | Managing director and director |
| 3. | Mrs.Chintana Boonyarat | Director |
| 4. | Mr.Chaichat Boonyarat | Director |

Two directors out of four directors are required to put their signature together and affixed with the seal of the company.

Board of Directors

Criteria for consideration and selection the directors

Qualifications of directors

The person to undertake directorship shall have the following qualifications.

1. A person with flawless background
2. Have vision and is able to foresee the overall business image.
3. A person with positive character, morality and appropriate manner
4. A person with efficient communication skill
5. A person with systematic business analysis and decision making
6. A person who realizes and understand finance, commerce or industry and have experience of business management

Criteria for selection of directors

1. Must be a person who possesses the qualifications as aforesaid.
2. The Board must have various skills which is beneficial to determining direction and control the Company's operation.

Definition of Independent Directors

Definition of Independent Directors of the Company is equal to the requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

1. Holding not more than 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, for the purpose of calculation, the number of shares held by the related person of each member of the Audit Committee shall also be included.
2. Neither being a director who takes part or used to take part in management, nor being or used to be an employee, staff, an advisor who receives regular salary, nor the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless such director has resigned from such position for at least two years.
3. Not being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including being the spouse of the children of the executives, major shareholders, controlling persons or the persons who will be nominated as the executive or controlling person of the Company or subsidiaries.

4. Neither having, nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of independent judgment as a member of the Audit Committee. Moreover, a member of the Audit Committee must neither being, nor used to be a key shareholder or controlling person of the entities having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless such director has resigned from such position for at least two years.
5. Neither being, nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, nor being a key shareholder, controlling person or partner of the audit office having the auditor providing auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, as a member, unless such director has resigned from such position for at least two years.
6. Neither being, nor used to be a provider of any professional services including the legal advisory or financial advisory services that received fees in the amount of more than Baht Two million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, nor being shareholder, the controlling person, or partner of such professional services provider, unless such director has resigned from such position for at least two years.
7. Not being a director who has been appointed as a representative of the Company, major shareholders or shareholders relating to major shareholders.
8. Neither operating the business having the same nature which significantly competes with the business of Company or its subsidiaries, nor being a significant partner or a director who involves in the management, nor being an employee, staff, a member, and a consultant who receives regular salary, or holds more than 1 percent of the total number of shares with the voting rights of a company that operates the business having the same nature and significantly competes with the businesses of the Company or its subsidiaries.
9. Having no other conditions that may obstruct the independent expression of comment on the Company's operation.

Criteria for the selection of independent directors

- 1) The person must have the qualifications of directors, as defined.
- 2) A director who can independently express opinion based on their own discretion, with morality adhering to organizational interest, but not the specific interest of major shareholders or minor shareholders or himself.
- 3) Is qualified as stated by the Stock Exchange of Thailand and adhering to the good practices as following.
 - Hold not more than 1% of the voting shares of the Company, its subsidiaries, associates or the person that may have conflict of interest (include the relating person as per Section 258 of the Stock Exchange law).
 - Never or not holding position of director with duty involving management, employee, staff, advisor who receives monthly salary or controlling party of the Company, subsidiary, joint-venture, joint-venture or the person that may have conflict of interest and not having the benefit or interest for at least 2 years.
 - Not having business relation, benefit or interest, directly or indirectly in terms of finance or management of the Company's subsidiary, affiliate company or the person that may have conflict of interest that may impede the independence.

- Not being a close relative with executives, major shareholders of the Company, subsidiary, affiliated companies or the person that may have conflict and is not appointed as a representative to safeguard the interest of directors, major shareholders.
- Not disclose any relationship that may stop the independence to the Board of Directors.

The scope of duties and responsibilities of committee and the CEO is determined clearly in written form reflecting the transparency and concise decision of the Company.

New director election process

The Board appointed the Nomination and Remuneration Committee to select new director(s) by considering qualifications, experience, suitability and the ability to work as a director. The nomination of new director must be in accordance with Public Company Act.

Scope of duties of Directors

- 1) Roles, duties and responsibilities of the Board of Directors. The Board of Directors is responsible to perform accordingly to the Company's objectives, Articles of Association and resolution of the meeting and shareholders with integrity and honestly, prudence and aim to safeguard the interest of shareholders and stakeholders in long and short term to ensure that the Company's operation are driven into the direction that will generate maximum benefit to shareholders and stakeholders. The Board shall supervise to have vision, mission, strategy, target, policy and annual budget in which the Board will jointly review and express opinion every year to create understand on overall business image prior to approval and monitor to ensure the management will be consistent to the plan by adhering to the guideline of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 2) Meeting of the Board of Directors. Meeting of the Board of Directors is an essential duty where the directors must attend regularly to acknowledge and make decision on the Company's business operation. Annually, the Meeting of the Board of Directors shall be held at least 4 times. The meeting agenda is set in advance and special meeting may be held in case of urgent matter. At least 2 out of 3 of total directors shall constitute a quorum. The senior executives may attend the meeting in order to provide information that could be useful and to acknowledge the the policy. It is the Company's policy that non-executive directors and the person that is not a member of Executive Committee attend the meeting together at least once a year to discuss about the topic of interest without attendance of Management. All Executive Committee are allowed to propose the matters to add as an agenda in the Board of Directors' meeting and to express their opinion independently. Then the Company Secretary will bring the proposed matters into meeting agenda and prepare invitation letter to the meeting accordingly. A majority vote in the meeting determines a resolution with each member of the Board having one vote. Board Members that may have conflicts of interest on a particular issue must leave the room during discussion and does not have the right to vote on the particular issue. After the meeting, the Company Secretary shall prepare the minutes of the

meeting and send to Chairman of the Board to certify the accuracy and submit to the meeting for certification in the next meeting. Directors may suggest correction on the minutes of the meeting. The certified minutes of the meeting is kept as a confidential in electric format for convenient of access and reference.

- 3) Orientation of new directors. To perform their duties, the directors shall acknowledge Company's nature of business. For this reason, the Company conducted an orientation session for a new director so that he learned about the Company and business overview, got access to corporate information which is useful and crucial to responsibilities including guideline to the good corporate governance. The Company Secretary shall coordinate to have to orientation session.
- 4) Policy on limitation of the number of listed company and number of term of office of Directors Director is advised not to become director in more than five other listed companies without any exception. At present, the Company's Directors hold directorship in less than 5 listed companies. The company also has a policy prohibiting the CEO to be hold director position in other companies which conduct the same or similar business to the Company's except associates and/or subsidiaries and/or affiliated company to ensure that the person will not cause conflict of interest.
- 5) Succession Plan The Company realizes the necessity and importance of the succession plan and hence has prepared the succession plan for major executive positions by selecting the candidates, providing ongoing training its human resource to meet position requirements, to ensure that the Company will have a person with knowledge and suitable skill for the succession.

Audit Committee

The Audit Committee is comprised of 3 Independent Directors of the Company. The committee members have the required knowledge and experience. The audit committee is responsible for review financial statement is accurate and adequate and the suitability and effectiveness of the internal control and internal audit are as follows:

- | | | | |
|----|--------------|---------------|--|
| 1. | Mr.Khemadhat | Sukonhasingha | Chairman of the Audit Committee and Independent Director |
| 2. | Mr.Mati | Tungpanich | Audit Committee and Independent Director |
| 3. | Mr.Techa | Boonyachai | Audit Committee and Independent Director |

Audit Committee who has accounting knowledge is Mr.Khemadhat Sukonhasingha.

Scope of duties of the Audit Committee

- 1) Review quarterly financial statement and annual financial statement together with the Company's auditor and related executives, as to propose to the Board; Oversee Company's financial report to ensure the accountability, adequacy and reliability.
- 2) Review the Company's compliance with the law on securities and exchange, the regulations of The Stock Exchange of Thailand.

- 3) Consider to disclose the information or the connected transaction or transaction that may have conflict of interest.
- 4) Oversee to ensure that the Company's internal control is adequate and efficient.
- 5) Select/appoint/remove /propose remuneration for auditor.
- 6) Review the adequacy of internal control system and monitor the significant risk management regularly.
- 7) Consider the independence of internal audit unit, approve the appointment/transfer/dismissal of the head of internal audit unit.

Nomination of Directors

Selection of the Company's directors must be approved by the shareholders' meeting. The candidates must be qualified and does not have the prohibited characteristics as stipulated by law. The Board of Directors shall contains at lease five (5) persons being selected under criteria and methods as follows.

- 1) One share represents one vote.
- 2) The voting for director may be cast for individual or for several directors as considered by the meeting of shareholders. Election may be of individuals or of groups, as the shareholders' meeting deems appropriate. A shareholder may not divide his/her votes among several individuals or groups.
- 3) Person(s) receiving the maximum number of votes in the respective order will be appointed as director(s) for the number of directors to be selected or appointed on that occasion. Where persons selected in the next sequence receive equal votes which exceed the number of director(s) to be selected or appointed on that occasion, the decisive vote shall be cast by the chairman of that meeting.

At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeded, the similar amount to one third of the directors to resign during the first year. The resigning directors may be re-elected.

A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by Public Company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

Supervision of subsidiary companies and associated companies' performance

Nomination and right exercising appointing persons to be directors in subsidiary companies and associated companies is performed by management. The Company specifies regulation of such nomination and right exercising must obtain approval from the Company's Board of Directors as well. Persons appointed to be directors in subsidiary companies and associated companies have duty to perform for maximum profits of those subsidiary companies and associated companies (not of the Company). And the Company stipulates that the appointed persons must obtain approval from the Company's Board of Directors before they can cast vote or exercise right of important issues which are the same levels as those having to obtain approval from the Company's Board of Directors, if the issues are carried out by the Company. Appointment of directors to be representatives of such subsidiary companies and associated companies is in accordance with shareholding ratio of the Company in those subsidiary companies and associated companies.

Moreover, in case of subsidiary company, the Company stipulates regulation the persons who are appointed by those subsidiary companies must monitor and ensure that those subsidiary companies must correctly have regulation regarding connected transaction, acquiring or selling assets, or making any other important items of the subsidiary companies, and adopt the same regulation in connection with information disclosure and making such items as the Company's regulation. The directors must also supervise the subsidiary companies ensuring that they have data and information collection and account recording accountable for being able to be verified by the Company. And the subsidiary companies must punctually provide financial statements.

Supervision of inside information

The Company allows its Directors and Executives submitting reports of securities trading to prevent exploiting the Company's information in a manner of inside information so as to prevent adopting inside information practice of securities trading for his own benefit. They are also notified about personal responsibility as well as punishment clause for his acknowledgement.

