



Malee®

Fruit with care.

รายงานประจำปี 2555

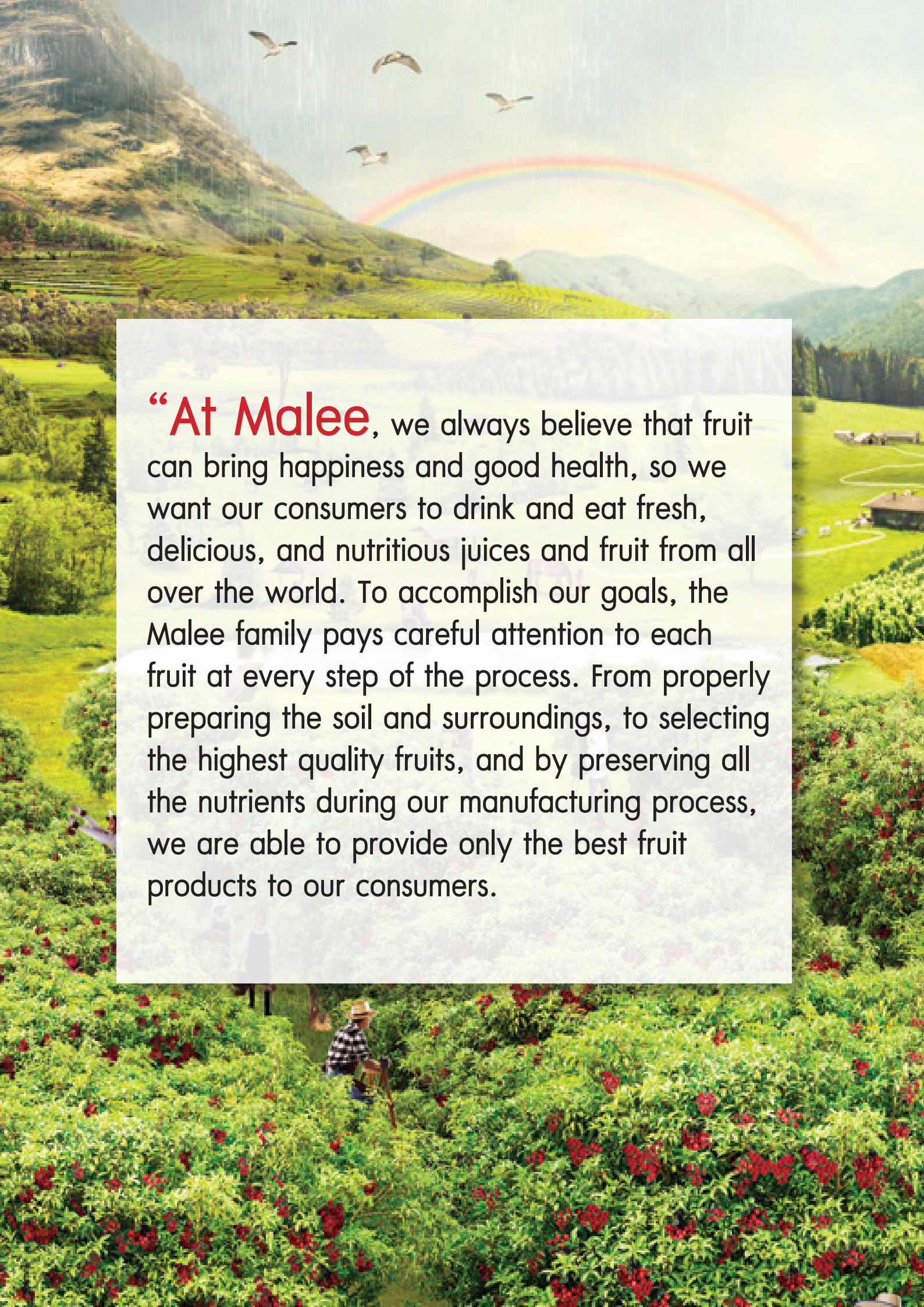
ANNUAL REPORT 2012






CONTENTS

10	Financial Summary
12	Revenue Structure
14	Message from the Chairman
16	General Information/Other reference
18	Organization Chart
19	Nature of Business
22	Industry Review and Trend in 2013
26	Shareholding Structure and Management
33	Good Corporate Governance
36	Corporate Social Responsibility
39	Internal Control System
40	Related Transactions
44	Board of Directors
47	Management Discussion and Analysis
49	Risk Factors
50	Audit Committee Report
51	Quality System and Awards
53	Financial Statements



“At Malee, we always believe that fruit can bring happiness and good health, so we want our consumers to drink and eat fresh, delicious, and nutritious juices and fruit from all over the world. To accomplish our goals, the Malee family pays careful attention to each fruit at every step of the process. From properly preparing the soil and surroundings, to selecting the highest quality fruits, and by preserving all the nutrients during our manufacturing process, we are able to provide only the best fruit products to our consumers.



This year, we have re-branded ourselves from
“Malee. The Fruit Expert.” to

“Malee. Fruit with care.”

We want to encourage our consumers to
take care of their health and their loved ones
through Malee products that have been cared
for at every step of the process.”



SEEDING

We know which varieties of fruit offer the most benefits to our customers.

Malee believes that every piece of fruit has the responsibility of ensuring good health, which is important for all our customers. We delicately select only the best from each variety of fruit so that our customers get the most benefits out of our products.



SOURCING

We know where fruits like to grow.

We pay careful attention in choosing the best environment and appropriate season to cultivate our fruits, as each type of fruit grows well in different environments – hot, humid, or cold.



SELECTING

We know which fruits to select and harvest in order to deliver the best benefits.

Malee's experience has been passed down from generation to generation through more than 20,000 of our Malee family members. Each and every Malee farmer cares for our fruits with great attention and delicacy. By caring for the soil to create a strong growing environment, we are able to select and harvest the best, most delicious fruits in order to preserve their nutrients and deliver them to our customers.



ENTRUSTING

The Malee family has formed over the years not by coincidence, but through our common beliefs.

Over 5,000 families of farmers have joined together with Malee through a shared passion and love for fruits. We dedicate ourselves to nurturing every fruit. Through our care, we ensure that each fruit's benefits are translated into products that take care of our consumers' health.

FINANCIAL SUMMARY

		2012	2011	2010	2009
TOTAL REVENUE	Million Baht	6,283	3,726	2,889	3,146
SALES REVENUE	Million Baht	6,157	3,650	2,824	3,083
GROSS PROFIT	Million Baht	1,655	1,069	800	735
NET EARNINGS	Million Baht	646	228	106	131
EARNINGS PER SHARE	Baht	9.2	3.3	1.5	1.9
BOOK VALUE PER SHARE	Baht	15.3	7.8	5.6	4.7
TOTAL ASSETS	Million Baht	2,700	2,264	2,197	2,152
TOTAL LIABILITIES	Million Baht	1,630	1,717	1,806	1,825
SHAREHOLDERS' EQUITY	Million Baht	1,070	547	392	327

SIGNIFICANT FINANCIAL RATIO

LIQUIDITY RATIO		2012	2011	2010	2009
CURRENT RATIO	Time	1.0	0.8	0.6	0.5
QUICK RATIO	Time	0.5	0.4	0.3	0.3
CASHFLOW FROM OPERATION RATIO	Time	0.3	0.2	0.1	0.1
A/R TURNOVER RATIO	Time	9.7	6.8	6.5	7.3
AVERAGE COLLECTION PERIOD	Days	37.8	53.9	56.1	50.2
INVENTORY TURNOVER RATIO	Time	7.6	5.3	4.6	5.2
AVERAGE AGE OF INVENTORY	Days	47.9	68.7	78.8	69.9
A/P TURNOVER RATIO	Time	4.0	2.2	1.9	2.0
AVERAGE PAYMENT PERIOD	Days	92.0	162.4	196.6	180.1
CASH CYCLE	Days	(6.3)	(39.7)	(61.8)	(60.0)

PROFITABILITY RATIO		2012	2011	2010	2009
GROSS PROFIT RATIO	%	26.9	29.3	28.3	23.8
NET PROFIT RATIO	%	10.3	6.1	3.7	4.2
RETURN ON EQUITY RATIO	%	79.9	48.5	29.6	312.7

EFFICIENCY RATIO		2012	2011	2010	2009
RETURN ON ASSETS RATIO	%	31.8	11.7	6.4	4.5
RETURN ON FIXED ASSETS RATIO	%	58.7	20.7	8.9	12.6
ASSETS TURNOVER RATIO	Time	2.5	1.7	1.3	1.5

FINANCIAL POLICY RATIO		2012	2011	2010	2009
DEBT TO EQUITY RATIO	Time	1.5	3.1	4.6	5.6
INTEREST COVERAGE RATIO	Time	28.0	8.8	2.7	5.5
DIVIDEND PAYOUT RATIO	%	32.5	0.0	0.0	0.0

Revenue Structure

	2012		2011		2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic	5,263	85.47%	2,899	79.43%	2,249	79.66%
Export	895	14.53%	751	20.57%	574	20.34%
Total Sales	6,157	100.00%	3,650	100.00%	2,824	100.00%

Malee®

Fruit with care.



“ผลไม้ที่คุณได้ ก็ต้องถูกดูแลมาอย่างดี”

คัดพันธุ์ เลือกลงแปลง คัดผล เลือกรับ

ใส่ใจทุกขั้นตอน โดยครอบครัวมาลี

MESSAGE FROM THE CHAIRMAN

At the end of 2011, widespread flooding took place in several areas of Thailand and impacted the nation through 2012. The Thai government, private sectors, and the Thai people were poised to recover, as the political situation in the Kingdom remained stable. The restoration and rehabilitation of our nation have been contributing factors to the rise of the Thai economy. However, Thailand still faces uncertainties of the global economy.

Four years ago, Malee Sampran PLC also experienced difficulties in our operations. We continuously struggled to solve problems and better improve ourselves by adjusting the attitudes of our people, developing new business structure, improving internal processes and databases, reducing costs and expenditures, as well as paying more attention to quality control and environmental concerns. Our management team and our staff worked together to make these adjustments, and the overall performance of our company has improved tremendously. This year our performance is the best in the company's 34-year history. Our sales reached 6.157 billion baht or 169% growth from the previous year with the net operating profit of 646 million baht or 283% growth from the year 2011. The company has also increased market share of premium UHT fruit juice from 20% to 24%. Our success has been a direct result of the unity and cooperation from all relevant departments, including customers, business alliances, communities, and societies. Despite facing several obstacles and difficulties, it has been our responsiveness, perseverance, flexibility, and unity that got us through those hard and effort-demanding moments.

This year, Malee will continue to constantly improve our work process and adapt our policies in order to meet the changing market trends and grow sustainably. With a strong foundation, Malee will be able to focus on the market and grow aggressively to maximize benefits to shareholders, business alliances, and employees through our strong values and ethics, our responsibility for the environments, and our dedication to the Thai community.

Finally, both the management and staff of Malee Sampran (Public) Company Limited promise to work with synergy and move forward with strength and stability. In addition, we would like to express our sincerest gratitude to all of our shareholders, business alliances, financial institutions, related government organizations, directors of the Board, as well as company employees who have contributed to this year's achievements. All of our efforts and contribution will lead to the future success of the company and will, in return, lead to greater share profits and benefits.



A handwritten signature in black ink, appearing to read 'Chatchai Boonyarat'.

CHATCHAI BOONYARAT
CHAIRMAN
MALEE SAMPRAN PUBLIC COMPANY LIMITED

GENERAL INFORMATION

Malee Sampran Public Company Limited. Registration number 0107535000079

Abico Building, 401/1 Phaholyothin Road, Lumlookka, Pathumthani 12130, Thailand

Tel. 0-662 992 5800 to 15, **Fax.** 0-662 992 5799, 0-662 992 5818-9 (export sales)

Website: <http://www.malee.co.th>

Contact Person: Naharuthai Chuachalad Tel: 0-662 992 5800 Ext. 4010, **E-mail:** naharuthai_chu@malee.co.th

The manufacturer and distributor of Canned Fruits, Canned Sweet Corn, Canned Pineapple, Pineapple Juice Concentrate, UHT Fruit Juices and Beverages.

Ordinary Share allotment 70,000,000 share of Baht 2 par value

Malee Enterprise Company Limited. Registration number 1105535109621

Abico Building, 401/1 Phaholyothin Road, Lumlookka, Pathumthani 12130, Thailand.

Tel. 0-662 992 5821 to 32, **Fax.** 0-662 992 5833 (central office), 0-662 992 5834 to 5 (sales)

Website: <http://www.malee.co.th>

The distributor of Canned Fruits, UHT Fruit Juices and Pasteurized Fruit Juice, UHT and Pasteurized Milk, and Beverages.

Share allotment 10,000,000 ordinary shares of Baht 10 par value.

Number of shares held by the Company 9,998,800 shares (99.99%)

Agri Sol Limited, Registration number 0135551007374

Abico Building, 401/1 Abico Building, Phaholyothin Road, Lumlookka, Pathumthani 12130, Thailand

Tel: 0-662 992 5800 to 14, **Fax:** 0-662 992 5819 <http://www.malee.co.th>

Factory and branch office No.: 110 Moo 9, Tambol Bangpaeng, Amphoe Banpaeng, Nakornphanom 48140, Thailand Tel. 0-662 551 9088, 0-6642 551 128, Fax. 0-662 551 9087#11

Operating in Agro-Industrial business with care of environment, the manufacturer and distributor of Canned Sweet Corn.

Share allotment 14,500,000 ordinary shares of Baht 10 par value.

Number of shares held by Malee Sampran Public Company Limited 14,499,994 shares (99.99%)

Malee Supply Company Limited.

Abico Building, 3th Floor, 401/1 Phaholyothin Road, Lumlookka, Pathumthani 12130, Thailand.

Share allotment 175,000 ordinary shares of Baht 10 par value. Number of shares held by the company 170,800 shares held by the Company 170,800 shares (97%)

Dormant.

Icon Foods, LLC.

8070 La Jolla Shores Drive # 465

La Jolla, CA 92037

Tel. 1 858 456 3929, **Fax.** 1 858 777 3447

Importer of Canned pineapple

Paid up capital USD 50,500. Number of shares held by the Company 99%

Dormant.

Other Reference**Securities Registrar**

Thailand Securities Depository Co.,Ltd.

4th Floor, The Stock Exchange of Thailand Bldg.

62 Rajadapisek Road, Klongteoy Bangkok 10110

Tel: 0-2229-2800, 0-2654-5999

Auditor

Mrs. Kesree Narongdej, Certified Public Accountant No. 76

Mrs. Natsarak Sarochanunjeen, Certified Public Accountant No. 4563

Mr. Sumit Khopaiboon, Certified Public Account No. 4885

A.M.T. & Associates.

491/27 Silom Plaza, Silom Road, Bangruak, Bangkok 10500

Tel: 0-2234-1676

Legal

Bunchong and Vidhya Law Office Limited

33/35, 33/39-40 Wall Street Tower Bldg., Fl. 9

Surawong Rd., Kwaeng Suriyawong, Khet Bangrak, Bangkok 10500

Tel: +66(2)-236-2334 or +66(2)-233-1666 Ext. 3910-1

Fax: +66(2)-236-3916

Email address: bcvidhya@bcvidhya.com

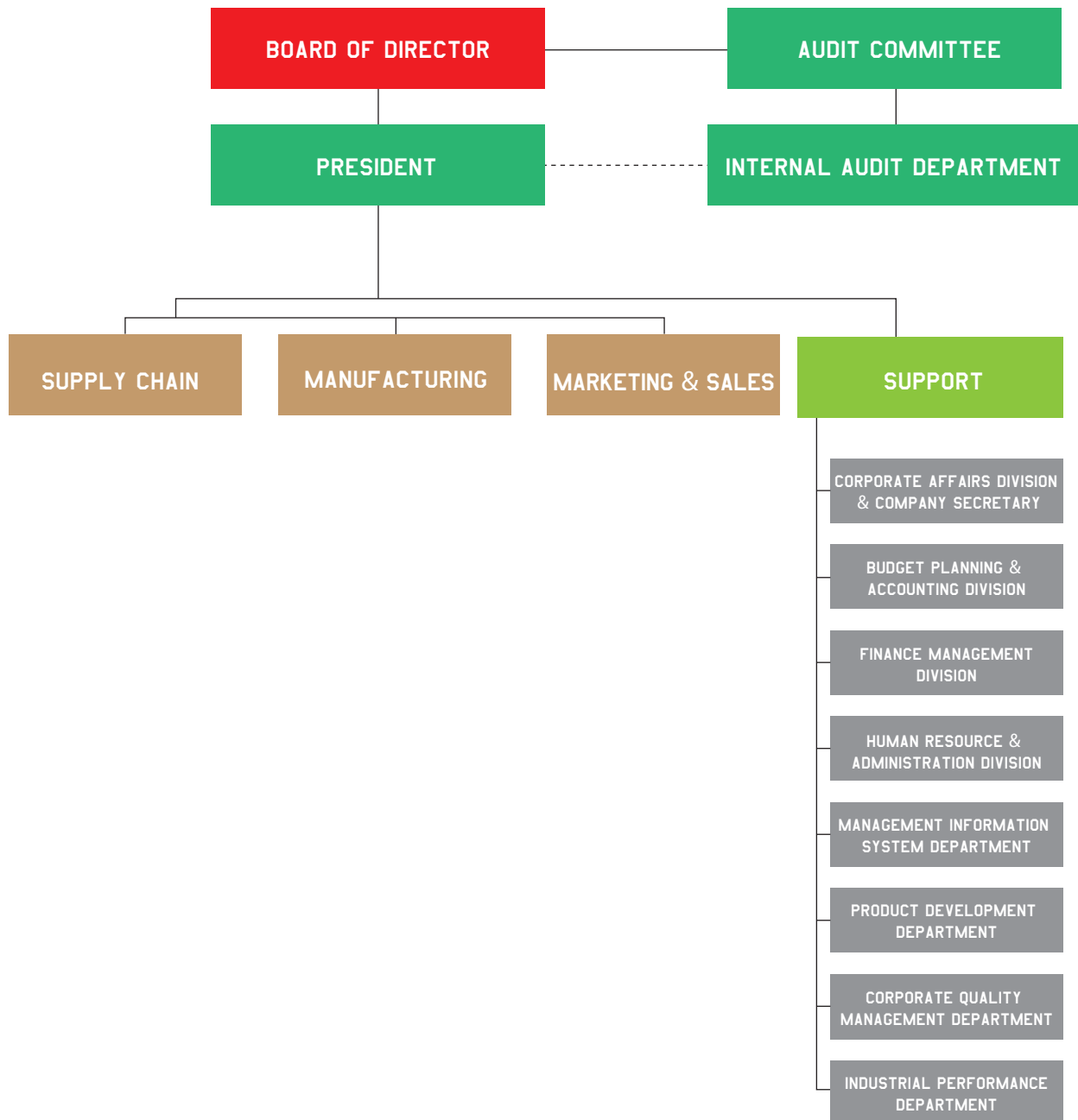
Contact Person

Miss Naharuthai Chuachalad

Tel: 0-662 992 5800 ext. 4010

E-mail: naharuthai_chu@malee.co.th

ORGANIZATION CHART 2012



NATURE OF BUSINESS

Malee Sampran PCL manufactures and distributes products within both domestic and abroad market. The core business is divided into

- >> Processed fruits business: canned sweet corn, canned pineapple, pineapple juice concentrate, canned tropical fruit cocktail, canned seasonal fruits (rambutan, lychee, longan, chestnut, toddy palm, mango, etc.). Canned fruit packed in can branded under “Malee”, “First Choice”, “Farmer” and “Malee Food Service” trademarks.
- >> Beverages business: UHT and pasteurized fruit and vegetable juice, under “Malee”, “Malee Veggies”, “Malee Juize Mix”, “Malee Food Service”, and “Malee Coco” trademarks. Tea, coffee, and drinking water are packed in the format of can, UHT, and plastic bottle (PET) under “Malee” and clients’ trademarks. UHT and pasteurized milk under “Chokchai Farm” trademark and UHT corn milk under “Malee I-Corn” trademark.

Malee Sampran Public Company Limited and Agri Sol Limited has been developing contract farming, seeding knowledge, and support in agricultural practices in order to ensure sufficient amount and quality of raw material supplies to meet the demand of customers as well as the controlled quality according to the standards of GMP, HACCP, BRC, IFS, HALAN Q-MARK of The Federation of Thai Industries and SR-MARK of Ministry of Commerce.

Malee Enterprise Company Limited, the subsidiary, is responsible for domestic marketing and distribution of all products, by the company’s own sales team and through appointed distributors nationwide.

Main products distributed by Malee Enterprise Company Limited are :

1. Canned fruits under “Malee”, “First Choice”, “Farmer”, and “Malee Food Service” brands.
2. UHT and pasteurized fruit and vegetable juice under “Malee”, “Malee Veggies”, “Malee Juize Mix”, and “Malee Food Service” brand
3. UHT Corn Milk Drink under “Malee I-Corn” Brand
4. UHT and pasteurized milk under “Chokchai Farm” Brand
5. PET Coconut water under “Malee Coco” brand
6. PET Drinking water under “Malee” brand



With effective marketing plan and continual product development of Malee Enterprise Company Limited, Malee brand has firmly positioned itself in consumer's mind for over three decades. Malee is known as the market leader of premium quality canned fruit in Thailand and has increased both sales and market share of fruit juice to 9%. We are well-known for the best selection of quality products for our consumers. As a result, we received 2005 Superbrands Awards from Superbrands UK institution and 2003-2012 Trusted Brand Awards (Gold) in the category of packet drink from Reader's Digest for 10 consecutive years.

Over 30 years, **Malee Sampran PCL** has committed to innovate, modernize, and constantly develop production processes and technology to match those of developed countries'. We also focus on developing company standards such as quality of product, quality of processing, and quality of packaging to meet the international standards. The main development is to consider the importance in the health and safety of our consumers. We have received standard certifications which are widely accepted by domestic and international organizations in many countries, such as HACCP, GMP, Kosher, Q Mark, IFS etc.

Summary of major changes in the past year

In 2012, company has set up more aggressive marketing plans focusing more on beverage products and domestic market to improve and modernize Malee brand image. The company also emphasized on new product development in order to penetrate to consumers of all ages and to expand the market and distribution channels. This is the summary of some major activities that occurred in the past year.

- >> **Fruit Juice UHT Malee** still gives importance to product quality by paying attention in every step of the process in order to ensure that our products are the best vehicles in delivering good health to our consumers. The new packaging of Fruit Juice 100% UHT Malee Brand and Fruit Juice 40% UHT Malee Juice Mix Brand were introduced to highlight the brand renovation and to expand its customer base to younger customers of working ages.
- >> Malee always gives priority to every step of production processes ranging from fruit selection to manufacturing and packaging so that customers will continue to trust the taste and the quality of each Malee product. This year, Malee launched a new campaign "Why care?" with the slogan "Fruit with Care", conveying the message to the customers that Malee is the product that cares most about them. This campaign encouraged the customers to take care of their health as well as those of their family or friends by giving caring messages to show love and care.
- >> "Why Care? Campaign was a new paradigm marketing strategy based on the concept of "Co-Creation Marketing" which collaborated with consumers in bringing innovation and unique values. This campaign challenged people to think about the simple words which most of us take for granted and create installation arts based on the five love-caring phrases around the main cities such as Bangkok, Chiang Mai, Khon Khaen, Chonburi and Surat Thani. Malee also collaborated with Spicy Disc compiling the five love-caring phrases into music by prominent artists such as Friday, "Don't think too much" from Thee Chaiyadej, "Drive carefully" by Mild, "Have you eaten?" by La Ong-Fong, and "Don't sleep

late” by Pun Paiboonkiat Kiaokaew. Malee invited Thai people to send the love and care in the form of music, phrases, music video via radio, TV, Facebook, Twitter and/or Instagram. This will turn the once dull installation art into a blossom, lively installation art admired by everyone.”

- >> **100% UHT Fruit Juice under Malee Brand** launched new product “Ocean orange juice 100%” , “ Valencia orange juice 100%” to strengthen the growth of Malee orange juice portfolio. These two flavors got high acceptable taste and good feedback from consumers.
- >> **70% PET Coconut Water under Malee Coco Brand** — New innovative product. Malee Coco is the first natural sports drink made from coconut water, formulated to support consumers' active lifestyle. Optimum isotonic balance allows Coco to boost absorption of 5 essential minerals for rapid rehydration and keeps the performance at the best. The company started to sell Malee Coco since May 2012
- >> **100% UHT Vegetable Juice under Malee Veggies Brand** — The most outstanding mixed fruit and vegetable juice in the present market due to its prominent sources of vitamins and minerals. The tastes have been improved to be more delicious and fresher. the packaging has also been renovated to showcase the fresh and appetite fruit and vegetable juice
- >> **100% Pasteurized Fruit Juice under Malee Brand** - Malee pasteurized fruit juice launched two new flavours, 300ml Sainumpheung and Pomegranate fruit juice in 7-Eleven in order to expand distribution coverage and seize No.1 position share in convenience stores channel.
- >> **Canned Fruit under Malee Brand** - In 2012, we modernized the design of canned fruit packaging and switched the can shape back to quantum, our unique can shape that cannot be found in the competitors to endorse our premium brand image and also to emphasize that Malee canned fruit is the top brand in consumer minds for many years. Moreover, Malee has been appointed as an exclusive supplier of canned fruit in 7-Eleven for the past 7 consecutive years.
- >> **Corn Milk under Malee I-corn Brand** - We improved the product tastes of all flavours to be more fresh and more creamy as from fresh squeezed corns.
- >> **UHT Milk and Pasteurised Milk under Chokchai Farm Brand** — We launched new products, Choc Malt flavoured pasteurised milk 800ml. It has been distributed nationwide. The overall products have been distributed to more new channels such as schools and pasteurized agents



Industry Review and Trend in 2013

Vegetable and fruit juices business

Vegetable and fruit juice consumption trend has been consistently increasing for many years as more and more consumers become more health conscious. In the year 2012, fruit juice market had sales value of 11.17 billion baht, or about 320 million liters. The fruit juice market is separated into premium, medium, economy, and super economy segments. The premium segment is the biggest with the value of 4.22 billion baht, or about 62 million liters with 12% growth rate. The premium segment is further divided into UHT and pasteurized segments. The UHT segment has the value of 3.79 billion baht with 12% growth rate. In this premium UHT segment, Malee holds 24% market share. The premium pasteurized segment has the value of only 0.43 billion baht with 16% growth rate. The size of the medium segment is 0.62 billion baht, or about 12.8 million liters. The economy segment is worth approximately 3.5 billion or 134 million liters. Finally, the super economy segment is worth 1.93 billion, or approximately 66 million liters. The rest are other segments worth 1.4 billion baht or about 38 million liters. Due to the health trend, consumers will likely reduce their consumption of other types of beverage and will increase their fruit juices and other healthy beverages consumption.

The growth rate of fruit juice market has always been strong continuously at the average rate of 13% (Source: Nielsen, Dec. 2012) due to various boosted factors such as increasing health conscious consumers, and the current lifestyle of consumers that demands convenience. In 2012, Malee continued to focus on increasing market penetration and growth of market share. We launched the new slogan “Fruit with care” together with the new campaign “Why care?” to communicate that Malee cares about every step of the process which translates to our care for our consumers’ health. Malee also introduced new flavors of Juice 100% UHT in 2012 to expand product varieties which are Valencia orange juice 100% UHT and Ocean orange juice 100% UHT. This helps strengthen our range portfolio. We select the best fruits under the idea of “Goodness from the Ground” which have been



well accepted by our consumers and can penetrate premium market who concern about health. Furthermore, we improved the taste profile of Malee Veggies 100% UHT to closely match with the taste of Thai consumers. We redeveloped new designs of fruit juice 100% UHT packaging to modernize and to help our products stand out on shelves.

Canned Fruit business

Characteristic of the canned fruit industry

In 2012, canned fruit market value was approximately 868 millions baht with stagnant growth rate due to the volatile environment that caused agricultural product to decrease. However, the canned fruit business has low competition with only a few players with recognized brands, namely Malee and UFC. The high barriers to entry are caused by the needs of high investment of factories, experiences in choosing raw materials, and skilled workers for quality products.

Industry trend

The canned fruit business is closely related to the agricultural production. This means if the crops run into uncontrollable environmental factors, such as flooding and drought, the yield will not meet the market demand. Also the new generation farmers lack interests in growing seasonal fruits, thus the area for growing fruit is diminishing every year.

The canned fruit business has two main risk components

1. **Can packaging material:** This is crucial to the production process. The company has low negotiation power on price as there are only a few canning factories in the country. We cannot substitute the use of steel cans as it is the only material that allows us to maintain the quality of the fruits for two years. Therefore, the increase or decrease of the steel price affects the business costs directly.

2. **Fruit yields:** Due to unpredictable changes of the environment during the past 2-3 years, the fruit yield fell short. This shortage directly impacts the supply of the canned fruit business. Therefore, the producers cannot supply sufficient amount of products in the market and have to cut down on promotions to not boost up the sales too much.

Canned Fruit Business

Canned fruit market can be divided to three segments according to the quality and size of the fruit.

>> **Premium market:** There are two main competitors in this segment, including Malee under production of Malee Sampran Public Company Limited and UFC under production of Universal Food Public Company Limited. This market focuses on quality, packaging, and consumer activities rather than on price.

>> **Medium market:** There are many players competing in this market because of the less restrictions on quality and lower price than the premium segment. Some players in this segment include Pigeon, Thai AD Food Company Limited, First Choice, and other house brands.

>> **Economy market:** There are many brands in this market, such as Tank, Farmer, and Chaodoi. This segment focuses solely on low prices and not at all on quality.

Overall, the medium and the economy segments are in the price war.

Positioning of Malee Brand in the industry

In the canned fruit market, Malee is the market leader who stimulates market growth through consumer activities and new product introduction

Market share

1. Malee	contributes approximately	45%	Leader
2. UFC	contributes approximately	33%	
3. First Choice	contributes approximately	9%	
4. House Brand	contributes approximately	7%	
5. Pigeon	contributes approximately	3%	
6. Others	contributes approximately	3%	

(Source: Nielsen, Dec 12)

Cereal Beverages business

The cereal beverage market value in the year 2012 was approximately 2 billion baht. This market is quite small comparing to other types of beverages of value over 100 billion baht. However, the trend of the cereal beverage market has high growth potential because consumers today search for healthy products. There is also only a few players, such as Ovaltin, Milo, and Mew, and low level of competition in the market of cereal beverage. However, in the year 2013, many big, prominent players will enter to compete in this market, including Vfit, DNA.

The company's growth decreased by 8% due to the discontinuation of some flavors and consumers' exposure to many choices of healthy beverages. Competitors continuously launched new products to the market. Malee also had the problem of raw material supply shortage. The company recognizes the importance of this product group and aims to continuously develop new, healthy products in order to respond and capture the wellness and healthy beverage market trend.

UHT Milk and Pasteurized Milk Business

The dairy market in Thailand is growing because the new generation consumers are more health conscious. In 2012, the market was worth 50 billion baht at the growth rate of 8%. Thailand's average milk consumption is 14.19 liters per person per year. Although the volume of consumption is not as great as those in developed countries; it is increasing consistently. The growth is due to the variety of products, packaging, available flavors, new player entries and the expansion of distribution channels. Furthermore, the government supported milk consumption through the campaign in 2012 to promote good health.

The dairy beverage market is divided into two major categories based on the raw materials for production and manufacturing processes

UHT Milk: The market price is controlled by the government. The market share of the UHT category is approximately 30% of the total market (Source: Nielsen, May, 2012). The highest proportion of sales is plain flavor. UHT milk in the family, adult and children segment has been growing steadily at 10%.

Pasteurized Milk: The market price is controlled by the government. The market share of the pasteurized category is approximately 13% of the total market (Source: Nielsen, May, 2012) with 22% growth rate.

The dairy market has high level of competition due to advertising and promotional discounts in order for players to maintain leadership and market share which affects the competitiveness of small brands. In 2012, Chokchai Farm Brand strategically launched new products, Choc Malt flavoured Pasteurized Milk to increase product variety, to penetrate new consumer base and to stimulate milk consumption. Moreover, we expanded distributions of UHT and pasteurized milk through new sales agent and gained new target groups of consumers. Furthermore, pasteurized milk was promoted to be used as raw material for other food producers.