Related Parties

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market price or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company	Relationship
Abico Land Co., Ltd.	Subsidiary
Abico Dairy Farm Co., Ltd	Subsidiary
PPO Farm Co., Ltd.	Subsidiary
Malee Group Plc. (Former name "Malee Sampran Plc.")	Associate
Malee Enterprise Co., Ltd.	Indirect shareholding

Pricing Policy

- Revenues from building rental and service are according to mutually agreed prices.
- Revenues from production service are according to cost plus profit.
- Revenues from the sale of raw milk are according to cost plus profit.
- Other revenue is according to cost plus profit.
- Short-term loans from subsidiaries bear the interest rate at MLR+1% per annum.
- Short-term loans to subsidiaries bear the interest rate at 7.90-8.125 per annum.

Significant transactions with the related parties for the years ended December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	๒016	๒015	๒016	๒015
Revenues from rental and service				
Malee Group Plc.	7,334,400.00	7,334,400.00	-	-
Malee Enterprise Co.,Ltd.	3,620,400.00	4,734,400.00	-	-
Total	10,954,800.00	12,068,800.00	-	-
Revenue from raw milk				
Malee Group Plc.	51,348,064.20	24,747,788.30	-	-
Income from production engagement				
Malee Group Plc.	97,144,858.83	102,490,143.67	-	-
Income from other engagement				
Malee Group Plc.	178,000.00	526,480.00	-	-
Malee Enterprise Co.,Ltd.	196,700.00	165,780.00	-	-
Total	374,700.00	692,260.00	-	-
Income from other service				
Malee Group Plc.	170,601.43	2,194,334.05	-	-
Malee Enterprise Co.,Ltd.	-	17,500.00	-	-
Total	170,601.43	2,211,834.05	-	-
Other income - electricity				
Malee Group Plc.	1,018,800.00	1,198,800.00	-	-
Malee Enterprise Co.,Ltd.	521,200.00	620,072.48	-	-
Total	1,540,000.00	1,818,872.48	-	-
Interest income				
Abico Dairy Farm Co.,Ltd.	-	-	2,136,809.10	1,244,729.35
Abico Land Co.,Ltd.	-	-	384,897.54	41,424.66
Total	-	-	2,521,706.64	1,286,154.01
Cost of purchase raw material				
Malee Group Plc.	5,806,380.15	5,471,872.44	-	-
Administrative expenses				
Abico Land Co.,Ltd.	-	-	74,667.09	83,131.12
Malee Group Plc.	-	1,125,168.11	-	-
Total	-	1,125,168.11	74,667.09	83,131.12

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Finance cost				
Director	-	231,533.93	-	-

Significant balances with related parties as at December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<u>Trade and other receivables</u>				
Trade receivables				
Malee Group Plc.	15,429,473.11	13,572,712.56	-	-
Malee Enterprise Co.,Ltd.	56,318.10	49,733.60	-	-
Total	15,485,791.21	13,622,446.16	-	-
Other receivables				
Malee Group Plc.	53,318.10	35,791.50	-	-
Deposit receivables				
Abico Land Co.,Ltd.	-	-	47,100.00	47,100.00
Accrued interest				
Abico Land Co.,Ltd.	-	-	26,668.02	41,424.66
Abico Dairy Farm Co.,Ltd.	-	-	-	378,000.00
Total	-	-	26,668.02	419,424.66
Total Trade and other receivables	15,539,109.31	13,658,237.66	73,768.02	466,524.66
Short-term loans to related				
Abico Land Co.,Ltd.	-	-	4,600,000.00	7,000,000.00
Abico Dairy Farm Co.,Ltd.	-	-	-	56,000,000.00
Total	-	-	4,600,000.00	63,000,000.00

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
<u>Trade and other payables</u>				
Trade payables				
Malee Group Plc.	875,102.50	2,506,294.22	-	-
Other payables				
Malee Group Plc.	-	1,051,724.92	-	-
Abico Land Co.,Ltd.	-	-	-	7,831.31
Total	-	1,051,724.92	-	7,831.31
Accrued expenses				
Malee Group Plc.	-	9,582.00	-	-
Total Trade and other payables	875,102.50	3,567,601.14	-	7,831.31
Deposit payable				
Malee Group Plc.	5,437,800.00	5,437,800.00	-	-
Malee Enterprise Co.,Ltd.	2,673,000.00	2,973,000.00	-	-
Total	8,110,800.00	8,410,800.00	-	-

Independent Audit committee's Report

The Audit Committee, Abico Holdings Public Co., Ltd., consists of 3 knowledgeable and capable independent committees with qualifications and independence to meet the requirement of the Securities and Exchange of Thailand, chaired by Mr. Khemadhat Sukonhasingha as the Chairman of the Audit Committee, Mr. Mati Tangpanich and Mr. Techa Boonyachai as the Audit Committees.

In 2016, the Audit Committee performed their duties assigned by the Company's Board of Directors and as responsible for by them which was in accordance with the regulations and requirements of the Securities and Exchange of Thailand. The essential statements of the operation result can be concluded as follows:

1. To verify the financial statements and information concluded in the annual report of 2016, in the essential statements relating to the financial status, business performance and the cash flow of the Company and the small companies that has been made in accordance with the generally accepted accounting principles and the information was sufficiently, completely and trust worthily discloses.
2. To verify the internal control system and to supervise the operation to be performed in compliance with such system as well as to promote and push forward the internal audit to be performed in accordance with the international standard. The Company was found to have the proper and effective internal control system and no significant defect that might have caused the essential influence was found.
3. The risk management process had been verified and the useful recommendation had also been given to reduce the risk to be in the acceptable level.
4. The compliance with requirements and Securities and Exchange law, including other relating laws had been verified and found that the Company had fully and correctly acted in compliance with the related requirements and other statutory laws.
5. The disclosure of inter-related particulars or items that may have caused the interest contradiction had been completely and correctly considered and in conformity with the law and market requirements.
6. To assess the independence of the accounting auditor, consider to appoint of and offer the remuneration to the Company's auditor.

The Audit Committee considered the statement set forth above, presumed that the Company persists in the good governance and supervision as the stake, having the sufficient and effective internal control and the risk management. The inter-related transaction that may have caused the dispute of interest to be occurred has been completely disclosed. The Company has been acting in compliance with the requirements and relating laws. The Company's financial statements have been performed in accordance with the generally accepted accounting principles and the information has been sufficiently, completely and trustworthily disclosed.

On behalf of the Audit Committee

(Mr. Khemadhat Sukonhasingha)

Chairman of the Inspecting Committee

February 23, 2017

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT**To the Shareholders and Board of Directors of Abico Holdings Public Company Limited****Opinion**

I have audited the consolidated financial statements of Abico Holdings Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Abico Holdings Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2016, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Abico Holdings Public Company Limited and its subsidiaries and of Abico Holdings Public Company Limited as of December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audited Procedures are as follows:

Investment in associate (the consolidated and separate financial statements)

As describe in Note 4.5 and 9 to the financial statement, investment in associate is stated at cost less allowance for impairment (if any) in the separate financial statement and is stated under the equity method in the consolidated financial statements. The investment is identified to be quantitatively significant due to the Company's main business is related to investment, therefore, dividend income and share of profit from the investment in associate are recognized in the separate and consolidated financial statements, respectively in significant amount. Therefore, I have identified that the significant matter that requires special attention in the audit is recognition its portion of investment in associate under equity method and dividend income.

My audit procedure on such matter

I performed my audit work with the component auditors of the associate and verified the calculation and record of share of profit from the investment in associate including recognition of the dividend income. And I verified increase and decrease in the investment occurred during the year, and the amount of share balance. Additionally, I considered the adequacy of information disclosure that related to the investment in associate.

Other Matter

The consolidated financial statements of Abico Holdings Company Limited and its subsidiaries and the separate financial statements of Abico Holdings Company Limited for the year ended December 31, 2015, presented herein as comparative information, were audited by another auditor, whose report thereon dated February 25, 2016 expressed an unmodified opinion on those statements and there was an emphasis of matter about going concern and changes in accounting policy in valuation of building and machinery and apply the changed accounting policy with the transaction of investment in its associate.

Other Information

Management is responsible for the other information. The other information comprise the information included in the annual report of the Group, but does not include the financial statements and my auditor's report thereon, which 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 do 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 financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Natsarak Sarochanunjeen)
Certified Public Accountant
Registration No. 4563

A.M.T. & ASSOCIATES

Bangkok, Thailand

February 23, 2017

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		ASSETS			
		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
Note		2016	2015	2016	2015
CURRENT ASSETS					
Cash and cash equivalents	6	16,357,309.66	15,906,529.09	7,264,644.95	1,229,270.92
Trade and other receivables - net	5 and 7	60,868,885.25	74,767,540.08	183,440.92	2,747,818.86
Short - term loans to related companies	5	-	-	4,600,000.00	63,000,000.00
Inventories	8	67,800,169.16	59,292,910.05	-	-
TOTAL CURRENT ASSETS		145,026,364.07	149,966,979.22	12,048,085.87	66,977,089.78
NON - CURRENT ASSETS					
Fixed deposit at financial institution	27	3,958,073.67	3,900,000.00	-	-
Investment in associate	9	474,646,323.84	349,218,194.98	451,650,915.00	412,480,815.00
Investments in subsidiaries - net	10	-	-	-	-
Other long - term investments - net	11	-	-	-	-
Property, plant and equipment - net	12 and 18	557,678,127.00	549,030,821.51	15,249.97	23,598.35
Biological assets - dairy cow - net	13	38,562,500.00	36,511,500.00	-	-
Intangible assets - net	14	17,111,030.46	7,700,358.96	-	-
Deferred tax assets	20	6,399,069.59	4,113,342.90	1,200,000.00	1,200,000.00
Other non-current assets					
- Withholding tax deducted at source		6,255,863.10	7,213,075.86	-	-
- Unused asset - net		156,624.39	235,024.85	-	-
- Others		2,580,783.38	2,786,306.37	1,278,733.37	1,317,367.38
TOTAL NON - CURRENT ASSETS		1,107,348,395.43	960,708,625.43	454,144,898.34	415,021,780.73
TOTAL ASSETS		1,252,374,759.50	1,110,675,604.65	466,192,984.21	481,998,870.51