In 2013, Chokchai Farm brand targets to grow in both UHT and pasteurized milk from the expansion of consumer base, new flavor introduction to serve new target groups, expansion of distribution channels and packaging modernization so we can add benefits to meet the needs of consumers

SHAREHOLDING STRUCTURE AND MANAGEMENT

Major Shareholders As Of December 31, 2012

No.	Name of shareholders	No. of share	Percentage
1	Thailand Securities Depository Co., Ltd., for Depositors	44,341,714	63.35%
2	Abico Holdings Public Company Limited.	17,840,700	25.49%
3	Mr.Pichai Chirathivat	6,407,900	9.15%
4	CDI Co., Ltd.	700,000	1.00%
5	Thailand Securities Depository Co., Ltd., for Depositors	583,500	0.83%
	Total	69,873,814	99.82%

Shareholding By The Directors As Of December 31, 2012

Name	As of Dec 31, 2012	Amount Change	As of Dec 31, 2011
Mr. Chatchai Boonyarat	-	-	-
Mrs. Chintana Boonyarat	-	-	-
Mr. Pichai Chirathivat	9.15%	8.21%	0.94%
Mr. Kobchai Chirathivat	-	-	-
Mr. Kitti Vilaivarangkul	-	-	-
Mr. Narongchai Akrasanee	-	-	-
Mr. Khemadhat Sukondhasingha	-	-	-
Mr. Mati Tungpanich	-	-	-
Mr. Prin Chirathivat	-	-	-
Mr. Pandit Mongkolkul	-	-	-
Mr. Supatana Upanigkit	-	-	-

The Board Of Directors

Mr. Chatchai Boonyarat	Chairman
Mrs. Chintana Boonyarat	Director
Mr. Pichai Chirathivat	Director
Mr. Kobchai Chirathivat	Director
Mr. Kitti Vilaivarangkul	Director
Mr. Narongchai Akrasanee	Director / Chairman of Audit Committee / Independent Director
Mr. Khemadhat Sukondhasingha	Director / Member of Audit Committee / Independent Director
Mr. Mati Tungpanich	Director / Member of Audit Committee / Independent Director
Mr. Prin Chirathivat	Director (Resignation to be effective on march 1, 2012)
Mr. Pandit Mongkolkul	Director (Resignation to be effective on march 5, 2012)
Mr. Supatana Upanigkit	Director (Retire by rotation)
Mr. Rangsan Kongpam	The Company Secretary

The Authority And Duties Of The Board Of Director

The Board of Directors is comprised of Executive Director and Non-Executive Directors of the company. The Board of Directors has the power and duties to manage the Company in accordance with the laws, objectives, Articles of Association and resolutions of shareholder meetings. To perform in accordance with its authority and responsibilities, the Board of Directors may appoint director or directors or other persons to perform any tasks on behalf of directors. The Board of Directors shall hold a meeting at least once in every three (3) months. Two authorized directors to bind the Company shall be authorized to sign with the Company's seal affixed in documents, instruments or other significant letters to bind the Company. The shareholders meeting or the meeting of the Board of Directors may determine and amend the directors' name authorized to sign to bind the Company with the Company's seal affixed. No director shall operate any business or become a partner in ordinary partnerships or become a partner with unlimited liability in limited partnerships or become a director of other juristic persons which have the same nature as and are in competition with the business of the Company, unless he notifies the shareholders meeting prior to the resolution for his appointment. A director shall notify the Company without delay if he has an interest in a contract entered into with the Company or holds shares or debentures in an increased or decreased amount of the Company or an affiliate company. Specific management accountabilities are as follows:

- >> Review and assess the company's strategy, major operational plan, risk assessment policy, annual budget and business plans. Follows up on the implementation of the plans, monitors the company] performance. Monitors major investment expenditure, including joint venture agreements, and divestment of business.
- >> Nominate, determine the remuneration for, and evaluate management performance on a regular basis, (or if necessary, terminate the management). Review to ensure continuous management succession plan.
- >> Review the remuneration for Directors and management. Ensure that the Nomination process is done officially and transparency.
- >> Ensure the controlling system for finance and accounting is reliable. Including the assurance that the internal audit, risk assessment, financial control, and legal compliance process are adequate.
- >> Audit and resolve the issues of conflict of interest among management, the Board of Directors, and shareholders. This must also includes the issues of misuse of the company's assets and inappropriate related party's transaction.
- >> Appoint a suitable qualified person as a Director. Ensure that the structure and operational procedures comply with good governance and appropriate ethical standards.
- >> The Directors should make decision for the company's business with good judgment, being independent from the influence from management and other beneficiary group. They should allocate adequate time for the business and be attentive in performing their duties according to their responsibility.

The Audit Committee

Mr. Narongchai Akrasanee	Chairman
Mr. Khemadhat Sukondhasingha	Director
Mr. Mati Tungpanich	Director

The Authority And Duties Of The Audit Committee

- >> Reviewed the quarterly and annual financial statements with Company's management to present to the Board of Directors. To ensure the accuracy and creditability of the financial information as well as sufficient and timely disclosure of significant matters.
- >> Reviewed Company performance to ensure the Company's compliance with the securities and stock exchange laws, the Stock Exchange of Thailand's rules and regulations.
- >> Considered and supported the disclosure of any connected transactions which may cause conflicts of interest.
- >> To ensure that internal control system was performed properly and effectively.
- >> Considered and proposed the appointment of external auditor.
- >> Considered and approved the annual internal audit plan. Acknowledged the internal auditor's report, monitored the company's investment projects and provided useful recommendations
- >> Reviewed company risk management and made suggestion to help minimize those risks.

Executive Committee

Mr. Chatchai Boonyarat	Chairman
Mrs. Chintana Boonyarat	Director
Mr. Pichai Chirathivat	Director
Mr. Kitti Vilaivarangkul	Director

The Authority And Duties Of Executive Committee

- >> Assist the Board of Directors in overseeing management, operation and policies of business and also issuing policies in order to achieve the targeted budget and strategy as approved by the Board of Directors.
- >> Consider the Company's annual budget before submission to the Board of Directors for approval.
- >> Prepare and propose strategy, business and operation plan to the Board of Directors for approval.
- >> Consider new business start up in compliance with the Company's policy before submission to the Board of Directors for approval.
- >> Periodically review normal and non-normal courses of businesses operated by business departments.
- >> Review and comment on monthly profit and loss report presented by management.
- >> Perform any other act delegated by the Board of Directors and approved by the Executive Committee

The Nominating And Remuneration Committee

Mr. Mati Tungpanich	Chairman
Mr. Khemadhat Sukondhasingha	Director
Mrs. Chintana Boonyarat	Director

Authority And Duty Of Nominating And Remuneration Committee

- >> Consider the selection and screening of individuals with suitable qualifications for appointment as Directors of the Company and propose names of candidates for the Board of Directors. Presentation to the Shareholders' Meeting authorization accordingly.
- >> Review the selection and screening of individuals with suitable qualifications for appointment as President of the Company and proposal of candidates for the Board of Directors authorization accordingly.
- >> Present guidelines for the determination of Executive management level remuneration.
- >> Consider and screen remuneration for Directors, for subsequent proposal to the Board of Directors and eventual authorization by the Shareholders' Meeting.
- >> Consider and screen remuneration for the President, for approval by the Board of Director.
- >> Recommend guidelines for the issue of warrants under the Directors and employees share purchase program, for authorization by the Board of Directors, Shareholders and the Securities Exchange Commission.
- >> Oversee the allocation of warrants for Director and employee share purchase plans as authorized by item (4) above, to Directors and employees in accordance with the objectives of the program.

Nomination Of Directors

The appointment of the Company's directors shall be made by the Shareholder meeting. The Directors of the Company shall be a qualified person and not prohibited by law. The Board of Directors has a minimum of five directors appointed by the shareholder meeting. The selection criteria and procedures of the Board of Directors are provided below:

1. Each shareholder shall have a number of votes equal to the number of shares held.
2. The appointment of a director may be processed by voting to elect one or several persons as director or directors as deemed appropriate by the shareholder meeting. However, each shareholder must exercise all the votes he has under item 1 and cannot divide his votes to any person particularly.
3. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be elected as directors equivalent to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding Chairman shall have an additional casting vote.

At the every annual general meeting of shareholders, one third of the directors shall be retired. If the number is not a multiple of three, then the number nearest to one-third shall be retired. A retiring director is eligible for re-election.

In the case of a vacancy on the Board of Directors for reasons otherwise than by rotation, the Board of Directors shall elect any person who is qualified and not subject to the prohibited qualifications under law on public limited company as the substitute director at the subsequent Board of Directors meeting, unless the remaining term of office of the said director is less than two (2) months. The aforesaid substitute director shall retain his office only for the remaining term of office of the director whom he replaces. The resolution of the Board of Directors under the first paragraph shall consist of votes of not less than three-fourths (3/4) of the remaining directors.

Principles For Nominating Independent Directors

- >> Individuals must possess the qualification for as determined.
- >> Director must be able to perform their duties and express opinions using independent, individual judgment. This must be conducted with ethics and a primary concern for the organization's interests.
- >> Candidates must possess all the qualifications as specified by the Stock Exchange of Thailand, as follows
 - Must not hold more than 1 percent of the total number of shares with voting rights of the Company, companies within the group, associated companies or persons with potential conflict of interest (including persons related parties in accordance with Measure 258 of the securities Act)
 - Has no participation in management, Is not an employee, staff member or consultant receiving a regular salary; nor is an individual with controlling authority in the Company, companies within the Group associated companies or persons with potential conflict of interest. This includes relationships involving persons providing professional service to the Company or companies within the Group, such as auditors or legal counsel. Individuals must not have previously had benefits or interests as aforementioned, for a period of not less than 1 year.
 - Candidates must not have relationships of a business nature, such as being a customer, raw material supplier, creditor / debtor, have accounts receivables or payables with relation to relation to borrowings. Individuals must not have benefits or interests — whether directly or indirectly — with regard to both the finances and management of the Company, companies within the Group, associated companies or persons with potential conflict of interest of a nature that comprises independence.
 - Individuals must not be close relatives with management or majority shareholder of the Company, companies within the Group, associated companies or persons with potential conflict of interest. Nominees must not have appointed as representatives to safeguard the interests of Directors or majority shareholders.
 - Individuals must not possess any other characteristics which would compromise the independence of the Board of Directors.

The Risk Management Committee

Mr. Khemadhat Sukondhasingha	Chairman
Mr. Mati Tungpanich	Director
Mr. Kitti Vilaivarangkul	Director

The Authority And Duties Of Risk Management Committee

- >> Assist the Board of Directors to set out the strategies and measures to control the Company's risk.
- >> Review the risk exposures of the Company's businesses, identify the acceptable level of risk, and control effectively.
- >> Review with management the strategies, frameworks and procedures that lead to the mitigation of material risk.

- >> Review reports from management of the steps that it has taken to monitor, mitigate and control the risk.
- >> Perform any other act delegated by the Board of Directors and approved by the Risk Management Committee.

Company's Secretary

By Securities and Exchange Act (No. 4) B.E.2551 to proclaim that the board of director of company shall appoint a company secretary responsible for the company matters on behalf of the company or the board of directors. The company appointed individuals with the requisite qualifications and experience to assume the duties of company secretary. The qualifications, characteristic and responsibilities of the position have been determined as follows:

Qualification

- >> Bachelors degree
- >> Knowledge of legal principles in related to the Company and the SEC
- >> Good human relations and communications skills
- >> Prior experience in this position
- >> Knowledge of Corporate Governance issues

Responsibilities

1. Preparing and keeping the following documents
 - >> A register of directors
 - >> A notice calling director meeting, a minute of meeting of the board of directors and an annual report of the company:
 - >> A notice calling shareholder meeting and minute of shareholders' meeting
2. Keeping a report on interest filed by a director or an executive
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.
4. Supervise the disclosure of information and reporting in accordance with law and related regulations pertaining to good corporate governance.

Remuneration for Directors and Management

- a) Directors' remuneration in 2012, for 11 persons, was Baht 2,480,000
- b) Directors and Management's remuneration in 2012, for 18 persons, was Baht 36,974,906
(as of 31 December 2012, total managements are 10 persons including with Directors for 8 persons)

Other remuneration

Provident Fund of Management fo 8 persons in 2012, was Baht 310,384.08

Company's Committee, Number of Attendance and Remuneration for year 2012

	Name Of Director	Duration Of Tenure	Number Of Attendance Of Meeting (Time)					Annual Remenu-ration	Meeting Perdiem					Total
			BOD	AC.	EXCOM	RM.	NR.		BOD	AC.	EXCOM	RM.	NR.	
1	Mr.Chatchai Boonyarat >> Chairman of the Board of Director >> Chairman of the Executive Director	2010 -2013	4/4	-	11/11	-	-	-	160,000	-	440,000	-	-	600,000
2	Mrs. Chintana Boonyarat>> Director >> Member of the Executive Director >> Member of the Nominating and Remuneration Committee	2009-2012	4/4	-	11/11	-	1/1	-	80,000	-	220,000	-	10,000	310,000
3	Mr. Khemadhat Sukondhasingha >> Director >> Member of the Audit Committee >> Independent Director >> Chairman of the Risk Management >> Member of the Nominating and Remuneration Committee	2010-2013	4/4	4/4	-	4/4	1/1	100,000	80,000	120,000	-	80,000	10,000	390,000
4	Mr. Mati Tungpanich >> Director >> Member of the Audit Committee >> Independent Director >> Chairman of the Nominating and Remuneration Committee >> Member of the Risk Management	2011-2013	4/4	4/4	-	4/4	1/1	100,000	80,000	80,000	-	40,000	20,000	320,000
5	Mr. Kitti Vilaivarangkul >> Director >> Member of the Executive Director >> Member of the Risk Management	2012-2014	4/4	-	11/11	3/3	-	-	80,000	-	220,000	30,000	-	330,000
6	Mr.Narongchai Akrasanee >> Director >> Chairman of the Audit Committee >> Independent Director	2012-2015	3/3	2/2	-	-	-	100,000	60,000	80,000	-	-	-	240,000
7	Mr.Pichai Chirathivat >> Director >> Member of the Executive Director	2012-2015	2/2	-	6/6	-	-	-	40,000	-	120,000	-	-	160,000
8	Mr.Kobchai Chirathivat >> Director	2012-2015	1/2	-	-	-	-	-	20,000	-	-	-	-	20,000
9	Mr. Prin Chirathivat >> Director	2009-2012	1/1	-	-	-	-	-	20,000	-	-	-	-	20,000
10	Mr. Pandit Mongkolkul >> Director >> Member of the Risk Management >> Member of the Executive Director	2010-2013	1/1	-	1/1	-	-	-	20,000	-	20,000	-	-	40,000
11	Mr. Supatana Upanigkit>> Director >> Member of the Risk Management >> Member of the Audit Committee >> Independent Director	2009-2012	1/1	1/1	-	1/1	-	-	20,000	20,000	-	10,000	-	50,000
	Total							300,000	660,000	300,000	1,020,000	160,000	40,000	2,480,000

REMARK: BOD = Bord Of Director
 Mr. Prin Chirathivat
 Mr. Pandit Mongkolkul
 Mr. Supatana Upanigkit

AC = Audit Committee
 RM = Risk Management Committee
 Resignation to be effective on march 1, 2012
 Resignation to be effective on march 5, 2012
 Retire by rotation

EXCOM = Executive Committee
 NR = Nominating And Remuneration Committee

GOOD CORPORATE GOVERNANCE

Policy on Corporate Governance

The Board of Directors of Malee Sampran Public Company Limited deems the good corporate governance as the Company's policy which contains principles and best practices as follows:

1. Operates with consideration to the rights and equality of shareholders and other stakeholders, such as employees, trading partners, community, and creditors, by:

- 1.1 Protecting the shareholders' interest, and treating all shareholders equally. Refrain from limiting shareholders to have access to the company information, and to attend shareholders' meeting. In 2012, the Shareholders' Meeting had been held on Thursday 5th April 2012 from 10.00 a.m. at ASIA AIRPORT HOTEL, EVERGREEN room 5th Floor Phaholyothin Road, Lum look ka, Pathumthani 12130. The members of the Board of Directors including the Chairman of the Audit Committee participated the Meeting. The company followed the correct procedure for convening the Meeting as specified by Laws, from the summons to attend the Meeting, the distribution of relevant documents and the agenda; and the provision of sufficient information and time for shareholders to consider the details prior to the Meeting date. The company also offered options to the shareholders who were unable to attend the Meeting by assigning their right of proxy to the independent Directors to participate and vote on their behalf. The proxy documents and instructions for appointing a proxy. The documents are sent to all shareholders 14 days prior to the Meeting date. The Chairman of the Meeting further informed the shareholders as to the method for voting using ballots, prior to commencement of the Meeting. During the process of counting votes, The Independent Director and external auditor representatives were witnesses in conjunction with company employees. Furthermore, all shareholders were given equal opportunity to inspect details of the company's operations, raise questions and express opinions. The Minutes are also presented on the company's website.
- 1.2 Ensuring that those rights of the stakeholders are protected and well practiced.
- 1.3 Providing written documents to show the company's responsibilities to stakeholders.
- 1.4 Presenting the timely information on important issues, which have significant impacts to stakeholders. The reports must be presented with simplicity and consistency.

2. Structure, Roles, Duties, Responsibilities and Independence of the Board of Directors

- 2.1 The Board of Directors is comprised of Executive Director and Non-Executive Directors. A number of the Non-Executive Directors will be assigned by the Board of Directors to independently review and give comments against the conflicts of interest, which may occur. The tasks are such as reporting on the company financial matters by the Audit Committee, nomination of Board members by the

Nomination Committee, remuneration for Directors and the management by the Remuneration Committee.

2.2 To practice in accordance to the law, and the objectives, rules and regulations of Malee Sampran Public Co., Ltd.

2.3 Accountable to manage important and specific issues as follows:

- Review and assess the company's strategy, major operational plans, risk assessment policy, annual budget and business plans. Follows up on the implementation of the plans, monitors the company performance. Monitors major investment expenditure, including joint venture agreements, and divestment of business.
- Nominate, determine the remuneration for, and evaluate management performance on a regular basis, (or if necessary, terminate the management). Review to ensure continuous management succession plan.
- Review the remuneration for Directors and management. Ensure that the nomination process is done officially and with transparency.
- Ensure the controlling system for finance and accounting is reliable. Including the assurance that the internal audit, risk assessment, financial control, and legal compliance processes are adequate.
- Audit and resolve the issues of conflict of interest among management, the Board of Directors, and shareholders. This must also includes the issues of misuse of the company's assets, and inappropriate related party's transaction.
- Appoint a suitable and qualified person as a Director. Ensure that the structure and operational procedures comply with good governance and appropriate ethical standards.
- The Directors should make decision for the company's business with good judgment, being independent from the influence from management and other beneficiary group. They should allocate adequate time for the business and be attentive in performing their duties according to their responsibility.

3. Information disclosure and transparency:

To ensure that the Company properly discloses the significant information in time, and with transparency, the Board of Directors should provide an investor relation unit to represent the company in communicating with institutional investors, shareholders, general analysts and state agencies concerned. The Board should provide adequate resources to develop knowledge and communication skill of the investor relation officer, so that the presentation could be made properly.

4. Controlling and risk management system.

The Board of Directors has the responsibility to identify risks in the business, and to ensure that the company has the process to manage the risks, by:

4.1 Providing an efficient internal control system, measures for operational control and to manage the risks. Attention must be given to the early warning signals.

4.2 Providing an efficient communication among independent auditors, shareholders, the Board of Directors, and the management, which have been linked altogether by the Audit Committee.

4.3 Internal Audit Office has significant roles in the management control and financial reporting system. The Company must set up the internal audit activities as a separate unit within the company.

5. Business Ethics:

The company should provide code of ethical conduct for all the Directors, management, and employees to ensure that they understand the standard practices as expected by the Company and stakeholders such as shareholders, trading partners, creditors, and community etc. The Board should fully support this code of ethics, and distribute to all employees.

Code of Ethics of Malee Group

Objectives of Malee Group are to produce goods of high quality, to be sold at reasonable prices, to establish relationship with all stakeholders, and to be responsible for the environment, community and society. The best practices are therefore set up as the guiding principle for the Directors, management, and employees.

Control of Internal Information

The company has put in place a system where all company directors and management must report their share purchasing activities to ensure that they do not use insider information for personal gain in trading of Company shares. Furthermore, the Company has also informed all directors and management of the personal legal liabilities and punishment associated with such act.

Employees

Number of Employees as at 31 December 2012	1,625 persons
Employee Costs for the year 2012	Baht 382,083,526



CORPORATE SOCIAL RESPONSIBILITY

Malee Sampran PCL has operated its business on both internal and external organization by attending in the social responsibilities by consuming available internal and external resources in order to stay together with the society peacefully. Our principles and directions are as follows:

1. Good Corporate Governance

The Company encourages the good corporate governance by providing the efficient management system with roles and responsibilities to manage equality and fairness, transparency in order to increase the confidence of the shareholders, stakeholders and all relative parties.

2. Business with Fairness

The Company has operated its business with fairness and understanding on both characteristics and situations of its business partners; consisting of customers, suppliers, farmers and society with mutual benefits to create long-term confidence. This will effect to the long-term benefits on both the Company and the relevant parties.

3. Anti Corruption

The Company has joined more than 20 organizations led by Thai Chamber and Commerce to create Committee Nation Associate Anti-Corruption Network (NACN) since 2011. The company's staff has participated in walk rally, worn Anti-Corruption shirts on every Friday and been educated for goodness and honest. The Company has continuously campaigned and trained its staffs to feel in a particular way. The Company also rewards to the those with beneficence.

4. Respect for Human Rights and the Treatment of Workers Fairly

The human resource is the important factor for business in creating value-added and productivity. The Company has improved the working environment to enhance the Occupational Health and Safety. The Company has received many awards such as

- Campaign to reduce accidents to zero from the Ministry of Labour
- The Department of Labour Protection and Welfare from the Ministry of Labour

5. Consumer Responsibility

The Company is a producer and a distributor of the consumer products under the standards of hygiene and safety. With the consumer responsibility, the Company is accepted by domestic organizations to win the Certificate in the Program of Industrial Production Process Improvement with Cleaner Technology from Mahidol University in conjunction with National Science and Technology Development Agency (NSTDA) and accepted by international organizations to win HACCP, GMP, KOSHER, Q Mark, IFS, BRC and Halal Certificate. In addition, the Company has a customer care team to express responsibility for its products.

6. Community and Social Development

The Company realizes that strong and continuous improvement community and society is significant to the operation of its business. As the results, the Company has involved in many activities such as promoting traditions and local festivals and taking care of the communities, if necessary. During the vast flooding in the year 2011, the Company also supported the impacted communities and co-operated with the community in planning effective protection plan which eventually leads to good results and good relationships with the community.

7. Environmental Care

The increase of the world's population and the economic growth have resulted in over consumption of natural resources that causes waste water, air pollution, toxins and global warming.

Malee Sampran PCL has improved efficiency by using wastewater treatment systems. This has made the company win many awards such as

- the Award of Outstanding Environmental Factory from the competition of industrial plants at Nakhon Pathom Province,
- the Award of Watery Environmental Protection from the Committee of Environmental Protection Industry and Social Responsibility Mark from the Department of Commerce on 15 May 2009,
- The Award for Great Agricultural Dietary Product from the department of Industrial Work on 10 January 10 2012 through joining the project of developing the waste management technology in Agricultural Dietary Product Industrial year 2011.

8. To publish the innovation for social responsibility

The Company has applied knowledge and experience from operating its business to create innovation on social responsibility for its business.

- In 2008, Malee Sampran PCL received the winner award "Thailand Energy Awards 2008" in improvement of biogas technology. Off-Grid category the first runner-up in development of biogas projection system "UASB; pond type) which is reprocessed from waste water and fruit garbage. This is biogas technology will save in usage of electricity of fuel oil about ten million baht per year. In the same year, Malee also got 1st runner award of "Asean Energy Awards 2008"

- The award for Great Agricultural Dietary Product from the department of Industrial Work through joining the project of developing the waste management technology in Agricultural Dietary Product Industrial year 2011. The award took place on 10 January 10 2012 .

Children's Day



BiG Cleaning Day - Joined with Sampran's Municipalities and Communities

Reforestation Activity



Malee Join with Army By Donating Drinking Water
To Flood Victim



Blood Donation



The Campaign for No Drug with
“To Be Number One Malee and Agrisol”

INTERNAL CONTROL SYSTEM 2012

The Audit Committee has quarterly reviewed the internal control system with external and internal auditors. The Company has an adequate internal control system for its business, which includes protection and prevention of the properties, fraud, and reliability of financial and operation reports.

The management and internal auditor concluded that its internal control system is adequate and effective. There were no irregularities and significant errors found.

Related Transactions

Please see notes to consolidated financial statements as at 31 December 2011 for No. 5. Related Party Transactions.

RELATED PARTY TRANSACTIONS

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties are these parties linked to companies in the Group as follow:

Related Companies	Business Type	Relationship
Subsidiaries		
Malee Enterprise Company Limited	Distributor	Shareholders/Co - directors
Agri Sol Company Limited	Manufacture and distributor	Shareholders/Co - directors
Malee Supply Company Limited	Distributor (Dormant)	Shareholders/Co - directors
Icon Foods LLC	Distributor (Dormant)	Shareholders/Co - directors

Related parties		
Abico Holding Public Company Limited	Holding company (investment)	Company's shareholder/ Co - directors
Abico Land Company Limited	Real estate developer	Co - directors
Abico Dairy Farm Company Limited	Produce service of ready to drink milk and fruit juices	Group of companies/ Co - director
Chokchai Milk Company Limited	Chokchai Farm brand owner	Relate with Abico Holding Public Company Limited
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Aira Factoring Public Company Limited (A)	Factoring	Co - directors
Central Food Retail Company Limited (B)	Department store	Co - directors
CG Broker Company Limited (C)	Insurance	Co - directors
Centralworld Company Limited	Department store	Co - directors

(A) Commencing March 8, 2011, Aira Factoring Public Company Limited (Formerly the name of Dhanamitr Factoring Public Company Limited) is not a related party of the Company and its subsidiaries.

(B) Commencing March 1, 2012, Central Food Retail Company Limited is not a related party of the Company and its subsidiaries.

(C) Commencing March 5, 2012, CG Broker Company Limited is not a related party of the Company and its subsidiaries.

During the years, the Company had significant trading transactions with its subsidiaries and related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

		Baht			
		Consolidated financial statements		Separate financial statements	
	Transfer Pricing policy	2012	2011	2012	2011
Transactions with subsidiaries (Eliminated in the consolidated financial statements)					
Sales of goods	Cost plus margin	-	-	1,254,045,415	1,141,016,108
Others income	Cost plus margin	-	-	8,743,656	9,877,274
Guarantee income	0.25 percent of the guarantee amount	-	-	612,500	737,500
Purchase of goods	Cost plus margin	-	-	13,856,301	31,978,049
Purchase of raw material and others	Cost plus margin	-	-	120,124,002	30,576,061
Marketing support expenses	Contract price	-	-	25,080,908	-
Guarantee fee	0.25 percent of the guarantee amount	-	-	700,000	700,000
Land and plant rental and service expense	Contract price	-	-	1,195,828	1,692,990
Purchase of land not used in operation	Cost	-	-	5,784,773	1,997,662
Transactions with related parties					
Sales of goods	Cost plus margin	26,463,377	96,838,151	-	-
Produce service	Cost plus margin	82,245,586	60,120,227	82,245,586	60,120,227
Sale promotion expense	Contract price	2,982,729	20,904,187	-	-
Building rental expenses	Contract price	11,744,040	11,016,960	7,069,140	6,525,360
Interest expense - factoring	Market yield	-	383,977	-	-
Insurance expenses	Contract price	1,727,533	-	1,591,809	-

The balances of the accounts as at December 31, 2012 and 2011 between the Company and its subsidiaries and those related companies are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	359,946,171	623,331,386
Agri Sol Co., Ltd.	-	-	10,334,167	1,617,165
Total	-	-	370,280,338	624,948,551
Related parties				
Chokchai Milk Co., Ltd.	513,554	1,088,540	513,554	1,088,540
Central Food Retail Co., Ltd.	-	16,633,908	-	-
Centralworld Co., Ltd.	19,099	-	-	-
Total	532,653	17,722,448	513,554	1,088,540
Allowance for doubtful account				
Related party				
Chokchai Milk Co., Ltd.	(513,554)	(1,088,540)	(513,554)	(1,088,540)
Allowance for contingent damage due to a subsidiary cannot pay for goods				
Subsidiary				
Malee Enterprise Co., Ltd.	-	-	(26,395,494)	(244,395,435)
Other receivables				
Subsidiary				
Agri Sol Co., Ltd.	-	-	-	210,000
Related party				
Abico Daily Farm Co., Ltd.	289,800	111,168	289,800	111,168
Deposits				
Related parties				
Abico Land Co., Ltd.	8,424,800	8,424,800	5,451,800	5,451,800
Central Food Retail Co., Ltd.	-	83,436	-	-
Total	8,424,800	8,508,236	5,451,800	5,451,800

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	25,698	536,492
Agri Sol Co., Ltd.	-	-	37,786,384	25,584,053
Total	-	-	37,812,082	26,120,545
Related party				
Abico Daily Farm Co., Ltd.	10,717,261	6,153,107	10,685,214	6,135,570
Other payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	6,487,869	5,418,204
Agri Sol Co., Ltd.	-	-	962,249	5,510,000
Total	-	-	7,450,118	10,928,204
Related parties				
Abico Land Co., Ltd.	114,802	63,455	77,348	39,753
Abico Daily Farm Co., Ltd.	-	17,537	-	-
Central Food Retail Co., Ltd.	-	16,649,958	-	-
Total	114,802	16,730,950	77,348	39,753

BOARD OF DIRECTORS

Board of Directors

1).	Mr. Chatchai Boonyarat	Chairman
2).	Mrs. Chintana Boonyarat	Director
3).	Mr. Pichai Chirathivat	Director
4).	Mr. Kitti Vilaivarangkul	Director
5).	Mr. Kobchai Chirathivat	Director
6).	Mr. Narongchai Akrasanee	Director / Chairman of Audit Committee/ Independent Director
7).	Mr. Khemadhat Sukondhasingha	Director / Member of Audit Committee/ Independent Director
8).	Mr. Mati Tungpanich	Director / Member of Audit Committee/ Independent Director
9).	Mr. Rangsan Kongpam	The Company Secretary

Board of Directors

Name Mr. Chatchai Boonyarat

Position Chairman

Graduated with a Bachelor's Degree in Chemical Engineering from Chulalongkorn University and Master's Degree in Manufacturing Engineering from Boston University in USA. Participated in the Chairman 2000 Program from Thai Institute of Directors Association, and also participated in The Capital Market Academy Leader Program (CMA) class 11.

Currently, apart from being the Chairman of Malee Sampran Plc. he also serves as the Chairman of Abico Holding Plc.

Name Mrs. Chintana Boonyarat

Position Director

Graduated with a Bachelor's Degree in business from Menlo College, USA, and also participated in the Directors Certification Program DCP 5/2000 from Thai Institute of Directors Association.

Currently, as Director of Malee Sampran Plc; Executive Director of Central Marketing Group Co., Ltd.; Director of Tiger Eyes Trading (Thailand) Co., Ltd.; Abico Holdings Plc. Director of Board of Trade of Thailand.

Name Mr. Pichai Chirathivat

Position Director

Graduated with a Bachelor's Degree in MBA from Pitzer College, USA

Currently, as Managing Director of Central Trading Co., Ltd. Director of Malee Sampran Plc.