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
Note		2016	2015	2016	2015
CURRENT LIABILITIES					
Bank overdrafts and short-term loan from financial institutions	15.1	50,000,000.00	120,003,321.68	-	80,000,000.00
Trade and other payables	5 and 16	48,681,082.26	47,789,905.89	812,883.32	607,660.41
Current portion of liabilities under financial lease agreements	17	29,973,425.81	34,232,991.69	-	-
Current portion of long - term loans	18	52,560,501.14	-	17,280,849.71	-
Short-term loan from other parties	15.2	-	135,000,000.00	-	50,000,000.00
Corporate income tax payable		210,036.39	-	-	-
TOTAL CURRENT LIABILITIES		181,425,045.60	337,026,219.26	18,093,733.03	130,607,660.41
NON - CURRENT LIABILITIES					
Liabilities under financial lease agreements - net	17	50,341,973.55	74,928,722.36	-	-
Long - term loan - net	18	184,285,673.78	-	62,719,150.29	-
Deferred tax liabilities	20	48,728,430.27	46,643,021.20	-	-
Employee benefit obligation	19	13,222,796.19	11,811,495.47	-	-
Other non-current liabilities	5	8,110,800.00	8,410,800.00	-	-
TOTAL NON - CURRENT LIABILITIES		304,689,673.79	141,794,039.03	62,719,150.29	-
TOTAL LIABILITIES		486,114,719.39	478,820,258.29	80,812,883.32	130,607,660.41
SHAREHOLDERS' EQUITY					
Share capital	21				
Authorized share capital					
376,000,000 ordinary shares of Baht 1.00 each		376,000,000.00	235,000,000.00	376,000,000.00	235,000,000.00
Issued and fully paid - up share capital					
235,000,000 ordinary shares of Baht 1.00 each		235,000,000.00	235,000,000.00	235,000,000.00	235,000,000.00
Treasury shares surplus in associated company		1,490,669.98	1,490,669.98	-	-
Retained earnings (deficit)					
Appropriated - legal reserve	22	8,693,461.46	6,406,723.67	8,693,461.46	6,406,723.67
Unappropriated		319,465,724.39	185,544,836.59	141,686,639.43	109,984,486.43
Other components of equity		201,610,184.28	203,413,116.12	-	-
Total equity of parent Company's shareholders		766,260,040.11	631,855,346.36	385,380,100.89	351,391,210.10
Non-controlling interests		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		766,260,040.11	631,855,346.36	385,380,100.89	351,391,210.10
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,252,374,759.50	1,110,675,604.65	466,192,984.21	481,998,870.51

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Baht															
Equity of parent Company's shareholders															
Note	Issued and fully paid - up share capital	Treasury shares in associated company	Treasury shares surplus in associated company	Retained earnings (deficit)			Other components of shareholders equity					Total Shareholders' Equity of the Company	Non-controlling interests	Total Shareholders' Equity	
				Appropriated - Legal reserve	Treasury shares reserve	Unappropriated	Other comprehensive income (loss)								
							Asset revaluation surplus of subsidiaries	Asset revaluation surplus in associated company	Change in fair value on available-for-sale investment	Actuarial loss on defined employee benefit plans	Exchange differences on translating financial statement in associated company				Total other components of equity
Balances as at January 1, 2016	235,000,000.00	-	1,490,669.98	6,406,723.67	-	185,544,836.59	151,811,175.20	51,601,940.92	-	-	-	203,413,116.12	631,855,346.36	-	631,855,346.36
Changes in shareholders' equity for the year:															
Legal reserve	22	-	-	2,286,737.79	-	(2,286,737.79)	-	-	-	-	-	-	-	-	-
Transferred to retained earnings (deficit) due to sale	12	-	-	-	-	1,545,588.90	(1,535,351.77)	-	-	(10,237.13)	-	(1,545,588.90)	-	-	-
Total comprehensive income (loss) for the year		-	-	-	-	146,407,801.69	307,070.35	-	-	10,237.13	(574,650.42)	(257,342.94)	146,150,458.75	-	146,150,458.75
Dividend paid	23	-	-	-	-	(11,745,765.00)	-	-	-	-	-	-	(11,745,765.00)	-	(11,745,765.00)
Ending balance as at December 31, 2016	235,000,000.00	-	1,490,669.98	8,693,461.46	-	319,465,724.39	150,582,893.78	51,601,940.92	-	-	(574,650.42)	201,610,184.28	766,260,040.11	-	766,260,040.11
Balances as at January 1, 2015 - as previously reported	235,000,000.00	(16,947,020.13)	-	4,616,165.77	16,947,020.13	84,953,253.73	106,381,998.92	99,686,108.87	3,562,000.00	-	-	209,630,107.79	534,199,527.29	-	534,199,527.29
Cumulative effect of change in accounting		-	-	-	-	2,011,419.73	(56,410,875.72)	(48,084,167.95)	-	-	-	(104,495,043.67)	(102,483,623.94)	-	(102,483,623.94)
Cumulative effects of adjustment for the last year		-	-	-	-	(8,279,541.01)	-	-	-	-	-	-	(8,279,541.01)	-	(8,279,541.01)
Balances as at January 1, 2015 - as restated	235,000,000.00	(16,947,020.13)	-	4,616,165.77	16,947,020.13	78,685,132.45	49,971,123.20	51,601,940.92	3,562,000.00	-	-	105,135,064.12	423,436,362.34	-	423,436,362.34
Changes in shareholders' equity for the year:															
Repurchased during the period		16,947,020.13	-	-	-	-	-	-	-	-	-	-	16,947,020.13	-	16,947,020.13
Treasury shares reserve		-	-	-	(16,947,020.13)	16,947,020.13	-	-	-	-	-	-	-	-	-
Treasury shares surplus		-	1,490,669.98	-	-	-	-	-	-	-	-	-	1,490,669.98	-	1,490,669.98
Legal reserve	22	-	-	1,790,557.90	-	(1,790,557.90)	-	-	-	-	-	-	-	-	-
Transferred to retained earnings (deficit)		-	-	-	-	(1,784,775.58)	-	-	-	1,784,775.58	-	1,784,775.58	-	-	-
Total comprehensive income (loss) for the year		-	-	-	-	105,231,280.99	101,840,052.00	-	(3,562,000.00)	(1,784,775.58)	-	96,493,276.42	201,724,557.41	-	201,724,557.41
Dividend paid	23	-	-	-	-	(11,743,263.50)	-	-	-	-	-	-	(11,743,263.50)	-	(11,743,263.50)
Ending balance as at December 31, 2015	235,000,000.00	-	1,490,669.98	6,406,723.67	-	185,544,836.59	151,811,175.20	51,601,940.92	-	-	-	203,413,116.12	631,855,346.36	-	631,855,346.36

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Baht			
		Issued and fully paid - up share capital	Retained earnings (deficit)		Total shareholder's equity
			Appropriated - Legal reserve	Unappropriated	
					Other components of equity Other comprehensive income (loss) Unrealized gain on securities available-for-sale
Balances as at January 1, 2016		235,000,000.00	6,406,723.67	109,984,486.43	-
Legal reserve	22	-	2,286,737.79	(2,286,737.79)	-
Total comprehensive income (loss) for the year		-	-	45,734,655.79	-
Dividend paid	23	-	-	(11,745,765.00)	-
Ending balance as at December 31, 2016		<u>235,000,000.00</u>	<u>8,693,461.46</u>	<u>141,686,639.43</u>	<u>-</u>
Balances as at January 1, 2015		235,000,000.00	4,616,165.77	87,707,149.66	3,562,000.00
Legal reserve	22	-	1,790,557.90	(1,790,557.90)	-
Total comprehensive income (loss) for the year		-	-	35,811,158.17	(3,562,000.00)
Dividend paid	23	-	-	(11,743,263.50)	-
Ending balance as at December 31, 2015		<u>235,000,000.00</u>	<u>6,406,723.67</u>	<u>109,984,486.43</u>	<u>-</u>

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2016	2015	2016	2015
REVENUES					
Revenues from sales and services	5	464,745,234.22	493,827,357.28	-	-
Revenues from building rental and service	5	12,494,810.00	13,826,540.00	-	-
Dividend income	9	-	-	54,018,550.00	39,606,354.00
Total Revenues		477,240,044.22	507,653,897.28	54,018,550.00	39,606,354.00
COST OF SALES AND SERVICES	5	(418,419,776.42)	(440,450,230.35)	-	-
Gross profit		58,820,267.80	67,203,666.93	54,018,550.00	39,606,354.00
Other incomes					
- Gain from change in fair value less estimated point-of-sale cost of dairy cow		11,094,400.00	9,134,500.00	-	-
- Gain on sales of other long - term investment		-	4,251,719.66	-	4,251,719.66
- Reversal loss on revaluation of assets		1,748,608.59	2,599,045.00	-	-
- Commission income		7,585,831.15	14,876,814.69	-	-
- Other service income	5	379,414.15	3,900,817.59	-	-
- Gain on sales of assets		7,519,017.46	562,928.07	173.00	-
- Others	5	1,891,725.96	1,221,852.36	2,528,767.82	1,287,273.86
Total other incomes		30,218,997.31	36,547,677.37	2,528,940.82	5,538,993.52
EXPENSES					
Administrative expenses	5	42,293,418.41	35,855,025.30	2,266,883.70	2,180,492.09
Management compensation		15,002,219.00	11,426,651.00	2,270,000.00	1,830,000.00
Loss from sales of biological asset - dairy cow		3,905,825.00	1,738,810.00	-	-
Loss on impairment of investment in subsidiaries company		-	-	-	162,438.75
Special severance paid for termination of employment		-	5,209,985.00	-	-
Finance costs	5	21,317,579.58	24,762,473.86	6,275,951.33	5,161,258.51
Total Expenses		82,519,041.99	78,992,945.16	10,812,835.03	9,334,189.35
SHARE OF PROFIT (LOSS) OF ASSOCIATE	9	140,851,229.30	84,771,449.29	-	-
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		147,371,452.42	109,529,848.43	45,734,655.79	35,811,158.17
TAX EXPENSES (INCOME)	20	963,650.73	4,298,567.44	-	-
PROFIT (LOSS) FOR THE YEARS		146,407,801.69	105,231,280.99	45,734,655.79	35,811,158.17
PROFIT (LOSS) FOR THE YEARS ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		146,407,801.69	105,231,280.99	45,734,655.79	35,811,158.17
NON - CONTROLLING INTERESTS		-	-	-	-
		146,407,801.69	105,231,280.99	45,734,655.79	35,811,158.17
BASIC EARNINGS PER SHARE (BAHT)					
Profit attributable to equity holders of the parent		0.62	0.45	0.19	0.15
The weighted average number of ordinary shares (shares)		235,000,000	235,000,000	235,000,000	235,000,000

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2016	2015	2016	2015
PROFIT (LOSS) FOR THE YEARS		146,407,801.69	105,231,280.99	45,734,655.79	35,811,158.17
OTHER COMPREHENSIVE INCOME (LOSS):					
Items that will not be reclassified subsequently to profit or loss :					
- Actuarial gains (losses) on defined employee benefit plans of subsidiaries		10,237.13	1,012,807.00	-	-
- Share of actuarial gains (losses) on defined employee benefit plans of associate		-	(3,243,776.60)	-	-
- Revaluation surplus of subsidiaries company		-	127,300,065.00	-	-
- Deferred tax relating to other components of equity	20	307,070.35	(25,013,818.98)	-	-
Total items that will not be reclassified subsequently to profit or loss		317,307.48	100,055,276.42	-	-
Items that may be reclassified subsequent to profit or loss					
- Fair value change on available-for-sale investment		-	(4,452,500.00)	-	(4,452,500.00)
- Exchange differences on translating financial statement in associate	9	(574,650.42)	-	-	-
- Deferred tax relating to other components of equity		-	890,500.00	-	890,500.00
Total items that may be reclassified subsequently to profit or loss		(574,650.42)	(3,562,000.00)	-	(3,562,000.00)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS - NET OF INCOME TAX		(257,342.94)	96,493,276.42	-	(3,562,000.00)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		146,150,458.75	201,724,557.41	45,734,655.79	32,249,158.17
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE PARENT		146,150,458.75	201,724,557.41	45,734,655.79	32,249,158.17
NON - CONTROLLING INTERESTS		-	-	-	-
		146,150,458.75	201,724,557.41	45,734,655.79	32,249,158.17