Name Mr. Kitti Vilaivarangkul

Position Director

Graduated with a Bachelor's Degree in Accounting from Ramkhamhaeng University (2nd Class Honors) and Master Degree in Business Administration from Thammasat University. Formerly working for Siam Commercial Bank Plc. Ltd. and Singburi Sugar Co., Ltd. and also participated in the Directors Accreditation Program DAP 2005 , Director Certification Program DCP 2010 from Thai Institute of Directors Association

Currently, as Managing Director of Abico Holdings Plc. Director of Malee Enterprise Co., Ltd.; Director of Abico Dairy Farm Co., Ltd.; Director of Malee Sampran Plc. and also as Director of Abico Land Co., Ltd.

Name Mr. Kobchai Chirathivat

Position Director

Graduated with a Bachelor's Degree in LL.B. (Law), Chulalongkorn University and M.A. (Political Science), University of Norte Dame, Indiana, U.S.A. and MBA, University of Chicago, Graduate School of Business, U.S.A. and National Defence College, The Joint State-Private Sectors Course, Class 21 and also participated in the Director Certification Program (DCP 5/2000) From The Institute of Directors Association

Currently, as Director of Malee Sampran Plc; Deputy Managing Director of Central Trading Co., Ltd. ; Director-Property Management / Senior Vice President - Business Development/ Chief Operating Officer and Executive Vice President of Central Pattana Plc ; Executive Director of Central Group of Companies Co., Ltd ; Director of Sakura Restaurant Co., Ltd. ; Director of Central Advance System Co., Ltd. ; Director of Genesis Corporation Co., Ltd.

Name Mr. Narongchai Akrasanee

Position Director / Chairman of Audit Committee

Independent Director

Graduated with a B.Econ. (Hons.) from University of Western Australia ; M.A.(1971) and Ph.D.(1973) in Economics from Johns Hopkins University, USA. and also participated in the Director Accreditation Program (DAP) from Thai Institute of Directors Class 5/2003 on 11th November 2003

Currently, Chairman of the Board of Directors, Seranee Group ; Chairman of the Board of Directors, MFC Asset Management Plc ; Chairman of the Board of Directors and Independent Director, Brooker Group Plc.; Independent Director and Chairman of the Audit Committee Malee Sampran Plc., ; Vice Chairman of the Board of Directors, Thai-German Products Plc., ; Chairman of the Board of Directors, Ananda Development Plc ; Independent Non — executive Director of AIA Group ; Director, National Economic and Social Development Board, (NESDB) ; Member, Monetary Policy Committee of the Bank of Thailand (BOT) ; Honorary Advisor, the Fiscal Policy Research Institute Foundation (FPRI) ; Member of the Board of Directors & Council of Trustees, Thailand Development Research Institute (TDRI) ; Chairman of the Steering Committee and Vice Chairman of the Council of Mekong Institute (MI) ; Council Member, Khon Kaen University ; Chairman, Thailand National Committee for Pacific Economic Cooperation Council (TNCPEC)

Name Mr. Khemadhat Sukondhasingha

Position Director / Member of Audit Committee

Independent Director

Graduated with a Bachelor's Degree in Electrical Engineering from Chulalongkorn University; Joined with the National Defense College of Thailand; Joined with Industrial Engineering Honorary from King Mongkut's Institute of Technology North Bangkok. Participated Director Certificate Program and Auditing Committee Program From Thai Institute of Directors Association in 2006. Formerly the Executive of Thai Kawasaki Motor Co., Ltd.; Chairman of Sikorn E-Business Co., Ltd.; Chairman of Robotic Information Technology Co., Ltd. and Chief Executive Officer the SUPPORT Arts and Crafts International Centre of Thailand.

He is currently serving as Technical Advisor of Euroasia Business Advisory; Chairman of National Metal and Materials Technology Center Board, National Science Development Agency, Committee of PAC; Auditing Committee, Ministry of Science and Technology and Independent Director of Malee Sampran Plc.

Name Mr. Mati Tungpanich

Position Director / Member of Audit Committee

Independent Director

Graduated with a Bachelor's Degree in Architecture from Chulalongkorn University pursued his Master Degree in Architecture from Massachusetts Institute of Technology (MIT), Cambridge USA; and later on joined the National Defense College of Thailand. He was elected 3 consecutive terms during 1986-1992 to serve as President of the Association of Siamese Architects under Royal Patronage. During 1996-1997 he served as Chairman of the Advisory Board to the Prime Minister on Urban Development. He was the first President of Federation of Design and Construction Services of Thailand (FEDCON) from 2000-2002 and the President of Architects Council of Thailand during 2004 — 2007. Royal Proclamation to be follow of the Academy of Arts, Royal Institute in 2011

He is currently serving as Director, Member of Audit Committee and Independent Director of Malee Sampran Plc., and Principle of Design & Develop Co.Ltd., which he founded almost 40 years ago.

Management Discussion and Analysis

Operating Performance Analysis

Summary of the results from operations of the Company and its subsidiaries for the year ended 31 December 2012, comparing with the same period of previous year, the total sales were Baht 6,157.2 million which increased by Baht 2,506.8 million or 68.5% mainly due to domestic sales, OEM and Branded Business and export sales.

The gross profit was Baht 1,653.3 million which was higher than previous year by Baht 586.0 million that the result from increased sales. The gross profit margin was 26.9 % of total sales. The selling and administrative expenses were Baht 994.1 million which was higher than last year by Baht 116.0 million or 13.6% that resulted from A&P expense and selling expenses varied to sales. As a result, the Company closed a net profit before corporate income tax at Baht 773.5 million which increased Baht 545.8 million compared with the net profit before tax of Baht 227.7 million in the same period of previous year. This year the net profit after corporate income tax is at Baht 645.9 million, while the previous year was Baht 227.7 million. Net profit increased by Baht 418.2 million or equivalent 183.6%

Financial Status Analysis

(Unit: Million Baht)

Breakdown of assets	2012		2011	
Accounts receivable	662.2	24.5%	611.6	27.0%
Inventories	682.4	25.3%	500.2	22.1%
Investments and loans	5.7	0.2%	12.4	0.5%
Land awaiting future development	22.5	0.8%	28.5	1.3%
Property, plant and equipment	1,129.3	41.8%	1,004.4	44.4%
Intangible Asset	16.1	0.6%	0	0%
Others	181.8	6.8%	107.0	4.7%
Total assets	2,700.0	100.0%	2,264.1	100.0%

Accounts receivable increased by Baht 50.6 million and Inventory that mainly from finished good increased by Baht 182.2 million that results from increased of sale.

Investment and Loan decreased from Loan to employees under welfare program.

Land awaiting future development decreased from last year. In quarter 1/2012 the company sale a part of non - operating lands located at Baan-muang District, Sakonnakorn Province

Plant and equipment increased by Baht 124.9 million from investment in building and machinery for beverage plant capacity expansion.

Intangible Asset in year 2012 is new computer software that is under development.

Other asset that increased mainly is cash and cash equivalent accrued other income and deposits from normal operation.

The Quality of Assets

Accounts receivable

Net accounts receivable at the year end of 2012 was Baht 662.2 million, of which Baht 117.4 million was overdue, decreased by 37.4 million or 24.2 % of total overdue, comparing at the year end of 2011. As the result of effective collection and as the year end 2011 there was some delay payment from domestic sale from the impact of vast flood. There is export account receivable that the company is follow up the collection. The Company's management have reviewed the allowance for doubtful debt as at 31 December 2012 and believes that such amount is adequate in the current circumstances.

Liquidity

The Company has cash flows from operating activities of Baht 384.9 million which was 92.4 million more than previous year from better profit from operating, management of collection. The working capital ratio was 1.0 time better than the previous year.

Capital Expenditures

For the year 2012 there was the investment project Baht 228.0 million for plant improvement and capacity expansion. The investments were improved production capacity of beverages under the various trademarks and to ensure the efficiency of the production facilities, and to achieve the good manufacturing practices (GMP) and international quality standards.

The Source of Fund

Cash generated from operating activities 384.8 million were used for investing activities 226.2 million and to repay loans from financial institutions other payable and dividend payment 126.0 million.

The Appropriateness of Capital Structure

The Company has restructured business structure operations and finance strategies. According to the statements of financial position as at December 31, 2012, the debt to equity ratio was 1.52 : 1 that compared with as at December 31, 2011 the debt to equity ratio was 3.15 : 1.

Risk Factors

1. Risks from raw material shortages

At present, the climate over the world has significantly changed from the past. The various crops used as raw materials are uncertain and result from the volatility of price and yield. The company has well planned to get raw material in adequate quantity in line with the used demand and suitable price, either the search for new raw material source with good quality or the purchase in advance and contract farming.

2. Risks of the economy in the partner countries

As the main trading partner countries such as the U.S., the EU have encountered the economic crisis and have no clear economic solutions, the consumer confidence reduces. The demand for exporting products in these countries slows down. Therefore, the company has looked for new countries for export markets to diversify the export risk. In addition, the company aims to penetrate ASEAN market to obtain the potential privileges given under AEC (ASEAN Economic Community) Agreement.

3. Risks from the exchange rate

The world financial crisis causes the exchange rate fluctuation. The company exports in US dollar mainly and may face the foreign exchange rate risk. To deal with this risk, the company tends to limit sales quantity and utilizes currency forward to hedge the foreign exchange movement.

Audit Committee Report

The Audit Committee of Malee Sampran Public Company Limited is composed of 3 independent directors who are independent and qualified in accordance to the Stock Exchange of Thailand's requirements. Dr. Narongchai Akaseranee serves as Chairman of the Audit Committee, while Mr. Khemadhat Sukondhasingha and Mr. Mati Tungpanich serve as members of the Audit Committee.

In 2012, the Audit Committee held 4 meetings with the external auditor, internal auditor, and the Company's executive management to perform its duties and responsibilities in compliance with the regulations of the Stock Exchange of Thailand and as assigned by the Board of Directors. The significant tasks could be summarized as follows:

1. Reviewed the quarterly financial statements and the audited financial statements for the year 2012 with the external auditor and the Company's management to present to the Board of Directors, and found that the financial information is conformed to generally accepted accounting principles as well as sufficient and credible disclosures of significant matters.
2. Considered and approved the 2012 internal audit plan. Also supported and encouraged internal auditors to perform internal audit activities to meet an international standard. It found that the appropriate and effective internal control systems were in place. No significant weaknesses were found.
3. Reviewed risk management system of the Risk Committee which has Mr. Khemadhat Sukondhasingha as Chairman, Mr. Mati Tungpanich and Mr. Kitti Vilaivarangkul as members. The Risk Management Committee is tasked with recommending the utmost advantage and reducing all risks from operation and also the integration of management for sustainability.
4. In compliance with the regulations of the Stock Exchange of Thailand and other relevant laws, and found that the Company complied with such regulations and laws.
5. Reviewed connected transactions or transactions that may lead to conflict of interest, and found that the Company accurately and adequately disclosed in compliance with the regulations of the Stock Exchange of Thailand.
6. Considered the Company's auditor and audit fee, and proposed to the Board of Directors.

In conclusion, the Audit Committee believes that the current internal control and internal audit systems of the Company are sufficient. The Company's financial reports, the performance of the Company, and the disclosure of information including connected transactions are sufficient, appropriate, accurate, and in accordance with the applicable laws.

On behalf of the Audit Committee



(Dr. Narongchai Akaseranee)

Chairman of the Audit Committee

February 12, 2013

QUALITY SYSTEM AND AWARDS

For over 30 years, “Malee” has earnestly developed and modernized production processes and technologies in the various areas to maintain our international competitiveness. The company continues to improve the quality of products, standards of production, and packaging to provide quality products in accordance with international standards and to provide safety for consumers’ health. The company has been certified to many standard systems which are widely recognized by the organizations both domestically and internationally such as:

- >> **BRC** (Global Standard for Food Safety) issued 5 January 2008 : **British Retail Consortium** recognized by BVQI Company on 22 November 2012.
- >> **IFS: International Food Standard** Version 6 January 2012 recognized by BVQI Company on 08 January 2013.
- >> HACCP Alimentarius Commission (FAO/WHO) : **Hazard Analysis and Critical Control (HACCP) Guideline Annex to CAC/RCP-1 (1969) Version 4 (2003)** recognized by BVQI Company on 14 January 2013.
- >> **Halal Certificate:** recognized by The Central Islamic Committee of Thailand on 9 June 2009.
- >> **Kosher Certificate:** recognized by Thai Kashrut Services Limited on 17 September 2009.
- >> **TLS. 8001-2003 Thai Labour Standard Certificate Completion Level Initiative Phase** recognized by The Department of Labour Protection and Welfare The Ministry of Labour on 11 February 2009.
- >> **Good Laboratory Practice / Department of Industrial Works, GLP/DIW** recognized by Department of Industrial Works on 12 February 2008.
- >> **GMP** Codex Alimentarius Commission Recommended International Code of Practice General Principles of Food Hygiene, CAC/RCP 1 (1969) Version 4 (2003) recognized by BVQI Company on 14 January 2013.

Besides, Malee PCL., has won many recognized awards as follows:

- >> The Prime Minister's Export Award 1993 which recognized the Company in the Distinctive Development & Marketing of a Thai Owned Brand in Category of food product.
- >> Best awards for environmental concern 1994, 1995 and 1997. Best Award for environmental protection plant for Water Management in 1994.
- >> World Tech 95 Award and The Best Product Award in the ASEAN Food Conference in Singapore in 1997
- >> Thailand Best Innovation Award 2003 for shelf-life extension of I-Corn milk beverage from chilled to ambient product at 9 months.
- >> Awarded in 2003 for innovative technology from Accensor Company and The Nation newspaper as the world's first producer of 100% corn milk beverage Malee I-Corn, called in UHT pack.
- >> SR Mark (Social Responsibility Mark) Award 2009, given to manufacturer by the Department of Export Promotion. The award symbolizes partnership through contract farming, to improve the quality of life for Thai farmers, and to contribute to building a sustainable economy.
- >> Superbrands Thailand 2003 — 2004 by Superbrands Institute, UK which is the institute that conducted research for experts in fruits particularly from 5,000 samples nationwide.
- >> Trusted Brand 2003 — 2012 from Reader's Digest for 10 consecutive years. Reader's Digest magazine has conducted researches and awarded the Company for its popularity among consumers.
- >> In August 2007, Malee Brand, a brand in consumer minds, was selected in Hong Kong to be one of the top 20 leading brands in Thailand from the survey of Media Magazine, Asian Integrated Media, a regional brand consultant, and Synovate, a global marketing research company.
- >> In 2008, Malee Sampran Public Company Limited got the winner award **"Thailand Energy Awards 2008"** in improvement of biogas technology, Off-Grid category the first runner-up in development of biogas projection system "UASB; pond type) which is reprocessed from waste water and fruit garbage. This biogas technology saves in usage of electricity and fuel oil about 6 million baht per year. Company received award from Lieutenant General Poonpipat Lippatapunlop, the Ministry of Energy's minister at Chulabhorn Research Institute. In the same year, Malee also got 1st runner up award of **Asean Energy Awards 2008**.
- >> The Award for Great Agricultural Dietary Product Award from the department of industrial work, when joining in the project which added value and develop the waste management technology in Agricultural Dietary Product Industrial year 2011 The award took place on 10 January 2012

Feeling proud of the standards and awards achieved, Malee regards this as a driving force and an inspiration for our staff to keep up the standard and with determination to devote our efforts to achieve the highest success in the future.

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
T H A I L A N D

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

AND

INDEPENDENT AUDITOR'S REPORT

EXPRESSED IN
THAI BAHT

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of Malee Sampran Public Company Limited

I have audited the accompanying consolidated financial statements of Malee Sampran Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2012, the related consolidated statements of changes in shareholders' equity, income, comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and I have also audited the separate financial statements for the same year of Malee Sampran Public Company Limited.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Malee Sampran Public Company Limited and its subsidiaries as of December 31, 2012, and the result of their operations and their cash flows for the year then ended and the financial position of Malee Sampran Public Company Limited as of December 31, 2012, the results of its operations and its cash flows for the year then ended in accordance with financial reporting standards.

Emphasis of matters

Without qualifying my opinion I draw attention to note 1.3 to the financial statements as stated that the Company has had quasi - reorganization in June, 2012 to eliminate its deficit as of December 31, 2011 together with the profit from the operation in year 2012, resulting the net retained earnings of Baht 455.92 million to the group companies. And, as of December 31, 2012, the Company and its subsidiaries have current liabilities in excess of current assets amounted Baht 11.73 million while as of December 31, 2011 have current liabilities in excess of current assets amounted Baht 370.11 million.