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2016	2015	2016	2015
Cash Flows from Operating Activities				
Profit before income tax	147,371,452.42	109,529,848.43	45,734,655.79	35,811,158.17
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortisation	44,009,455.10	46,743,472.48	8,332.38	5,316.85
Gain from change in fair value less estimated Point-of-Sale cost of dairy cow	(11,094,400.00)	(9,134,500.00)	-	-
Loss from sales and disposal of biological assets - dairy cow	3,905,825.00	1,738,810.00	-	-
Loss on impairment of investment in subsidiaries company	-	-	-	162,438.75
Reversal loss on revaluation of assets	(1,748,608.59)	(2,599,045.00)	-	-
Gain on sales of other long - term investment	-	(4,251,719.66)	-	(4,251,719.66)
Share of profit of associated company	(140,851,229.30)	(84,771,449.29)	-	-
Gain on sales of assets	(7,519,017.46)	(562,928.08)	(173.00)	-
Unrealized (gain) loss on exchange rate	-	45,829.86	-	-
Dividend income	-	-	(54,018,550.00)	(39,606,354.00)
Employee benefit obligation	1,471,358.47	1,373,783.23	-	-
Finance cost	21,317,579.58	24,762,473.86	6,275,951.33	5,161,258.51
Profit (loss) from operating activities before changes in operating assets and liabilities	56,862,415.22	82,874,575.83	(1,999,783.50)	(2,717,901.38)
Operating assets (increase) decrease				
Trade and other receivables	9,726,855.69	6,891,712.20	317,016.17	(322,425.95)
Inventories	(8,507,259.11)	2,920,635.84	-	-
Fixed deposit at financial institution	(58,073.67)	-	-	-
Other non-current assets	205,522.99	(575,626.95)	38,634.01	17,237.70
Changes in operating liabilities increase (decrease)				
Trade and other payables	634,195.95	(66,812,479.02)	(13,083.10)	(53,673.76)
Other current liabilities	(300,000.00)	-	-	-
Withholding tax refund	7,213,075.86	4,319,927.85	-	-
Withholding tax paid	(6,933,748.37)	(9,344,529.97)	-	-
Payment for employee benefit obligations	(60,057.75)	(184,030.00)	-	-
Income tax paid	-	(32,661.00)	-	-
Net cash flows from (used in) operating activities	58,782,926.81	20,057,524.78	(1,657,216.42)	(3,076,763.39)

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

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
		2016	2015	2016	2015
Cash flows from (used in) investing activities					
Increase in pledged deposit at financial institution		-	(3,900,000.00)	-	-
Increase in short-term loans to related companies		-	-	58,400,000.00	(56,461,559.35)
Proceeds from sale of long - term investment		-	4,349,219.66	-	4,349,219.66
Proceeds from sale of biological assets - dairy cow		5,137,575.00	3,908,690.00	-	-
Proceeds from sale of fixed assets		11,203,483.39	592,282.81	189.00	-
Dividend received		54,018,550.00	39,606,354.00	54,018,550.00	39,606,354.00
Increase in plants and equipments		(53,694,745.78)	(23,260,348.46)	-	(28,083.22)
Increase in intangible assets		(10,230,143.19)	(7,765,067.86)	-	-
Increase in investments in subsidiaries		-	-	-	(162,438.75)
Increase in investments in associated company		(39,170,100.00)	(29,074,075.00)	(39,170,100.00)	(29,074,075.00)
Net cash provided by (used in) investing activities		(32,735,380.58)	(15,542,944.85)	73,248,639.00	(41,770,582.66)
Cash Flows from Financing Activities					
Increase (decrease) in short-term loans					
from financial institutions		(70,003,321.68)	139,382,584.08	(80,000,000.00)	60,000,000.00
Increase (decrease) in short-term loans					
from other parties		(135,000,000.00)	-	(50,000,000.00)	-
Increase (decrease) long - term loan		236,846,174.92	(46,815,404.83)	80,000,000.00	-
Cash paid to liabilities under finance lease agreement		(28,846,314.69)	(43,104,784.42)	-	-
Repayment for debts under the rehabilitation plan		-	(5,881,844.64)	-	-
Cash paid to finance cost		(16,847,539.21)	(28,569,366.13)	(3,810,283.55)	(6,479,123.42)
Dividend paid		(11,745,765.00)	(11,743,263.50)	(11,745,765.00)	(11,743,263.50)
Net cash (provided by) used in financing activities		(25,596,765.66)	3,267,920.56	(65,556,048.55)	41,777,613.08
Net increase (decrease) in cash and cash equivalents		450,780.57	7,782,500.49	6,035,374.03	(3,069,732.97)
Cash and cash equivalents at the beginning of the year		15,906,529.09	8,124,028.60	1,229,270.92	4,299,003.89
Cash and cash equivalents at the end of the year	6	16,357,309.66	15,906,529.09	7,264,644.95	1,229,270.92
Supplemental disclosures of cash flows information					
1) Non-cash transaction					
Increase in liabilities under financial lease agreements					
from purchase of fixed assets		-	1,318,857.75	-	-

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

Note To The Financial Statement

1. GENERAL INFORMATION

Abico Holdings Public Company Limited ("the Company") registered on November 3, 1992, as juristic person under the Limited Public Company Act with the Ministry of Commerce. The registered office of the Company is located at 401/1, Moo 8, Abico Building, 5th Floor, Phaholyothin Road, Khookot Sub-district, Lamlookka District, Pathumthani. The Company's main business is related to investment. Its subsidiary companies' main businesses are production and distribution of ready-to-drink milk, office space for rent and dairy farming.

2. GOING CONCERN

The consolidated financial statements as at December 31, 2016 and 2015, show incurred consolidated current liabilities exceeding consolidated current assets by Baht 36.40 million and Baht 187.06 million and consolidated profit for the year ended December 31, 2016 by Baht 146.41 million. The separate financial statements show current liabilities exceeding current assets at the same dates by Baht 6.05 million and Baht 63.63 million and profit for the year ended December 31, 2016 by Baht 45.73 million. However, management believes that the Company and its subsidiaries' financial statements based on going concern basis is appropriate due to the increase of registered capital with the Ministry of Commerce by allotment shares of Baht 141 million in April 2016 as mentioned in Note 21 and the Company and subsidiary have entered into financial support agreement with local financial institution amounted to Baht 302.20 million during the year 2016 as mentioned in Note 18.

3. BASIS OF FINANCIAL STATEMENTS PREPARATION

3.1 Basis for preparation of financial statements

These financial statements have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting profession.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict of difference in understanding, the financial statements in Thai language shall prevail.

3.2 Adoption of new financial reporting standards

(A) Financial reporting standards which are effective for the current year

During the year, the Company adopted a Conceptual Framework for Financial Reporting (revised 2015) and the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements year beginning on or after January 1, 2016. Adoption of the financial reporting standards in the current year do not have material effect on the financial statements.

(B) Financial reporting standards which are not effective for the current year

During the year, the Federation of Accounting professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2017 as follows:

Accounting Standards

- TAS 1 Presentation of Financial Statements (revised 2016)
- TAS 2 Inventories (revised 2016)
- TAS 7 Statement of Cash Flows (revised 2016)
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2016)
- TAS 10 Events After the Reporting Period (revised 2016)
- TAS 11 Construction Contracts (revised 2016)
- TAS 12 Income Taxes (revised 2016)
- TAS 16 Property, Plant and Equipment (revised 2016)
- TAS 17 Leases (revised 2016)
- TAS 18 Revenue (revised 2016)
- TAS 19 Employee Benefits (revised 2016)
- TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2016)
- TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2016)
- TAS 23 Borrowing Costs (revised 2016)

- TAS 24 Related Party Disclosures (revised 2016)
- TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2016)
- TAS 27 Separate Financial Statements (revised 2016)
- TAS 28 Investments in Associates and Joint Venture (revised 2016)
- TAS 29 Financial Reporting in Hyperinflationary Economics (revised 2016)
- TAS 33 Earnings per Share (revised 2016)
- TAS 34 Interim Financial Reporting (revised 2016)
- TAS 36 Impairment of Assets (revised 2016)

Accounting Standards

- TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2016)
- TAS 38 Intangible Assets (revised 2016)
- TAS 40 Investment Property (revised 2016)
- TAS 41 Agriculture (revised 2016)
- TAS 104 Accounting for Troubled Debt Restructuring (revised 2016)
- TAS 105 Accounting for Investments in Debt and Equity Securities (revised 2016)
- TAS 107 Financial Instruments : Disclosure and Presentation (revised 2016)

Financial Reporting Standards

- TFRS 2 Share - Based Payments (revised 2016)
- TFRS 3 Business Combinations (revised 2016)
- TFRS 4 Insurance Contracts (revised 2016)
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2016)
- TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2016)
- TFRS 8 Operating Segments (revised 2016)
- TFRS 10 Consolidated Financial Statement (revised 2016)

- TFRS 11 Joint Arrangements (revised 2016)
- TFRS 12 Disclosure of Interests in Other Entities (revised 2016)
- TFRS 13 Fair Value Measurement (revised 2016)

Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2016)
- TSIC 15 Operating Leases - Incentives (revised 2016)
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2016)
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2016)
- TSIC 29 Service Concession Arrangements : Disclosures (revised 2016)
- TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2016)
- TSIC 32 Intangible Assets - Web Site Costs (revised 2016)

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2016)
- TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2016)
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration
and Environmental Rehabilitation Funds (revised 2016)

Financial Reporting Standard Interpretations

- TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2016)
Financial Reporting in Hyperinflationary Economies (revised 2016)
- TFRIC 10 Interim Financial Reporting and Impairment (revised 2016)
- TFRIC 12 Service Concession Arrangements (revised 2016)
- TFRIC 13 Customer Loyalty Programmes (revised 2016)
- TFRIC 14 TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset,
Minimum Funding Requirements and their Interaction (revised 2016)

- TFRIC 15 Agreements for the Construction of Real Estate (revised 2016)
- TFRIC 17 Distributions of Non - cash Assets to Owners (revised 2016)
- TFRIC 18 Transfers of Assets from Customers (revised 2016)
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2016)
- TFRIC 21 Levies (revised 2016)

The management of the Company has assessed that TAS 1, TAS2, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TAS 27, TAS 33, TAS 34, TAS 36, TAS 37, TAS38, TAS41 and TFRS 8, TFRS10 and TFRS 13 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company's business, therefore they do not have impact on the financial statement when they are applied.

3.3 Basis of consolidation

- 3.3.1 These consolidated financial statements include the financial statements of Abico Holdings Public Company Limited and its subsidiaries ("the Group" and "the Company and its subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2015.
- 3.3.2 The financial statements of associated company is translated into Thai Baht at the average closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of "Exchange differences on translating financial statement in associated company" in other components of equity.
- 3.3.3 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue and expenses recognition

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

Building rental and service revenues are recognized according to the accrual basis under the rates stipulated in the rental and service agreements.

Other incomes are recognised base on accrual basis.

Expenses are recognised base on accrual basis.

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

Finished goods, work in process, raw materials, packing materials, spare parts and factory supplies are valued at the lower of standard cost (which approximates actual cost by First-in, First-out method) or net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials, packing materials, spare parts and factory supplies are charged to production costs whenever consumed.

Allowance for stock obsolescence is set up for old, obsolete, slow - moving or deteriorated inventories.

4.5 Investments

Investments in associate, subsidiaries and other long-term investment are accounted for in the separate financial statements under the cost method less allowance for impairment loss on the investments, if any. The Company recognizes impairment loss on the investments in the statements of income.

Investment in associate and other long-term investment in the consolidated financial statements are stated using the equity method and cost method less allowance for impairment loss on the investments, if any respectively. The Company recognizes impairment loss on the investments in the statements of income.

4.6 **Property, plant and equipment**

Measurement of land, plant and equipment

Land is stated at revalued amount. The others except land are stated at cost less accumulated depreciation and impairment loss (if any).

Recognition method of land on revaluation cost

Land is initially recorded at cost and subsequently revalued by an independent appraiser to its fair value. Revaluations are to be made regularly every five years to ensure that the carrying amount does not differ materially from the fair value at the statements of financial position date.

The differences arising from land revaluation are dealt in the financial statements as follows:

- When the carrying amount of land is increased as a result of the revaluation, such increase is credited directly to equity under "Revaluation surplus". However, a revaluation increase will be recognized as income only to the extent that it reverses a revaluation decrease of the same land previously recognized as an expense.
- When the carrying amount of land is decreased as a result of the revaluation, such decrease is recognized as an expense. However, a revaluation decrease will be charged directly against the related "Revaluation surplus" if the decrease does not exceed any credit balance existing in the revaluation surplus in respect of that land. If not, the excess will be recognized as an expense in the statements of income.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

	Years
Land improvements	5
Buildings and construction	3 - 40
Machinery and equipment	3 - 20
Furniture and Office equipment	5 - 10
Vehicles	5

No depreciation is provided for land and construction in progress.

4.7 **Intangible assets**

Intangible assets are stated at cost net of accumulated amortization. Amortization is calculated on the straight-line method over a period as follow:

	Years
Computer software	10
Leasehold right	20

4.8 Biological Asset – Dairy Cows

Biological assets – dairy cows are measured at their fair value less estimated costs-to-sell. The fair value of a dairy cow is determined on the market values of livestock of similar age, breed, and genetic merit as appraised by an independent appraiser. Milk is initially recorded at its fair value less estimated costs-to-sell at the time of milking. The fair value of milk is determined based on the market values in the local area.

4.9 Related party transactions

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

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

4.10 Finance lease agreement

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased property or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long - term payables, while the interest element is charged to the statements of income over the lease period. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset acquired under finance lease shall be fully depreciated over the shorter of the useful life of the asset or the lease term.

4.11 Operating Lease

Lease of assets under which all the risks and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight - line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

4.12 Provisions

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

4.13 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statements of income. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

4.14 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Company and its subsidiaries's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method.

However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiaries recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

4.15 Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.16 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities dominated in foreign currencies outstanding at the statements of financial position date are translated into Baht at the exchange rates ruling on the statements of financial position date.

Gains and losses on exchange are included in determining earnings.

4.17 Using of Accounting Estimation

The preparation of financial statements in conformity with generally accepted accounting principles in Thailand requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual realizations may differ from those estimates.

4.18 Basic Earnings per share

Basic earnings per share is determined by dividing profit (loss) attributable to equity holders of the parent for the year by the weighted average number of ordinary shares outstanding.

5. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market price or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company	Relationship
Abico Land Co., Ltd.	Subsidiary
Abico Dairy Farm Co., Ltd.	Subsidiary
PPO Farm Co., Ltd.	Subsidiary
Malee Group Plc. (Former name "Malee Sampran Plc.")	Associate
Malee Enterprise Co., Ltd.	Indirect shareholding

Significant transactions with the related parties for the year ended December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Revenues from rental and service				
Malee Group Plc.	7,334,400.00	7,334,400.00	-	-
Malee Enterprise Co., Ltd.	3,620,400.00	4,734,400.00	-	-
Total	10,954,800.00	12,068,800.00	-	-
Revenue from raw milk				
Malee Group Plc.	51,348,064.20	24,747,788.30	-	-
Income from production engagement				
Malee Group Plc.	97,144,858.83	102,490,143.67	-	-

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Income from other engagement				
Malee Group Plc.	178,000.00	526,480.00	-	-
Malee Enterprise Co.,Ltd.	196,700.00	165,780.00	-	-
Total	374,700.00	692,260.00	-	-
Income from other service				
Malee Group Plc.	170,601.43	2,194,334.05	-	-
Malee Enterprise Co.,Ltd.	-	17,500.00	-	-
Total	170,601.43	2,211,834.05	-	-
Other income - electricity				
Malee Group Plc.	1,018,800.00	1,198,800.00	-	-
Malee Enterprise Co.,Ltd.	521,200.00	620,072.48	-	-
Total	1,540,000.00	1,818,872.48	-	-
Interest income				
Abico Dairy Farm Co.,Ltd.	-	-	2,136,809.10	1,244,729.35
Abico Land Co.,Ltd.	-	-	384,897.54	41,424.66
Total	-	-	2,521,706.64	1,286,154.01
Cost of purchase raw material				
Malee Group Plc.	5,806,380.15	5,471,872.44	-	-
Administrative expenses				
Abico Land Co.,Ltd.	-	-	74,667.09	83,131.12
Malee Group Plc.	-	1,125,168.11	-	-
Total	-	1,125,168.11	74,667.09	83,131.12
Finance cost				
Director	-	231,533.93	-	-

Pricing Policy

- Revenues from building rental and service are pursuant to mutually agreed prices.
- Revenues from production service are pursuant to cost plus profit.
- Revenues from the sale of raw milk are pursuant to cost plus profit.
- Other revenue is pursuant to cost plus profit.

Significant balances with related parties as at December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	๒016	๒015	๒016	๒015
<u>Trade and other receivables</u>				
Trade receivables				
Malee Group Plc.	15,429,473.11	13,572,712.56	-	-
Malee Enterprise Co.,Ltd.	56,318.10	49,733.60	-	-
Total	15,485,791.21	13,622,446.16	-	-
Other receivables				
Malee Group Plc.	53,318.10	35,791.50	-	-
Deposit receivables				
Abico Land Co.,Ltd.	-	-	47,100.00	47,100.00
Accrued interest				
Abico Land Co.,Ltd.	-	-	26,668.02	41,424.66
Abico Dairy Farm Co.,Ltd.	-	-	-	378,000.00
Total	-	-	26,668.02	419,424.66
Total Trade and other receivables	15,539,109.31	13,658,237.66	73,768.02	466,524.66
Short-term loans to related				
Abico Land Co.,Ltd.	-	-	4,600,000.00	7,000,000.00
Abico Dairy Farm Co.,Ltd.	-	-	-	56,000,000.00
Total	-	-	4,600,000.00	63,000,000.00
Trade and other payables				
Trade payables				
Malee Group Plc.	875,102.50	2,506,294.22	-	-
Other payables				
Malee Group Plc.	-	1,051,724.92	-	-
Abico Land Co.,Ltd.	-	-	-	7,831.31
Total	-	1,051,724.92	-	7,831.31
Accrued expenses				
Malee Group Plc.	-	9,582.00	-	-
Total Trade and other payables	875,102.50	3,567,601.14	-	7,831.31
Deposit payable				
Malee Group Plc.	5,437,800.00	5,437,800.00	-	-
Malee Enterprise Co.,Ltd.	2,673,000.00	2,973,000.00	-	-
Total	8,110,800.00	8,410,800.00	-	-

Short-term loan from subsidiaries bear the interest rate of MLR+1% per annum.

Short-term loan to subsidiaries bear the interest rate of 7.90%-8.125% per annum.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2016 and 2015 consisted of:

		Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2016	2015	2016	2015
Petty cash		167,000.00	167,000.00	2,000.00	2,000.00
Cash at banks	- current accounts	13,512,462.10	12,342,590.01	7,243,548.37	1,215,064.70
Cash at banks	- saving accounts	2,677,847.56	3,396,939.08	19,096.58	12,206.22
Total		16,357,309.66	15,906,529.09	7,264,644.95	1,229,270.92

7. TRADE AND OTHER RECEIVABLES - NET

Trade and others receivables - net as at December 31, 2016 and 2015 consisted of:

		Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2016	2015	2016	2015
Trade receivables		37,589,523.70	50,036,934.43	-	-
Trade receivables - related parties		15,485,791.21	13,622,446.16	-	-
Less Allowance for doubtful account		-	-	-	-
Trade receivables - net		53,075,314.91	63,659,380.59	-	-
Others receivables		640,587.96	503,819.36	300.00	300.00
Others receivables					
- related parties		53,318.10	35,791.50	-	-
Accrued income		4,683,677.56	4,412,575.84	-	-
Prepaid interest		-	4,405,262.87	-	2,247,361.77
Others		2,415,986.72	1,750,709.92	183,140.92	500,157.09
Total others receivables		7,793,570.34	11,108,159.49	183,440.92	2,747,818.86
Trade and others receivables - net		60,868,885.25	74,767,540.08	183,440.92	2,747,818.86

As at December 31, 2016 and 2015, the Group has outstanding balance of accounts receivable classified by age as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Not yet due	38,573,403.10	49,661,226.83	-	-
Overdue				
Up to 3 months	14,501,911.81	13,998,153.76	-	-
Total	53,075,314.91	63,659,380.59	-	-
Less : Allowance for doubtful	-	-	-	-
Trade receivables - net	53,075,314.91	63,659,380.59	-	-

8. INVENTORIES

Inventories as at December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Raw and packing material	28,281,383.68	21,131,181.70	-	-
Work in process	2,333,416.91	3,692,609.39	-	-
Finished goods	17,125,537.52	15,565,543.40	-	-
Foods	3,472,692.93	2,048,344.33	-	-
Medicine, chemical and medical supplies	513,007.63	511,377.98	-	-
Supplies and spare parts	16,074,130.49	16,343,853.25	-	-
Total	67,800,169.16	59,292,910.05	-	-

9. INVESTMENT IN ASSOCIATE

Investment in an associate stated at the equity method in the consolidated financial statements as at December 31, 2016 and 2015 consisted of:

Company's name	Baht							
	Percentage of investment (%)		Paid-up share capital (Million Baht)		Equity Method		Cost Method	
					Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015	2016	2015	2016	2015
Associated company								
Malee Group Plc.	26.82	26.20	140.00	140.00	474,646,323.84	349,218,194.98	451,650,915.00	412,480,815.00
Total			140.00	140.00	474,646,323.84	349,218,194.98	451,650,915.00	412,480,815.00

As at December 31, 2016 and 2015, the investment in Malee Group Public Co., Ltd. had a fair market value amount of Baht 4,318.25 million and Baht 1,045.42 million, respectively.