(NATSARAK SAROCHANUNJEEN)

Certified Public Accountant

Registration No. 4563

A.M.T. & ASSOCIATES

Bangkok, Thailand

February 15, 2013

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Note	2012	2011	2012	2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	58,385,266	25,872,015	31,155,152	7,321,223
Trade receivables					
Subsidiaries	5	-	-	370,280,338	624,948,551
Related parties	5	532,653	17,722,448	513,554	1,088,540
Unrelated parties		666,216,317	599,553,575	249,758,071	164,614,068
Less : Allowance for doubtful accounts	5	(4,529,132)	(5,715,302)	(4,487,853)	(5,062,839)
Less : Allowance for contingent loss due to a subsidiary may not be able to pay for the purchased goods	5	-	-	(26,395,494)	(244,395,435)
Trade receivables, net	6	662,219,838	611,560,721	589,668,616	541,192,885
Other receivables	5 and 7	68,677,102	40,197,931	64,599,572	34,393,387
Inventories, net	8	682,423,838	500,183,628	505,283,657	392,837,569
Other current assets		12,666,132	14,785,652	8,860,564	12,901,935
TOTAL CURRENT ASSETS		1,484,372,176	1,192,599,947	1,199,567,561	988,646,999

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Note	2012	2011	2012	2011
ASSETS (CONT.)					
NON - CURRENT ASSETS					
Investments in subsidiaries, net	9	-	-	145,000,000	145,000,000
Loan to employees under welfare programme		4,680,420	7,298,541	3,077,150	5,060,650
Restricted bank deposits	10 and 24	1,000,000	5,143,412	-	-
Property, plant and equipment, net	11 and 24	1,129,319,166	1,004,254,421	992,769,957	855,722,131
Land not used in operation, net	12 and 24	22,547,995	28,450,928	-	-
Intangible asset, net	13	16,122,112	-	15,789,821	-
Other non - current assets					
Deposits	5 and 25.1 (c,d)	36,753,362	22,208,450	31,208,637	12,344,214
Others		5,247,511	4,100,098	5,247,511	3,895,143
TOTAL NON - CURRENT ASSETS		1,215,670,566	1,071,455,850	1,193,093,076	1,022,022,138
TOTAL ASSETS		2,700,042,742	2,264,055,797	2,392,660,637	2,010,669,137

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Note	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans from financial institutions	14 and 24	168,952,004	250,714,579	168,952,004	229,839,012
Trade payables					
Subsidiaries	5	-	-	37,812,082	26,120,545
Related parties	5	10,717,261	6,153,107	10,685,214	6,135,570
Unrelated parties		822,552,545	943,874,366	777,411,065	873,652,999
Other payables	5 and 15	253,182,105	233,925,020	110,991,541	96,345,472
Factoring payables	6	92,559,693	47,621,078	-	9,107,671
Current portion of trade payable under a compromise agreement	25.4.2	33,878,452	27,636,667	33,878,452	27,636,667
Current portion of liabilities under financial lease agreements	16	4,217,279	3,409,048	3,603,881	3,013,103
Current portion of liability from guarantee	25.4.1	-	2,738,259	-	2,738,259
Income tax payable		63,227,714	-	44,743,335	-
Other current liabilities					
Advances received for goods		24,876,902	27,863,769	24,863,154	27,835,011
Others		21,935,022	18,771,439	15,850,771	8,642,322
TOTAL CURRENT LIABILITIES		1,496,098,977	1,562,707,332	1,228,791,499	1,311,066,631

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Note	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)					
NON - CURRENT LIABILITIES					
Trade payable under a compromise agreement, net of current portion	25.4.2	78,307,180	112,185,633	78,307,180	112,185,633
Liabilities under financial lease agreements, net of current portion	16	5,925,718	7,515,492	5,168,368	6,855,157
Liability from guarantee, net of current portion	25.4.1	-	-	-	-
Employee benefit obligation	17	49,606,408	34,980,869	42,413,225	28,733,873
TOTAL NON - CURRENT					
LIABILITIES		133,839,306	154,681,994	125,888,773	147,774,663
TOTAL LIABILITIES		1,629,938,283	1,717,389,326	1,354,680,272	1,458,841,294
SHAREHOLDERS' EQUITY					
Share capital	18				
Authorized share capital 91,000,000 ordinary shares of Baht 2.00 each as at December 31, 2012 and 99,999,000 ordinary shares of Baht 10.00 each as at December 31, 2011		182,000,000	999,990,000	182,000,000	999,990,000

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Note	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)					
SHAREHOLDERS' EQUITY					
Issued and fully paid - up share capital 70,000,000 ordinary shares of Baht 2.00 each as at December 31, 2012 and Baht 10.00 each as at December 31, 2011		140,000,000	700,000,000	140,000,000	700,000,000
Share premium on issue of share	18	-	347,500,000	-	347,500,000
Retained earnings (deficit)					
Appropriated - Legal reserve	18 and 20	14,000,000	8,180,000	14,000,000	8,180,000
Unappropriated (after quasi - reorganization in June, 2012)	18	455,918,855	(1,027,028,681)	474,830,893	(961,718,481)
Other components of equity		460,185,604	518,015,152	409,149,472	457,866,324
TOTAL SHAREHOLDERS' EQUITY		1,070,104,459	546,666,471	1,037,980,365	551,827,843
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		2,700,042,742	2,264,055,797	2,392,660,637	2,010,669,137

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

Consolidated financial statement (Baht)										
	Note	Retained earnings (deficit)					Other components of equity			
		Other comprehensive income (loss)								
		Paid - in					Actuarial gains (losses)			
		Issued and fully paid - up share capital	Share premium on issue of share	capital reduction in par value of share capital	Appropriated Legal reserve	Unappropriated reserve	Revaluation surplus	employee benefit plans	Total	Total equity
Balances as at January 1, 2012		700,000,000	347,500,000	-	8,180,000	(1,027,028,681)	518,015,152	-	518,015,152	546,666,471
Decrease in ordinary share capital	18	(560,000,000)	-	560,000,000	-	-	-	-	-	-
Transfer the legal reserve, the premium on share capital and the paid - in capital from reduction in par value to eliminate the company deficit	18	-	(347,500,000)	(560,000,000)	(8,180,000)	915,680,000	-	-	-	-
Legal reserve	20	-	-	-	14,000,000	(14,000,000)	-	-	-	-
Transferred to deficit	11 and 12	-	-	-	-	5,360,360	(5,360,360)	-	(5,360,360)	-
Total comprehensive income		-	-	-	-	645,903,576	(40,043,323)	(12,425,865)	(52,469,188)	593,434,388
(loss) for the year/Dividend paid	19	-	-	-	-	(69,996,400)	-	-	-	(69,996,400)
Balances as at December 31, 2012		140,000,000	-	-	14,000,000	455,918,855	472,611,469	(12,425,865)	460,185,604	1,070,104,459
Balances as at January 1, 2011		700,000,000	347,500,000	-	8,180,000	(1,230,772,968)	566,769,137	-	566,769,137	391,676,169
Effect of changes in accounting policy		-	-	-	-	-	-	-	-	-
employee benefit obligation		-	-	-	-	(31,804,446)	-	-	-	(31,804,446)
Balances as at January 1, 2011		700,000,000	347,500,000	-	8,180,000	(1,262,577,414)	566,769,137	-	566,769,137	359,871,723
after adjustment		-	-	-	-	7,819,280	(7,819,280)	-	(7,819,280)	-
Transferred to deficit	11	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)		-	-	-	-	227,729,453	(40,934,705)	-	(40,934,705)	186,794,748
for the year		-	-	-	-	-	-	-	-	-
Balances as at December 31, 2011		700,000,000	347,500,000	-	8,180,000	(1,027,028,681)	518,015,152	-	518,015,152	546,666,471

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Separate financial statement (Baht)									
	Note	Retained earnings (deficit)					Other components of equity		
		Paid - in					Other comprehensive income (loss)		
		Issued and fully paid - up share capital	Share premium on issue of share	capital reduction in par value of share	Appropriated Legal reserve	Unappropriated surplus	Revaluation employee benefit plans	Total	Total equity
Balances as at January 1, 2012		700,000,000	347,500,000	-	8,180,000	(961,718,481)	457,866,324	457,866,324	551,827,843
Decrease in ordinary share capital	18	(560,000,000)	-	560,000,000	-	-	-	-	-
Transfer the legal reserve, the premium on share capital and the paid - in capital from reduction in par value to eliminate the company deficit	18	-	(347,500,000)	(560,000,000)	(8,180,000)	915,680,000	-	-	-
Legal reserve	20	-	-	-	14,000,000	(14,000,000)	-	-	-
Transferred to deficit	11	-	-	-	-	3,679,488	(3,679,488)	(3,679,488)	-
Total comprehensive income		-	-	-	-	601,186,286	(33,164,939)	(11,872,425)	556,148,922
(loss) for the year/Dividend paid	19	-	-	-	-	(69,996,400)	-	-	(69,996,400)
Balances as at December 31, 2012		140,000,000	-	-	14,000,000	474,830,893	421,021,897	409,149,472	1,037,980,365
Balances as at January 1, 2012		700,000,000							
Effect of changes in accounting policy employee benefit obligation		-	347,500,000	-	8,180,000	(1,163,183,411)	499,107,236	499,107,236	391,603,825
		-	-	-	-	(26,559,708)	-	-	(26,559,708)
Balances as at January 1, 2011 after adjustment		700,000,000	347,500,000	-	8,180,000	(1,189,743,119)	499,107,236	499,107,236	365,044,117
Transferred to deficit	11	-	-	-	-	7,253,672	(7,253,672)	(7,253,672)	-
Total comprehensive income (loss) for the year		-	-	-	-	220,770,966	(33,987,240)	(33,987,240)	186,783,726
Balances as at December 31, 2011		700,000,000	347,500,000	-	8,180,000	(961,718,481)	457,866,324	457,866,324	551,827,843

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements For the years ended December 31,		Separate financial statements For the years ended December 31,	
	Note	2012	2011	2012	2011
REVENUES					
Sales	5	6,157,244,713	3,650,449,285	5,166,272,232	2,717,941,258
Other income					
Adjustment for decrease in contingent loss due to a subsidiary may not be able to pay for the purchased goods	6	-	-	217,999,941	89,636,332
- Gain on sales of fixed assets		2,713,345	-	2,689,770	13,095,501
- Others	5 and 12	125,756,682	75,702,501	57,041,127	41,614,060
TOTAL REVENUES		6,285,714,740	3,726,151,786	5,444,003,070	2,862,287,151
EXPENSES					
Cost of sales		4,501,984,879	2,581,203,671	4,371,042,732	2,370,066,777
Selling expenses		705,147,812	613,480,449	128,009,192	56,807,769
Administrative expenses		289,011,236	264,675,331	221,425,041	190,500,765
Other expenses		-	5,351,031	-	1,594,818
Finance costs		16,040,071	33,711,851	14,388,775	22,546,056
TOTAL EXPENSES	1.2 and 5	5,512,183,998	3,498,422,333	4,734,865,740	2,641,516,185
PROFIT (LOSS) BEFORE INCOME		773,530,742	227,729,453	709,137,330	220,770,966
TAX EXPENSES					
INCOME TAX EXPENSES	28	127,627,166	-	107,951,044	-
PROFIT (LOSS) FOR THE YEARS		645,903,576	227,729,453	601,186,286	220,770,966
BASIC EARNINGS PER SHARE	22	9.23	3.25	8.59	3.15

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
	Note	2012	2011	2012	2011
PROFIT (LOSS) FOR THE YEARS		645,903,576	227,729,453	601,186,286	220,770,966
OTHER COMPREHENSIVE INCOME (LOSS)					
Depreciation of increment in assets	11	(40,043,323)	(40,934,705)	(33,164,939)	(33,987,240)
Actuarial gains (losses) on defined employee on benefit plans	17	(12,425,865)	-	(11,872,425)	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		(52,469,188)	(40,934,705)	(45,037,364)	(33,987,240)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		593,434,388	186,794,748	556,148,922	186,783,726

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
Note	2012	2011	2012	2011
Cash flows from (used in)				
operating activities				
Profit (loss) for the years	645,903,576	227,729,453	601,186,286	220,770,966
Adjustments to reconcile profit (loss)				
to net cash provided by (paid from)				
operating activities: Adjustment for				
increase (decrease) in contingent loss				
due to a subsidiary may not be able				
to pay for the purchased goods	-	-	(217,999,941)	(89,636,332)
Bad debt and allowance for doubtful				
accounts (reversal)	(605,158)	584,211	(574,987)	(242,480)
Loss on obsolete inventories	9,660,808	25,381,820	4,107,890	16,486,131
Provision for obsolete inventories				
(reversal)	(1,854,423)	(13,679,031)	(1,757,012)	(13,805,673)
Depreciation	58,052,163	48,790,846	46,942,448	37,263,029
Amortization	2,998,211	1,261,835	2,694,122	1,254,487
Withholding tax write - off	49,332	-	-	-
Write - off property,				
plant and equipment	556,748	6,367,410	44,867	5,348,689
Loss (gain) on sales of property,				
plant and equipment	(2,713,345)	(13,242,902)	(2,689,770)	(13,095,501)
Unrealised loss on				
exchange rate	1,581,996	4,590,878	1,587,978	2,421,285
Employee benefit obligation	3,035,114	3,869,073	1,994,367	2,866,815
Interest income	(810,585)	(56,492)	(441,929)	(8,384)
Finance costs	16,040,071	33,711,851	14,388,775	22,546,056
Income tax expense	127,627,166	-	107,951,044	-

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

	Consolidated financial statements		Separate financial statements		
	For the years ended December 31,		For the years ended December 31,		
	Note	2012	2011	2012	2011
Profit (loss) from operating activities before changes in operating assets and liabilities		859,521,674	325,308,952	557,434,138	192,169,088
Operating assets decrease (increase)					
Trade receivables		(50,053,960)	(145,517,673)	170,099,195	(106,524,519)
Other receivables		(28,478,776)	(774,054)	(30,206,185)	1,750,047
Inventories		(190,046,594)	(39,849,896)	(114,796,966)	(63,947,477)
Other current assets		1,743,935	(3,660,592)	4,041,371	(5,837,972)
Loan to employees under welfare programme		2,618,121	(7,298,541)	1,983,500	(5,060,650)
Other non - current assets		(18,656,769)	(7,077,276)	(22,910,913)	(5,367,837)
Operating liabilities increase (decrease)					
Trade payables		(116,757,666)	146,163,658	(80,000,753)	124,829,143
Other payables		24,497,912	37,914,024	21,001,096	35,959,777
Trade payables under a compromise agreement, long - term		(27,636,668)	(29,000,000)	(27,636,668)	(29,000,000)
Other current liabilities		(6,981,483)	19,702,250	(2,921,606)	19,412,791
Employee benefit obligation		(835,440)	(692,650)	(187,440)	(692,650)
Cash flows from (used in)					
operating activities		448,934,286	295,218,202	475,898,769	157,689,741
Net cash paid to income tax		(64,107,359)	(2,735,723)	(63,207,709)	(1,635,023)
Net cash flows from (used in)					
operating activities		384,826,927	292,482,479	412,691,060	156,054,718

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Baht

		Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
	Note	2012	2011	2012	2011
Cash flows from (used in)					
investing activities					
Decrease (increase)					
in restricted bank deposits		4,143,412	(82,451)	-	-
Acquisition of property,					
plant and equipment		(228,022,328)	(60,933,242)	(227,371,321)	(57,071,974)
Proceeds from sales of property,					
plant and equipment		12,921,624	2,844,264	12,861,012	1,025,992
Decrease (increase) in intangible assets		(16,122,112)	-	(15,789,821)	-
Interest income received		810,585	56,492	441,929	8,384
Net cash flows from (used in)					
investing activities		(226,268,819)	(58,114,937)	(229,858,201)	(56,037,598)
Cash flows from (used in)					
financing activities					
Increase (decrease) in bank overdrafts					
and short - term loans from financial					
institutions		(83,344,571)	(64,161,218)	(62,474,986)	(53,253,096)
Increase (decrease) in factoring payable		44,938,615	(105,894,747)	(9,107,671)	(301,742)
Cash paid to liabilities under finance					
lease agreement		(781,543)	(12,730,884)	(1,096,011)	(12,368,021)
Cash paid to liability from guarantee		(2,738,259)	(2,750,000)	(2,738,259)	(2,750,000)
Cash paid to long - term loans		-	(7,512,534)	-	(7,512,534)
Cash paid to finance cost		(21,280,898)	(29,618,269)	(20,743,802)	(18,231,649)
Dividend paid		(62,838,201)	-	(62,838,201)	-
Net cash flows from (used in)					
financing activities		(126,044,857)	(222,667,652)	(158,998,930)	(94,417,042)
Net increase (decrease)					
in cash and cash equivalents		32,513,251	11,699,890	23,833,929	5,600,078
Cash and cash equivalents at beginning of years		25,872,015	14,172,125	7,321,223	1,721,145
Cash and cash equivalents at end of years	4	58,385,266	25,872,015	31,155,152	7,321,223

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

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2012

Supplemental disclosures of cash flows information :Activities not effecting cash :

1) For the year ended December 31, 2011

- >> In the 1st quarter of 2011, The Company and its subsidiaries have applied newly issued and revised financial reporting standards. The effects of the application are increase in deficit and increase in employee benefit obligation of Baht 31.80 million (the Company only: Baht 26.56 million).
- >> In the 1st quarter of 2011, The Company sold all its non - operating lands to a packaging payable for settlement with some of trade dept - tinamounted of Baht 117.00 million.
- >> Increased in the Company's liabilities under finance lease agreement of Baht 3.45 million from acquisition of property, plant and equipment in the 2nd quarter of 2011.
- >> In the 1st and the 4th quarter of 2011, The Company and its subsidiary sold and write - off certain revalued machineries, thus the balance of revaluation surplus were transferred directly to decrease in deficit of Baht 7.82 million (the Company only: Baht 7.25 million) is recognized as stated in note 11 to financial statements.
- >> Decreased in revaluation surplus due to depreciation of the incremental asset for the year ended December 31, 2011 of Baht 40.93 million (the Company only: Baht 33.99 million) is recognized as stated in note 11 to financial statements.