The movements for year ended December 31, 2016 and 2015 for the investment in the associate, which is recorded under the equity method, are as follows:

	Baht	
	Consolidated Financial Statements	
	2016	2015
Balance as at January 1 (before adjustment)	349,218,194.98	305,209,103.98
Effects of changes in accounting policies	-	(46,072,748.22)
Balance as at January 1 (after adjustment)	349,218,194.98	259,136,355.76
Dividend	(54,018,550.00)	(39,606,354.00)
Employee benefit obligation	-	(2,595,021.18)
Treasury shares in associate	-	16,947,020.13
Treasury shares reserve in associate	-	1,490,669.98
Exchange differences on translating financial statement	(574,650.41)	-
Additional investment in associate	39,170,100.00	29,074,075.00
Share of profit of associate	140,851,229.30	84,771,449.29
As at December 31,	474,646,323.84	349,218,194.98

The financial statements of Malee Group Public Co., Ltd. for year ended December 31, 2016, an associated company, used for equity method accounting were audited by another auditor in my office who reported an unmodified opinion.

Board of Directors' Meeting of the Company No. 4/2015 held on November 12, 2015, approved the Company Limited gradually additional invested in Malee Group Public Co., Ltd. from exiting percentage of shareholding at 25.49% to an whatever level but not over 50% of shareholding and disposal but not less than 25% of share capital of Malee Group Public Co., Ltd., when the return is appropriated.

On November 29, 2016, the Company has pledged its share in associate totaling 1,000,000 shares to secured long-term loan with financial institution in Note 18.

10. INVESTMENT IN SUBSIDIARIES

Investment in subsidiary companies stated at using the cost method in the separate financial statements as at December 31, 2016 and 2015, consisted of:

Company's name	Percentage of investment (%)		Paid-up share capital		Baht					
					Separate Financial Statements					
	2016	2015	2016	2015	Cost Method		Impairment of investment		Net book value	
					2016	2015	2016	2015	2016	2015
Abico Land Co.,Ltd.	99.99	99.99	50.00	200.00	120,065,280.00	120,065,280.00	(120,065,280.00)	(120,065,280.00)	-	-
Abico Dairy Farm Co.,Ltd.	99.99	99.99	240.00	240.00	239,999,930.00	239,999,930.00	(239,999,930.00)	(239,999,930.00)	-	-
PPO Farm Co.,Ltd.	99.99	99.99	19.25	19.25	38,240,938.75	38,240,938.75	(38,240,938.75)	(38,240,938.75)	-	-
Total					398,306,148.75	398,306,148.75	(398,306,148.75)	(398,306,148.75)	-	-

The Company's 0.81 million shares in Abico Dairy Farm Co., Ltd. at cost value of Baht 8.10 million have been pledged as collateral against loans for Abico Dairy Farm Co., Ltd. (a subsidiary company). However, the Company has fully repayment the loans and already redeemed all pledged asset on May 3, 2016.

The Company's has pledges 72,555 shares in PPO Farm Co., Ltd at the cost value of Baht 1.81 million as collateral with the creditor under restructuring according to the Company's rehabilitation plan. Currently, the Company is in the process of transferring back ownership of the Company's share certificates in PPO Farm Co., Ltd. since the Company repaid all the outstanding liabilities under the rehabilitation plan to the creditor.

The Board of Directors' Meeting of the Company No. 1/2015, held on February 26, 2015, had passed a resolution to acquire additional of 4.90 million shares in Abico Land Company Limited (Subsidiary) totaling of Baht 0.03 million from other shareholders. During the 2nd quarter of the year 2015, the Company acquired an additional of 3.10 million shares totaling of Baht 0.04 million from other shareholders. The Company paid for acquired additional shares totaling of Baht 0.07 million. As a result, the Company increased its percentage of investment from 59.99 % to 99.99%.

The Board of Directors' Meeting of the Company No. 3/2015 held on August 13, 2015, had passed a resolution to acquire additional of 0.10 million shares in PPO Farm Co., Ltd. (Subsidiary) totaling of Baht 0.02 million from Abico Dairy Farm Co., Ltd. (Subsidiary) As a result, the Company increased its percentage of investment from 49.53 % to 99.99%.

At the Extraordinary General Meeting of Shareholders No. 2/2016 of Abico Land Company Limited (subsidiary) held on February 15, 2016, the shareholders had approved the Company's capital reduction from share capital of Baht 200 million (20 million ordinary shares at Baht 10 per each) to Baht 50 million (5 million ordinary shares at Baht 10 per each) to reduce the deficits of the subsidiary. The subsidiary has registered the change with the Ministry of Commerce on April 18, 2016.

11. OTHER LONG-TERM INVESTMENTS - NET

As at December 31, 2016 and 2015, other long-term investments - net consisted of:

	Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	2016	2015
General investment		
Equity share	59,970,345.60	59,970,345.60
Allowance for impairment loss on general investment	(59,970,345.60)	(59,970,345.60)
Other long-term investments - net	-	-

The Company had invested in Puerto Azul Land Inc. (PALI) which engaged in the real estate and property development industry in the Philippines. However, the business operation of PALI ended and was unable to contract with the concerned person. The Company had fully provided allowance for impairment loss on general investment. Currently, the management of the Company is under taking an appropriate action.

12. PROPERTY, PLANT AND EQUIPMENT - NET

As at December 31, 2016 and 2015, property, plant and equipment - net consisted of:

	Baht							
	Consolidated Financial Statements							
	Land	Land improvements	Building and construction	Machinery and equipment	Furniture and office equipment	Vehicle	Asset/construction in progress	Total
Cost								
As at December 31, 2015	41,017,581.00	3,100,000.00	275,311,983.51	504,396,947.49	31,614,976.01	18,974,944.18	24,195,274.31	898,611,706.50
Acquisition	142,500.00	-	520,575.00	11,907,897.80	5,845,916.76	-	35,277,856.22	53,694,745.78
Disposal/Write-off	(240,898.23)	-	-	(62,242,550.51)	(632,705.96)	(3,599,000.00)	-	(66,715,154.70)
Transfer in/(out)	-	-	5,466,035.05	33,010,300.50	-	-	(38,476,335.55)	-
As at December 31, 2016	40,919,182.77	3,100,000.00	281,298,593.56	487,072,595.28	36,828,186.81	15,375,944.18	20,996,794.98	885,591,297.58
Accumulated depreciation								
As at December 31, 2015	-	(3,099,965.00)	(168,100,171.15)	(317,807,964.15)	(25,996,398.01)	(12,113,045.81)	-	(527,117,544.12)
Depreciation for the year	-	-	(5,003,904.73)	(32,649,055.37)	(2,156,663.85)	(3,301,959.00)	-	(43,111,582.95)
Disposal/Write-off	-	-	-	50,120,259.14	632,557.96	3,598,999.00	-	54,351,816.10
Adjustment from impairment reversal	-	-	-	(264,476.84)	-	-	-	(264,476.84)
As at December 31, 2016	-	(3,099,965.00)	(173,104,075.88)	(300,601,237.22)	(27,520,503.90)	(11,816,005.81)	-	(516,141,787.81)
Allowance for impairment loss								
As at December 31, 2015	-	-	(1,748,608.59)	(10,478,701.28)	-	-	-	(12,227,309.87)
Increase/Reversal	-	-	1,748,608.59	264,476.84	-	-	-	2,013,085.43
Disposal	-	-	-	10,214,224.44	-	-	-	10,214,224.44
As at December 31, 2016	-	-	-	-	-	-	-	-
Net book value								
As at December 31, 2015	41,017,581.00	35.00	105,463,203.77	176,110,282.06	5,618,578.00	6,861,898.37	24,195,274.31	359,266,852.51
As at December 31, 2016	40,919,182.77	35.00	108,194,517.68	186,471,358.06	9,307,682.91	3,559,938.37	20,996,794.98	369,449,509.77

	Baht							
	Consolidated Financial Statements							
	Land	Land improvements	Building and construction	Machinery and equipment	Furniture and office equipment	Vehicle	Asset/construction in progress	Total
Incremental amount								
As at December 31, 2015	189,763,969.00	-	-	-	-	-	-	189,763,969.00
Increase	-	-	-	-	-	-	-	-
Disposal	(1,535,351.77)	-	-	-	-	-	-	(1,535,351.77)
As at December 31, 2016	188,228,617.23	-	-	-	-	-	-	188,228,617.23
Revaluation basis asset - net								
As at December 31, 2015	230,781,550.00	35.00	105,463,203.77	176,110,282.06	5,618,578.00	6,861,898.37	24,195,274.31	549,030,821.51
As at December 31, 2016	229,147,800.00	35.00	108,194,517.68	186,471,358.06	9,307,682.91	3,559,938.37	20,996,794.98	557,678,127.00
	Separate Financial Statements							
	Furniture and office equipment							
Cost								
As at December 31, 2015		4,781,606.29						
Acquisition		-						
Disposal/Write-off		(256,157.08)						
As at December 31, 2016		4,525,449.21						
Accumulated depreciation								
As at December 31, 2015		(4,758,007.94)						
Depreciation for the year		(8,332.38)						
Disposal/Write-off		256,141.08						
As at December 31, 2016		(4,510,199.24)						
Net book value								
As at December 31, 2015		23,598.35						
As at December 31, 2016		15,249.97						

On September 21, 2016, Abico Dairy Farm Co., Ltd. mortgaged some machines and land plus construction as collateral against the credit line from the commercial bank (note 18).

In the consolidated financial statements, Abico Dairy Farm Co., Ltd. mortgaged machines and land plus construction with a total mortgaged value of Baht 672.50 million for the both periods as collateral against the credit line from a commercial bank. However, the subsidiary has fully repayment the loans and already redeemed all pledged asset on May 3, 2016.

As at December 31, 2016 and 2015, in the consolidated financial statements, fixed assets at a book value of Baht 257.67 million and Baht 246.38 million, respectively and in the separate financial statements of Baht 4.75 million for both years, were fully depreciated but still in use.

As at December 31, 2016 and 2015, in the consolidated financial statements, vehicles and machines at a book value of Baht 88.15 million and Baht 116.01 million, respectively are under liabilities under financial lease. As at December 31, 2016 and 2015, the Company provided a guarantee for liabilities under financial lease agreements for machines of Abico Dairy Farm Co., Ltd. at a book value of Baht 22.38 million and Baht 25.42 million, respectively.

13. BIOLOGICAL ASSETS - DAIRY COW - NET

Biological assets – dairy cows – net as at December 31, 2016 and 2015, consisted of:

	Baht	
	Consolidated Financial Statements	
Beginning balance	36,511,500.00	33,024,500.00
Increased from born	1,954,400.00	1,913,500.00
Gain from the change of the fair value		
less the estimated point-of-sale costs		
- Resulted from the physical changes	6,326,000.00	6,740,000.00
- Resulted from the price changes	2,814,000.00	481,000.00
Decreased from sales	(7,710,400.00)	(4,936,500.00)
Decreased from death	(1,333,000.00)	(711,000.00)
Ending balance	38,562,500.00	36,511,500.00

The physical amount of biological assets - dairy cows as at December 31, 2016 and 2015 is as follows:

	Unit	
	Consolidated Financial Statements	
Beginning balance	1,036	968
Increased from born	436	422
Decreased from sales	(395)	(333)
Decreased from death	(30)	(21)
Ending balance	1,047	1,036

As at December 31, 2016 and 2015, biological assets were revalued by an independent appraiser on January 25, 2017 and January 20, 2016 which is used as a basis for determining the fair value of biological asset for the year 2016 and 2015. The valuation method is based on market value. The fair value measurement for biological assets have been categorized as level 1 (Level 1 – Quoted (unadjusted) market value in active market for identical assets or liabilities).

14. INTANGIBLE ASSETS - NET

As at December 31, 2016 and 2015, intangible assets - net consisted of:

	Baht		
	Consolidated Financial Statements		
	Leasehold	Program under implementaion	Total
Cost			
As at December 31, 2015	7,765,067.86	-	7,765,067.86
Acquisition	5,413,207.00	4,816,936.19	10,230,143.19
As at December 31, 2016	13,178,274.86	4,816,936.19	17,995,211.05
Accumulated amortization			
As at December 31, 2015	(64,708.90)	-	(64,708.90)
Amortization for the year	(745,830.35)	(73,641.34)	(819,471.69)
As at December 31, 2016	(810,539.25)	(73,641.34)	(884,180.59)
Net book value			
As at December 31, 2015	7,700,358.96	-	7,700,358.96
As at December 31, 2016	12,367,735.61	4,743,294.85	17,111,030.46

15. SHORT-TERM LOANS

15.1 BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2016 and 2015, bank overdrafts and short-term loans from financial institutions consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Bank overdrafts	-	3,321.68	-	-
Discounted bills of exchange	50,000,000.00	120,000,000.00	-	80,000,000.00
Total	50,000,000.00	120,003,321.68	-	80,000,000.00

As at December 31, 2016, discounted bills of exchange of the Group has interest at the rate of 5.15% p.a. (as at December 31, 2015, the Group and the Company has interest at the rate of 5.75% - 6.50% p.a.), which is unsecured.

15.2 SHORT-TERM LOAN FROM OTHER PARTIES

As at December 31, 2015, the Group has interest at the rate of 7.20% - 7.25% p.a. and the Company has interest at the rate of 7.25% p.a., which is unsecured.

16. TRADE AND OTHER PAYABLES

As at December 31, 2016 and 2015, trade and other payables consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Trade payables - Domestic	14,293,963.28	12,876,700.01	-	-
Trade payables				
- related companies	875,102.50	2,506,294.22	-	-
Trade payables - Oversea	1,872,373.09	3,132,553.91	-	-
Total trade payables	17,041,438.87	18,515,548.14	-	-
Other payables	15,212,507.52	8,904,703.79	-	-
Other payables				
- related companies	-	1,051,724.92	-	7,831.31
Accrued expenses	12,407,451.18	14,851,048.02	796,863.25	567,448.60
Others	4,019,684.69	4,466,881.02	16,020.07	32,380.50
Total other payables	31,639,643.39	29,274,357.75	812,883.32	607,660.41
Total trade and other payables	48,681,082.26	47,789,905.89	812,883.32	607,660.41

17. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, 2016 and 2015, consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Liabilities under financial lease	80,315,399.36	109,161,714.05	-	-
<u>Less</u> Current portion	(29,973,425.81)	(34,232,991.69)	-	-
Liabilities under financial lease	50,341,973.55	74,928,722.36	-	-

As at December 31, 2016 and 2015, a subsidiary had outstanding long-term lease agreements with certain companies for machines (Note 26.2.1) vehicles with certain companies. Agreement terms are 3 - 7 years. These are payable monthly in the amounts of Baht 3.00 million and Baht 3.39 million, respectively. The current portions of Baht 29.97 million and of Baht 34.23 million, respectively, were presented under current liabilities.

As at December 31, 2016 and 2015, the Company provided guarantees for Abico Dairy Farm Co., Ltd., under long-term lease agreements for the machines, in the amounts of Baht 5.40 million and of Baht 12.72 million, respectively.

As at December 31, 2016, the subsidiaries have committed to pay the lease under the financial lease agreements as follows:

Year	Baht
	Consolidated Financial Statements
1	29,973,425.81
2 - 3	36,156,976.72
4 - 7	14,184,996.83
	80,315,399.36

18. LONG-TERM LOAN - NET

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Long-term loan	236,846,174.92	-	80,000,000.00	-
<u>Less</u> Current portion	(52,560,501.14)	-	(17,280,849.71)	-
Long-term loan - net	184,285,673.78	-	62,719,150.29	-

On November 29, 2016, The Company had entered into a long-term financial support agreement with a local financial institution in the amount of Baht 80 million. The interest rate is as follow

- Year 1-2 Interest rate at 4.25% p.a.
- Up to Year 3 Interest rate at MLR – 2.90 p.a. until final repayment

The Company agreed to make 60 monthly repayments as follow

- 1st – 59th Both principal and interest are repayable (first repayment in December 2016)
- 60th Final repayment

The Company have been pledged share in associate totaling 1,000,000 shares as collateral of this loan.

On September 21, 2016, Abico Dairy Farm Co., Ltd. had entered into a long-term financial support agreement with a local financial institution in the amount of Baht 222.20 million. The interest is at the rate MLR–2.65% p.a. The subsidiary agreed to make 60 monthly repayments as follow

- 1st – 6th Only accrued interest is repayable
- 7th – 59th Both principal and interest are repayable (first repayment in April 2017)
- 60th Final repayment

This loan is guaranteed by the Company and secured by the mortgage of the subsidiary's land plus construction and machines.

19. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the present value of employee benefit obligations and expenses recognized in statement of profit or loss and other comprehensive income for the year ended December 31, 2016 and 2015 are as follows:

	Baht	
	Consolidated Financial Statements	
	2016	2015
Employee benefit obligations as at beginning,	11,811,495.47	11,634,549.24
Employee benefit expenses in the statement of profit or loss and other comprehensive income:		
Service cost	882,868.95	847,148.54
Interest on obligation	588,489.52	526,634.69
Employee benefit paid for the year	(60,057.75)	(184,030.00)
Actuarial (gain) loss on defined employee benefit plans recognized in other comprehensive income	-	(1,012,807.00)
Employee benefit obligations as at ending,	13,222,796.19	11,811,495.47

Expenses recognized in the income statement for the year ended December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Current service costs	882,868.95	847,148.54	-	-
Interest cost	588,489.52	526,634.69	-	-
Total	1,471,358.47	1,373,783.23	-	-

The Group has defined a benefits plan in accordance with severance payment requirements under the labour law for retired employees who have service periods as specified in the law.

The actuarial assumption of discount rate is estimated from weighted average of the yield rate of government bonds as at the end of the year 2013.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from the mortality table for the year 2008 as provided by the Office of Insurance Commission.

The actuarial assumption of future salary increases is estimated from historical statistics.

The actuarial assumption of the turnover rate is estimated from historical data based on the ages of the employees of the Group.

20. DEFERRED TAX ASSETS (LIABILITIES) / TAX EXPENSE (TAX INCOME)

Tax expense for the year ended December 31, 2016 and 2015, consisted of:

	Baht			
	Consolidated Financial		Separate Financial Statements	
	2016	2015	2016	2015
Current tax expense	856,898.00	2,164,115.11	-	-
Deferred tax expenses (income) of temporary differences	106,752.73	2,134,452.33	-	-
Tax expense reported in comprehensive income statement	963,650.73	4,298,567.44	-	-

Income tax relating to each component of other comprehensive income for year ended December 31, 2016 and 2015, consisted of :

	Baht			
	Consolidated Financial		Separate Financial Statements	
	2016	2015	2016	2015
Deferred tax expenses (income) relating to:				
Change on available-for-sale investment	-	(890,500.00)	-	-
Land's revaluation surplus of subsidiary	-	25,460,013.00	-	-
Actuarial (gain)loss on defined employee benefit plans	-	202,561.40	-	-
Sales of the subsidiary's revaluation assets	(307,070.35)	-	-	-
Deferred tax expenses (income) reported in other comprehensive income	(307,070.35)	24,772,074.40	-	-

Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2016 and 2015, as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Accounting profit (loss) before tax	201,390,002.42	150,286,167.63	45,734,655.79	35,811,158.17
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	40,278,000.48	30,057,233.53	9,146,931.16	7,162,231.63
Tax effect of :				
- Tax exempted revenue	(13,022,590.00)	(10,496,477.96)	(10,803,710.00)	(7,921,270.80)
- Tax loss carried forward	-	(472,991.29)	-	-
- Non - deductible expenses	2,144,183.68	1,687,192.01	9,263.33	65,262.75
- Added deductible expenses	(1,635,874.73)	(215,875.41)	-	-
- Effect from deferred tax adjustment	(277,338.35)	-	-	-
- Share of profit of associate	(28,170,245.86)	(16,954,289.86)	-	-
- Current year losses which no deferred tax assets was recognised	1,647,515.51	693,776.42	1,647,515.51	693,776.42
Tax expense reported in comprehensive income statement	963,650.73	4,298,567.44	-	-

The components of deferred tax assets and liabilities as at December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated Financial		Separate Financial Statements	
	2016	2015	2016	2015
Deferred tax assets				
Depreciation	16,810.25	11,783.07	-	-
Accrued rental fee	193,176.65	10,592.40	-	-
Employee benefit obligation	2,644,559.24	2,362,299.09	-	-
Unused tax benefits on loss carry forward	3,544,523.45	1,728,668.34	1,200,000.00	1,200,000.00
Total	6,399,069.59	4,113,342.90	1,200,000.00	1,200,000.00
Deferred tax liabilities				
Impairment loss on assets	-	342,922.74	-	-
Depreciation	11,082,706.82	8,347,304.66	-	-
Revaluation surplus	37,645,723.45	37,952,793.80	-	-
Total	48,728,430.27	46,643,021.20	-	-

21. SHARE CAPITAL

At the Annual General Meeting of Shareholders for the year 2016 of the Company held on April 22, 2016, the shareholders had approved the increase of registered capital of the Company under a General Mandate from Baht 235 million (235 million ordinary shares at Baht 1 per each) to Baht 376 million registered capital (376 million ordinary shares at Baht 1 per each) by allotment shares of 141 million with a par value of Baht 1 per share.