2) For the year ended December 31, 2012

- >> In the 1st quarter of 2012, Its subsidiary sold certain revalued non - operating lands, thus the balance of revaluation surplus were transferred directly to decrease in deficit of Baht 1.76 million.
- >> Increased in the company's other payable of Bath 25.16 million from acquisition of property, plant and equipment in the 3rd quarter of 2012.
- >> In the 2nd and the 3rd quarter of 2012, The Company sold certain revalued machineries and equipment, thus the balance of revaluation surplus were transferred directly to decrease in deficit of Baht 3.62 million.
- >> In the 2nd quarter of 2012, The Company eliminated its' deficit as of December 31, 2011 by transfer from the legal reserve of Baht 8.18 million, the share premium of Baht 347.50 million and the paid - in capital from reduction in par value of Baht 560 million.
- >> Decreased in revaluation surplus due to depreciation of the incremental asset for the year ended December 31, 2012 of Baht 40.04 million (the Company only Baht 33.16 million) is recognized as stated in note 11 to financial statements.

MALEE SAMPRAN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

1. GENERAL INFORMATION

1.1 Corporate information

Malee Sampran Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of canned fruit, fruit juices and drinks and its registered address is 401/1, Moo 8, Phaholyothin Road, Kookod, Lumlookka, Pathumthani, Thailand 12130.

1.2 Expenses by nature

The significant expenses classified by nature for the years ended December 31, 2012 and 2011 are as follows :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Changes in inventories of finished goods				
decrease (increase)	(180,339,061)	(15,891,694)	(102,814,483)	(53,944,120)
Purchase finished goods	381,055,932	218,763,009	279,737,885	252,749,133
Raw materials and consumables used	4,001,365,287	2,094,196,475	3,968,462,843	1,924,558,478
Employee benefits expenses	345,108,620	283,968,222	250,810,008	193,879,284
Directors and management benefit expenses	36,974,906	33,471,863	26,587,070	24,475,534
Depreciation and amortization expenses	61,050,374	50,052,681	49,636,570	38,517,516
Write - off property, plant and equipment	556,748	6,367,410	44,867	5,348,689
Loss from defective and obsolete inventories	7,806,385	11,702,789	2,350,878	2,680,458
Bad debt and doubtful accounts	-	584,211	-	-

Baht

1.3 Quasi - reorganization

The Company has had quasi - reorganization in June, 2012 to eliminate its deficit as of December 31, 2011 as stated in note 18 to the financial statement together with the profit from operation in the year 2012, resulting the net retained earnings of Baht 455.92 million to the group Company.

1.4 Status of the Company regarding to listed security

On March 10, 2009, the Company had been notified by the Stock Exchange of Thailand (SET) subject to the delisting of the Company security. Consequently, on May 11, 2009, the SET has posted the SP (Suspension) sign on the Company's securities to prohibit the trading until succeeded in solving a trouble of financial conditions and operations in respect with the SET regulation. The Company has proceeded to resolve its delisting grounds by jointed a certified financial advisory to conduct a rehabilitation plan. The rehabilitation plan has unanimously approved in the 2010 annual general meeting of shareholders on April 26, 2010. Following on May 10, 2011, the Company has requested the Stock Exchange of Thailand to approve share trading resumption in stock market, because the Company has considered that it has completed qualifications in accordance with the SET's requirements for resolving the delisting grounds. And on June 10, 2011, the SET removed cause of possible delisting of the Company's securities and resumes its trading from June 22, 2011 onwards.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 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.

2.2 Financial reporting standards and Accounting Treatment Guidance which are not effective for the current year

Since year 2010 to present, the Federation of Accounting Professions has issued the revised and new financial reporting standards which are effective for financial statements period beginning on or after January 1 in the year indicated as follows :

		<u>Year effective</u>
Accounting Standards		
TAS 12	Income Taxes	2013
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance (revised 2009)	2013
TAS 21	The Effects of Changes in Foreign Exchange Rates (revised 2009)	2013

			<u>Year effective</u>
Financial Reporting Standard			
TFRS 8	Operating Segments		2013
Accounting Standard Interpretations			
TI	10 Government Assistance - No Specific Relation to Operating Activities		2013
TI	21 Income Taxes - Recovery of Revalued Non - Depreciable Assets		2013
TI	25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders		2013
TI	29 Service Concession Arrangements: Disclosures		2014
Financial Reporting Standard Interpretations			
TFRI 4	Determining whether an Arrangements contains a Lease		2014
TFRI 12	Service Concession Arrangements		2014
TFRI 13	Customer Loyalty Programmes		2014
Accounting Treatment Guidance for Transfers of Financial Assets			2013

The Company shall adopt the above financial reporting standards and accounting treatment guidance on the effective date, however, the management considers that TAS 20 (revised 2009), TAS 21 (revised 2009), TI 10, TI 29, TFRI 4, TFRI 12, TFRI 13 and the accounting treatment guidance for transfers of financial assets do not have effect on the financial statements. As for TFRS 8, the management considered that it shall be immaterially effected. The TAS 12, TI 21, and TI 25 are under consideration of their effect to the financial statements for the year in which they are initially applied.

2.3 Basis of consolidation

2.3.1 These consolidated financial statements include the financial statements of Malee Sampran 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, 2011. There have been no changes in the composition of the Group during the current year as follow:

Company's name	Nature of business	Percentage of shareholding		Country of incorporation	Assets as a percentage to the consolidated total assets		Revenues as a percentage to the consolidated total	
		2012	2011		2012	2011	2012	2011
Held by the Company								
Malee Enterprise Company Limited	Distributor	99.99	99.99	Thailand	22.42	25.66	38.83	50.83
Malee Supply Company Limited	Distributor							
	(Dormant)	97.60	97.60	Thailand	-	-	-	-
Icon Foods, LLC.	Distributor							
	(Dormant)	99.00	99.00	USA	-	-	-	-
Agri Sol Company Limited	Manufacture							
	and distributor	100.00	100.00	Thailand	9.54	11.29	4.77	7.02

2.3.2 The financial statements of an overseas subsidiary are 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 difference on translating financial statement" in other components of equity.

2.3.3 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

Other incomes are recognised base on accrual basis.

Expenses are recognised base on accrual basis.

3.2 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.

3.3 Trade receivables

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

3.4 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 weighted average 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.

3.5 Investments

Investments in subsidiary companies are accounted for 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.

3.6 Export incentive receivable

Export incentive, in the form of tax coupons, is recognized as revenue when the relevant export shipment is made. Export incentive is calculated by multiplying of the determined percentage and invoicing value based on F.O.B. basis.

3.7 Property, plant and equipment and depreciation

Measurement of land, plant and equipment

Land is stated at cost or revaluation. Plant and machineries are stated at cost or revaluation less accumulated depreciation and impairment loss (if any). Equipment, excluding plant and machineries are stated at cost less accumulated depreciation and impairment loss (if any).

Reappraised value is the fair market value, which is obtained from the independent appraiser, using the market approach to appraise land and cost approach to appraise building and machineries. The Company has a policy to revalue assets every five years to ensure that their carrying amounts do not differ materially from their fair values at the statements of financial position date. When an asset's carrying amount is increased as a result of a revaluation, the increase should be recorded as "Surplus on revaluation of assets" under "Other components

of equity” in the statements of financial position.

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.

Recognition method of plant and machineries on revaluation cost

Depreciation for the reappraised plant and machinery of the Company will be calculated based on the estimated remaining useful life and charged against the surplus on revaluation of fixed assets.

The differences arising from revaluation of buildings and machineries are dealt in the financial statements as follows:

Any increase in value, is credited to the revaluation reserve unless it offsets a previous decrease in value recognized in the statements of income. A decrease in value is recognized in the statements of income to the extent that it exceeds the increase previously recognized in the revaluation reserve. The difference between the depreciation based on the revalued amount of the buildings and machineries and the depreciation based on the buildings and machineries’s original cost is credited to the other components of equity under “Surplus on revaluation of buildings and machineries”. Upon the disposal of previously appraised buildings and machineries, the revaluation surplus of the disposed buildings and machineries is transferred directly to retained earnings, not to the statements of income, to close the surplus account.

Depreciation

Depreciation of plants and equipment are calculated by the estimated useful lives of each part of

an item of plants, machineries and equipment. The estimated useful lives are as follows:

	Method		Year	
	New	Old	New	Old
Land improvement	Straight - line	Straight - line	5	5
Buildings improvement	Straight - line	Straight - line	25	5
Building acquired prior to 1990	Straight - line	Declining	40	20
Building acquired since 1990	Straight - line	Straight - line	40	20
Machinery acquired prior to 1990	Straight - line	Declining	15, 20	5, 10
Machinery acquired since 1990	Straight - line	Straight - line	15, 20	5, 10
Equipment and furniture acquired prior to 1990	Declining	Declining	5, 10	5, 10
Equipment and furniture acquired since to 1990	Straight - line	Straight - line	5, 10	5, 10
Motor vehicles	Straight - line	Straight - line	5	5

No depreciation is provided for land and construction in progress.

3.8 Borrowing cost

Borrowing cost of loans for fixed asset procurement is recorded in cost of fixed assets until the assets are ready for use.

3.9 Amortization

Pallets and packages are stated at cost less accumulated amortization. Amortization of pallets and packages is calculated on the straight - line method over periods of 1 and 3 years.

3.10 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.

3.11 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. The property, plant or equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation at the determined rate of 23% in year 2012 and 30% in year 2011.

3.17 Derivatives

The Company enters into forward exchange contracts to reduce its exposure from exchange rate on cash flow of apart of account receivable that dominated in foreign currency. As at the entered date of forward exchange contracts, the Company records its obligation on assets and liabilities in statement of financial position and recognizes its variance on exchange rate under account "Premium or discount on cash flow hedging deferred account" which will be amortized on straight - line method through a term of its forward exchange contract. Exercised foreword exchange contracts that occurred during the year are translated into Baht at the rates ruling on the transaction dates and recognized its realized gain/loss when delivered currency in determining income of incurring year. Forward exchange contracts outstanding at the statements of financial position date are presented as net transaction under account "Forward exchange contracts receivable/payables" and its unrealized gain/loss resulting from currency translation at the statements of financial position are included in determining earnings.

3.18 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.

3.19 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. The significant estimates are as follows:

Property, plant and equipment

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment. Management will revise the depreciation charge as the useful lives and residual values change and write off or write down technically obsolete, abandoned or sold assets.

3.20 Earning per share

Basic earnings per share is calculated by dividing income (loss) for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing income (loss) for the year by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

3.21 Financial instruments

The Company and its subsidiary have no policy to speculate in or engage in the trading of any statement of financial position derivative instruments.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, as follows:

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Petty cash	191,159	236,478	80,000	80,000
Cash at banks - current accounts	11,119,330	12,439,918	3,803,798	7,155,521
- saving accounts	46,371,456	10,409,846	27,271,354	85,702
- fixed accounts	2,873	2,823	-	-
Cheque in hand	700,448	2,782,950	-	-
Total	58,385,266	25,872,015	31,155,152	7,321,223

5. RELATED PARTY TRANSACTIONS

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties are these parties linked to companies in the Group as follow:

Related Companies	Business Type	Relation ship
Subsidiaries		
Malee Enterprise Company Limited	Distributor	Shareholders/Co - directors
Agri Sol Company Limited	Manufacture and distributor	Shareholders/Co - directors
Malee Supply Company Limited	Distributor (Dormant)	Shareholders/Co - directors
Icon Foods LLC	Distributor (Dormant)	Shareholders/Co - directors
Related parties		
Abico Holding Public Company Limited	Holding company (investment)	Company's shareholder/Co - directors
Abico Land Company Limited	Real estate developer	Co - directors
Abico Dairy Farm Company Limited	Produce service of ready to drink milk and fruit juices	Group of companies/Co - director
Chokchai Milk Company Limited	Chokchai brand owner	Relate with Abico Holding Public Company Limited
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Aira Factoring Public Company Limited (A)	Factoring	Co - directors
Central Food Retail Company Limited (B)	Department store	Co - directors
CG Broker Company Limited (C)	Insurance	Co - directors
Centralworld Company Limited	Department store	Co - directors

(A) Commencing March 8, 2011, Aira Factoring Public Company Limited (Formerly the name of Dhanamitr Factoring Public Company Limited) is not a related party of the Company and its subsidiaries.

(B) Commencing March 1, 2012, Central Food Retail Company Limited is not a related party of the Company and its subsidiaries.

(C) Commencing March 5, 2012, CG Broker Company Limited is not a related party of the Company

and its subsidiaries.