The company has registered the capital change with the Ministry of Commerce on April 28, 2016.

22. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as a legal reserve of at least 5% of net income for the year until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

23. DIVIDENDS

The Annual Meeting of Shareholders for the year 2016, held on April 22, 2016, passed a resolution approving the dividend payment, based on the operation results of the year 2015, of Baht 0.05 per share totaling of Baht 11.75 million.

The Annual Meeting of Shareholders for the year 2015, held on April 24, 2015, passed a resolution approving the dividend payment, based on the operation results of the year 2014, of Baht 0.05 per share totaling of Baht 11.74 million.

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2016 and 2015 were as follows:

	Baht			
	Consolidated Financial		Separate Financial Statements	
	2016	2015	2016	2015
Changes in inventory balance	8,507,259.11	(2,920,635.84)	-	-
Raw material consumption	216,533,162.37	221,132,615.49	-	-
Employee expenses	89,324,329.13	106,732,319.99	2,270,000.00	1,830,000.00
Depreciation and Amortization	44,009,455.10	46,743,472.48	8,332.38	5,316.85
Rental and utility expenses	41,251,446.30	41,717,502.77	84,677.10	83,131.12
Special severance paid for termination	-	5,209,985.00	-	-

During the 2nd quarter of the year 2015, the subsidiary discontinued certain production lines due to low customer demand. As a result, some employees were terminated. The subsidiary has to pay Baht 5.21 million to terminated employees and recognize actuarial gain of Baht 1.01 million in other comprehensive income (Note 19).

25. SEGMENTATION INFORMATION

Segment information is presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, other income, selling expenses, administrative expenses and finance costs.

The Group's business segment information and reconciliation of reportable segment profit or loss for the year ended December 31, 2016 and 2015 were as follows:

Baht							
Consolidated Financial Statements							
For the year ended December 31, 2016							
	Investment	Producer and Distributor of Ready to drink drinks and fruit	Office for rent	Agriculture And dairy farm	Total	Eliminate	Total
Revenues from sales and services	-	423,331,971.97	-	41,413,262.25	464,745,234.22	-	464,745,234.22
Revenues from building rental and service	-	-	17,659,756.72	-	17,659,756.72	(5,164,946.72)	12,494,810.00
Total Revenues	-	423,331,971.97	17,659,756.72	41,413,262.25	482,404,990.94	(5,164,946.72)	477,240,044.22
Gross profit (loss)	-	54,677,516.77	8,915,824.90	(448,127.15)	63,145,214.52	(4,324,946.72)	58,820,267.80
Other income							30,218,997.31
Administrative expenses							(42,293,418.41)
Management compensation							(15,002,219.00)
Loss from sales of biological asset - dairy							(3,905,825.00)
Finance costs							(21,317,579.58)
Share of profit (loss) of associate							140,851,229.30
Tax expense							(963,650.73)
Profit for the year							146,407,801.69
Fixed assets	15,249.97	550,583,965.96	2,255.58	7,076,655.49	557,678,127.00	-	557,678,127.00

Baht							
Consolidated Financial Statements							
For the year ended December 31, 2015							
	Investment	Producer and Distributor of Ready to drink drinks and fruit	Office for rent	Agriculture And dairy farm	Total	Eliminate	Total
Revenues from sales and services	-	454,446,968.38	-	39,380,388.90	493,827,357.28	-	493,827,357.28
Revenues from building rental and service	-	-	19,083,958.37	-	19,083,958.37	(5,257,418.37)	13,826,540.00
Total Revenues	-	454,446,968.38	19,083,958.37	39,380,388.90	512,911,315.65	(5,257,418.37)	507,653,897.28
Gross profit (loss)	-	65,191,967.09	8,952,920.28	(2,610,478.50)	71,534,408.87	(4,330,741.94)	67,203,666.93
Other income							36,547,677.37
Administrative expenses							(35,855,025.30)
Management compensation							(11,426,651.00)
Loss from sales of biological asset - dairy							(1,738,810.00)
Special severance paid for termination of employment							(5,209,985.00)
Finance costs							(24,762,473.86)
Share of profit (loss) of associate							84,771,449.29
Tax expense							(4,298,567.44)
Profit for the year							105,231,280.99
Fixed assets	23,598.35	545,287,973.70	9,470.14	3,709,779.32	549,030,821.51	-	549,030,821.51

26. CONTRACTS

26.1 Abico Land Co., Ltd. (a subsidiary company) obligated under contract as follows:

On December 1, 2015, the subsidiary company extends the land lease contract for a plot of land where the Company's buildings and constructions are situated for a lease period of 10 years (contract ends on November 30, 2025) with monthly rent of Baht 0.47 million. The subsidiary also agreed to pay for the leasehold right of Baht 7.60 million. Then, on October 7, 2016, the subsidiary has extended the lease again for 10 more years (contract ends on November 30, 2035) with monthly rent of Baht 0.65 million and pay additional for the leasehold right of Baht 4.50 million.

26.2 Abico Dairy Farm Co., Ltd. (a subsidiary company) is obligated under contract as follows:

1. The subsidiary company has entered into a machinery rental agreement with another company. The subsidiary company will receive a commission from using the packing material of the company in order to supply packing services for the subsidiary company's customers. According to the terms of the agreement, the commission amounts have been calculated based on the percentage of the packing material used as defined in the agreement.
2. The subsidiary company has entered into two office rental and office service agreements with a related company. The first agreement is dated April 1, 2014 and the duration of the office rental and service agreement is 3 years commencing from April 1, 2014 to March 31, 2017, with a rental fee of Baht 0.22 million per annum and a service fee of Baht 0.43 million per annum. The second agreement is dated April 1, 2014 with the term of 3 years commencing from April 1, 2014 to March 31, 2017, with a rental fee of Baht 1.26 million per annum and a service fee of Baht 2.52 million per annum.
3. The subsidiary company has revised the rental contracts to rent a parcel of land and a tractor to PPO Farm Co., Ltd. according to the following details:

	Period	Rate) Baht(
Rental contract for a parcel of land	1 July 30 – 2016 June 2017	50,000
Rental contract for tractor car	1 July 30 – 2016 June 2017	20,000

4. The subsidiary company entered into a rental contract with a company to rent 5 forklifts. which has duration of 5 years commencing from April 1, 2012 to March 31, 2017, and a rental fee of Baht 17,000 per month.

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016, Abico Dairy Farm Co., Ltd. (a subsidiary company) has contingent liabilities in form of a bank guarantee for the Provincial Electricity Authority of Baht 3.84 million under long-term financial support agreement (Note 18).

As at December 31, 2015, Abico Dairy Farm Co., Ltd. (a subsidiary company) has contingent liabilities in form of a bank guarantee for the Provincial Electricity Authority of Baht 3.84 million and it guaranteed by fixed deposit.

28. DISCLOSURES OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have no policy to undertake any financial derivatives for the purpose of speculation or trading.

The Company and subsidiaries are exposed to the risks of the fluctuation in the interest rates, foreign exchange rates and the credit risks as follows:

Risk from Interest

The Company and subsidiaries have interest rate risk because of loans obtained from commercial banks and financial institutions, defaulted liabilities according to the debt restructuring agreement, debts according to the rehabilitation plan, long-term loans and long-term loans due to related companies where the majority bear the floating interest rates. The Company and subsidiaries are therefore subjected to risk in relation to interest rates which may fluctuate with future market rates in that they may affect the operating results and cash flows of the Company and subsidiaries.

Risk from Exchange Rates

The Company and subsidiaries have no business transactions in foreign currencies. As such, is no such risk arises from exchange rate fluctuation.

As at December 31, 2016 and 2015, the Company had foreign exchange rate risk of financial liabilities denominated in foreign currencies as follows:

	Currency	Million Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2016	2015	2016	2015
Trade and other payables	US Dollar	1.87	3.13	-	-

Risk from Credit Provision

The Company is exposed to risk on credit provision relating to trade receivable, loans due from subsidiary company and related company.

Abico Dairy Farm Co., Ltd. (a subsidiary), relies solely on a few customers, which is the Company's risk which the Company is under the process to seek few customers in order to mitigate risk of dependency on limited customer to the Company's operation.

Fair Values

The financial assets and liabilities possess book values which are comparable to market values as these financial instruments will be due in the short-term and the long-term loans bear interest rates comparable to market circumstances. As a result, these financial assets and liabilities reflect their fair values.

29. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2016, the Group and the Company's debt-to-equity ratio were 0.63 :1 and 0.21:1 respectively (December 31, 2015: 0.76 :1 and 0.37:1 respectively).

30. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current period's classifications, with no effect on the net profit (loss) or shareholders' equity as previously reported. The significant reclassifications are as follows:

	Baht		
	Consolidated Financial Statements		
	As previously reported	Reclassification	After Reclassification
Statements of financial position			
as at December 31, 2015			
Bank overdrafts and short-term loan			
from financial institutions	255,003,321.68	(135,000,000.00)	120,003,321.68
Short-term loan from other parties	-	135,000,000.00	135,000,000.00
Statements of income for the			
year ended December 31, 2015			
Commission income	(18,500,856.84)	3,624,042.15	(14,876,814.69)
Cost of sales and services	443,278,194.60	(2,827,964.25)	440,450,230.35
Administrative expenses	38,481,103.20	(2,626,077.90)	35,855,025.30
Management compensation	9,596,651.00	1,830,000.00	11,426,651.00
	Baht		
	Separate Financial Statements		
	As previously reported	Reclassification	After Reclassification
Statements of financial position			
as at December 31, 2015			
Bank overdrafts and short-term loan			
from financial institutions	130,000,000.00	(50,000,000.00)	80,000,000.00
Short-term loan from other parties	-	50,000,000.00	50,000,000.00
Statements of income for the			
year ended December 31, 2015			
Administrative expenses	4,010,492.09	(1,830,000.00)	2,180,492.09
Management compensation	-	1,830,000.00	1,830,000.00

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 23, 2017.