During the years, the Company had significant trading transactions with its subsidiaries and related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

		Baht			
		Consolidated financial statements		Separate financial statements	
Transfer Pricing policy		2012	2011	2012	2011
Transactions with subsidiaries					
(Eliminated in the consolidated financial statements)					
Sales of goods	Cost plus margin	-	-	1,254,045,415	1,141,016,108
Others income	Cost plus margin	-	-	8,743,656	9,877,274
Guarantee income	0.25 percent of the guarantee amount	-	-	612,500	737,500
Purchase of goods	Cost plus margin	-	-	13,856,301	31,978,049
Purchase of raw material and others	Cost plus margin	-	-	120,124,002	30,576,061
Marketing support expenses	Contract price	-	-	25,080,908	-
Guarantee fee	0.25 percent of the guarantee amount	-	-	700,000	700,000
Land and plant rental and service expense	Contract price	-	-	1,195,828	1,692,990
Purchase of land not used in operation	Cost	-	-	5,784,773	1,997,662
Transactions with related parties					
Sales of goods	Cost plus margin	26,463,377	96,838,151	-	-
Produce service	Cost plus margin	82,245,586	60,120,227	82,245,586	60,120,227
Sale promotion expense	Contract price	2,982,729	20,904,187	-	-
Building rental expenses	Contract price	11,744,040	11,016,960	7,069,140	6,525,360
Interest expense - factoring	Market yield	-	383,977	-	-

Insurance expenses	Contract price	1,727,533	-	1,591,809	-
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The balances of the accounts as at December 31, 2012 and 2011 between the Company and its subsidiaries and those related companies are as follows:

		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Trade receivables					
Subsidiaries					
Malee Enterprise Co., Ltd.	-	-	359,946,171	623,331,386	
Agri Sol Co., Ltd.	-	-	10,334,167	1,617,165	
Total	-	-	370,280,338	624,948,551	
Related parties					
Chokchai Milk Co., Ltd.	513,554	1,088,540	513,554	1,088,540	
Central Food Retail Co., Ltd.	-	16,633,908	-	-	
Centralworld Co.,Ltd.	19,099	-	-	-	
Total	532,653	17,722,448	513,554	1,088,540	
Allowance for doubtful account					
Related party					
Chokchai Milk Co., Ltd.	(513,554)	(1,088,540)	(513,554)	(1,088,540)	
Allowance for contingent damage due to a subsidiary cannot pay for goods					
Subsidiary					
Malee Enterprise Co., Ltd.	-	-	(26,395,494)	(244,395,435)	
Other receivables					
Subsidiary					
Agri Sol Co., Ltd.	-	-	-	210,000	

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Related party				
Abico Daily Farm Co., Ltd.	289,800	111,168	289,800	111,168
Deposits				
Related parties				
Abico Land Co., Ltd.	8,424,800	8,424,800	5,451,800	5,451,800
Central Food Retail Co., Ltd.	-	83,436	-	-
Total	8,424,800	8,508,236	5,451,800	5,451,800
Trade payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	25,698	536,492
Agri Sol Co., Ltd.	-	-	37,786,384	25,584,053
Total	-	-	37,812,082	26,120,545
Related party				
Abico Daily Farm Co., Ltd.	10,717,261	6,153,107	10,685,214	6,135,570
Other payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	6,487,869	5,418,204
Agri Sol Co., Ltd.	-	-	962,249	5,510,000
Total	-	-	7,450,118	10,928,204
Related parties				
Abico Land Co., Ltd.	114,802	63,455	77,348	39,753
Abico Daily Farm Co., Ltd.	-	17,537	-	-
Central Food Retail Co., Ltd.	-	16,649,958	-	-
Total	114,802	16,730,950	77,348	39,753

Currently, Chokchai Milk Company Limited does not directly relate to the Company, either through having common shareholders and / or common directors. However, Chokchai Milk Company Limited relates to Abico Holdings Public Company Limited as the Company's major shareholder. The Company is a manufacturer and distributor of the product under "Chokchai Farm" brand, license of Chokchai Milk Company Limited. However, there is no charges of licensing.

Since at December 31, 2006, the allowance for doubtful accounts amounted to Baht 35 million accounts was set aside in the account for Chokchai Milk Company Limited. Later, in the year 2007, the Central Court agreed with the business restructuring plan of Chokchai Milk Company Limited. Under this restructuring plan, the total stipulated debt amount that the Company shall receive was Baht 1.09 million. As a result, in 2007, the Company had written off the remainder of the debt into bad debt of Baht 34 million and December 31, 2009, the Company considered to set allowance for doubtful accounts for above accounts receivable fully amounted to Baht 1.09 million. In the 4th quarter of year 2012, the Company received Baht 0.57 million from Chokchai Milk Company Limited.

Directors and management benefit expenses

Directors and management benefit expenses represent the benefits paid to the directors and the Company's management such as salaries and related benefit including the benefit paid by other means. The directors and the Company's management are the persons who are defined under the Securities and Exchange.

Directors and management benefit expenses for the years ended December 31, 2012 and 2011 are as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short - term employee benefits	36,443,378	32,940,335	26,287,800	24,176,264
Post - employment benefits	531,528	531,528	299,270	299,270
Total	36,974,906	33,471,863	26,587,070	24,475,534

Baht

Guarantee obligations with related party

The Company has outstanding guarantee obligations with a subsidiary and its subsidiary has outstanding guarantee obligations with the Company, as described in note 25.3 to the financial statements.

Distributorship agreement

The Company entered into an agreement with a subsidiary to be the sold distributor in Thailand to

distribute its products under “Malee” brand and other brands. The Company has to comply with certain conditions contained in the agreement for a period of 1 year including a renewal option.

6. TRADE RECEIVABLES, NET

The outstanding balances of trade receivables as at December 31, 2012 and 2011 are aged, based on due date, as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Age of receivables				
Not yet due	549,387,626	462,503,381	518,786,314	370,216,021
Past due				
Up to 3 months	111,304,789	146,652,629	86,283,259	323,625,631
3 - 6 months	-	2,256,913	-	90,051,792
6 - 9 months	609,942	113,670	825,537	783,960
Longer than 9 months	5,446,613	5,749,430	14,656,853	5,973,755
Total	666,748,970	617,276,023	620,551,963	790,651,159
Less : Allowance for doubtful accounts	(4,529,132)	(5,715,302)	(4,487,853)	(5,062,839)
: Allowance contingent loss due to a subsidiary may not be able to pay for the purchased goods	-	-	(26,395,494)	(244,395,435)
Trade receivables, net	662,219,838	611,560,721	589,668,616	541,192,885

Included in the trade receivables of the Company and its subsidiaries as at December 31, 2012 and 2011 were approximately Baht 117.27 million and Baht 52.11 million, respectively, in the consolidated financial statements and Baht - million and Baht 9.11 million, respectively, in the separate financial statements, which have been sold with recourse to financial institutions at a discount. Factoring payables were approximately Baht 92.56 million and Baht 47.62 million, respectively, in the consolidated financial statements and Baht - million and Baht 9.11 million, respectively, in the separate financial statements.

The changes of allowance doubtful accounts during the years as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Beginning balance	(5,715,302)	(5,240,793)	(5,062,839)	(5,240,793)
Increased during the years	-	(652,463)	-	-
Received during the years	605,158	177,954	574,986	177,954
Decreased due to write - off	581,012	-	-	-
Ending balance	(4,529,132)	(5,715,302)	(4,487,853)	(5,062,839)

The change of allowance for contingent loss due to a subsidiary may not be able to pay for the purchased goods during the years as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Beginning balance	-	-	(244,395,435)	(334,031,767)
Decreased (increased) during the years	-	-	217,999,941	89,636,332
Ending balance	-	-	(26,395,494)	(244,395,435)

7. OTHER RECEIVABLES

Other receivables, as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Accrued other income	54,007,489	23,572,815	52,486,963	21,682,982
Advance payment	3,065,589	335,717	2,918,707	272,488
Prepaid expense	3,706,318	13,208,640	3,066,238	9,357,158
Advances payment for goods	1,770,042	-	-	-
Excise tax	6,127,664	3,080,759	6,127,664	3,080,759
Total	68,677,102	40,197,931	64,599,572	34,393,387

8. INVENTORIES, NET

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Finished goods	515,427,937	335,088,876	347,054,815	244,240,331
Raw materials	33,602,587	38,072,290	33,294,295	36,230,160
Packing materials	88,992,046	88,209,477	85,082,426	77,237,900
Spare parts and factory supplies	40,032,078	36,093,852	34,630,384	31,460,087
Goods in transit	8,122,204	8,326,570	8,122,204	8,326,570
Total	686,176,852	505,791,065	508,184,124	397,495,048
<u>Less :</u> Allowance for stock obsolescence	(3,753,014)	(5,607,437)	(2,900,467)	(4,657,479)
Inventories, net	682,423,838	500,183,628	505,283,657	392,837,569

The changes of allowance for obsolete stock during the years as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Beginning balance	(5,607,437)	(19,286,468)	(4,657,479)	(18,463,152)
Decreased (increased) during the years	1,854,423	13,679,031	1,757,012	13,805,673
Ending balance	(3,753,014)	(5,607,437)	(2,900,467)	(4,657,479)

9. INVESTMENTS IN SUBSIDIARIES, NET

These represent investments in ordinary shares of the following subsidiary companies.

Company's name	Separate financial statements					
	Paid - up capital		Shareholding percentage		Cost method (Baht)	
	2012	2011	2012	2011	2012	2011
Investments in subsidiary companies						
Malee Enterprise Company Limited	Baht 100 million	Baht 100 million	99.99	99.99	99,988,000	99,988,000
Malee Supply Company Limited	Baht 1.75 million	Baht 1.75 million	97.60	97.60	1,708,000	1,708,000
Icon Foods Company Limited	USD 50,500	USD 50,500	99.00	99.00	1,291,000	1,291,000
Agri Sol Company Limited	Baht 145 million	Baht 145 million	100.00	100.00	145,000,000	145,000,000
					247,987,000	247,987,000
Less : Impairment loss on investment					(102,987,000)	(102,987,000)
Investments in subsidiaries, net					145,000,000	145,000,000

10. RESTRICTED BANK DEPOSITS

These represent fixed deposits pledged with the banks to secure credit facilities.

11. PROPERTY, PLANT AND EQUIPMENT, NET

Consolidated financial statements

Baht

	Land	Buildings and buildings improvement	Land improvement	Machineries and equipment	Motor vehicles	Furniture, fixtures and office equipment	Construction in progress	Elimination	Total
Cost amount:									
As at December 31, 2011	41,619,715	327,851,287	8,963,610	1,398,368,884	23,391,217	147,870,873	90,954,790	(301,913)	2,038,718,463
Acquisition	20,600,000	5,687,350	872,006	16,192,948	4,270,306	10,666,338	169,733,380	-	228,022,328
Disposals	-	-	-	(17,355,747)	(540,000)	(1,121,263)	-	-	(19,017,010)
Transfer in (out)	-	-	-	63,690,368	-	-	(63,690,368)	-	-
Write - off	-	(11,481,707)	-	(85,000)	(16,654)	(39,303,177)	-	-	(50,886,538)
As at December 31, 2012	62,219,715	322,056,930	9,835,616	1,460,811,453	27,104,869	118,112,771	196,997,802	(301,913)	2,196,837,243
Accumulated depreciation:									
As at December 31, 2011	-	234,313,268	8,745,449	1,119,700,833	15,337,074	138,581,999	-	(153,083)	1,516,525,540
Depreciation for the year	-	5,544,059	114,301	44,849,055	2,253,076	5,291,672	-	-	58,052,163
Depreciation on disposals	-	-	-	(16,618,297)	(539,998)	(1,106,289)	-	-	(18,264,584)
Transfer in (out)	-	-	-	-	-	-	-	-	-
Write - off	-	(11,392,719)	-	(84,999)	(16,652)	(38,880,286)	-	-	(50,374,656)
As at December 31, 2012	-	228,464,608	8,859,750	1,147,846,592	17,033,500	103,887,096	-	(153,083)	1,505,938,463
Allowance for impairment									
loss:									
As at December 31, 2011	-	11,648,118	-	3,534,815	-	-	18,720,047	-	33,902,980
Increasing	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Write - off	-	-	-	-	-	-	-	-	-
As at December 31, 2012	-	11,648,118	-	3,534,815	-	-	18,720,047	-	33,902,980
Net book value:									
As at December 31, 2011	41,619,715	81,889,901	218,161	275,133,236	8,054,143	9,288,874	72,234,743	(148,830)	488,289,943
As at December 31, 2012	62,219,715	81,944,204	975,866	309,430,046	10,071,369	14,225,675	178,277,755	(148,830)	656,995,800
Incremental amount:									
As at December 31, 2011	156,825,622	75,295,223	-	364,378,040	-	-	-	-	596,498,885
Increasing (decreasing)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(4,796,841)	-	-	-	-	(4,796,841)
Write - off	-	-	-	(74,897)	-	-	-	-	(74,897)
As at December 31, 2012	156,825,622	75,295,223	-	359,506,302	-	-	-	-	591,627,147

Baht

	Land	Buildings and buildings improvement	Land improvement	Machineries and equipment	Motor vehicles	Furniture, fixtures and office equipment	Construction in progress	Elimination	Total
Accumulated depreciation									
of incremental amount:									
As at December 31, 2011	-	7,649,427	-	72,884,980	-	-	-	-	80,534,407
Depreciation for the year	-	3,764,762	-	36,278,561	-	-	-	-	40,043,323
Disposals	-	-	-	(1,243,918)	-	-	-	-	(1,243,918)
Write - off	-	-	-	(30,031)	-	-	-	-	(30,031)
As at December 31, 2012	-	11,414,189	-	107,889,592	-	-	-	-	119,303,781
Incremental value, net:									
As at December 31, 2011	156,825,622	67,645,796	-	291,493,060	-	-	-	-	515,964,478
As at December 31, 2012	156,825,622	63,881,034	-	251,616,710	-	-	-	-	472,323,366
Revaluation basis assets,									
net:									
As at December 31, 2011	198,445,337	149,535,697	218,161	566,626,296	8,054,143	9,288,874	72,234,743	(148,830)	1,004,254,421
As at December 31, 2012	219,045,337	145,825,238	975,866	561,046,756	10,071,369	14,225,675	178,277,755	(148,830)	1,129,319,166
Depreciation for the years									
ended December 31,									
2011									48,790,846
2012									58,052,163

Separate financial statements

Baht

	Land	Buildings and buildings improvement	Land improvement	Machineries and equipment	Motor vehicles	Furniture, fixtures and office equipment	Construction in progress	Total
Cost amount:								
As at December 31, 2011	31,417,556	224,890,318	8,227,267	1,187,518,306	20,293,585	100,502,154	90,954,790	1,663,803,976
Acquisition	20,600,000	5,687,350	872,006	10,852,563	3,451,492	10,389,757	169,733,380	221,586,548
Disposals	-	-	-	(17,806,045)	(540,000)	(679,718)	-	(19,025,763)
Transfer in (out)	-	-	-	63,690,368	-	-	(63,690,368)	-
Write - off	-	-	-	(85,000)	-	-	-	(85,000)
As at December 31, 2012	52,017,556	230,577,668	9,099,273	1,244,170,192	23,205,077	110,212,193	196,997,802	1,866,279,761
Accumulated depreciation:								
As at December 31, 2011	-	177,669,830	8,171,719	949,560,992	13,242,356	94,135,692	-	1,242,780,589
Depreciation for the year	-	3,208,734	114,301	37,412,578	1,802,970	4,403,865	-	46,942,448

[illegible]

As at December 31, 2012 and 2011 the Company and its subsidiaries have vehicles and machineries acquired under finance lease agreements, with net book value amounting to approximately Baht 12.88 million and Baht 15.13 million, respectively (the Company only: amounted to approximately Baht 11.54 million and Baht 14.09 million, respectively).

As at December 31, 2012 and 2011 certain buildings, vehicles and equipment items of the Company and its subsidiaries have been fully depreciated but they are still in use. The original cost in those assets amounted to approximately Baht 113.87 million and Baht 154.06 million, respectively (the Company only: amounted to approximately Baht 107.71 million and Baht 106.37 million, respectively).

Increment per assets appraisal

In December 2009, the Company and its subsidiary hired a local independent appraiser namely; 15 Business Advisory Limited, to appraise the value of lands, buildings and machineries under revaluation basis as shown in the accounting policies.

In case of appraisal of lands, the Company's lands locate at Sampran District, Nakornpratom Province, the lands space is in total of 39 rai 0 ngarn 65 square wah and the subsidiary's land locates at Banpaeng District, Nakornpratom Province, the land space is in total of 118 rai 3 ngarn 79 square wah, at the total cost amounting to Baht 41.62 million (the Company only: amounted to Baht 31.42 million). The Company and its subsidiary appraised the lands for the second time in the year 2004 at appraisal price of the lands in the amount of Baht 212.63 million, and the third time in the year 2009 at appraisal price in the amount of Baht 198.68 million (the Company only: amounted to Baht 185.19 million). Increment per assets appraisal for the second and the third appraisal were amounted to Baht 171.01 million and Baht 156.83 million, respectively (the Company only: amounted to Baht 171.01 million and Baht 153.77 million, respectively), which were presented in the revaluation surplus under the caption of the other components of equity.

In case of appraisal of buildings and machineries that the net cost value of Baht 431.06 million (the Company only: amounted to Baht 329.27 million). The Company and its subsidiary appraised the buildings and machineries for the first time on December 31, 2009. The Management of the Company has the objective to adopt such accounting policy mentioned as following, plant and machineries of the Company and its subsidiary have been long used and the most of them have been fully depreciated but are still in use due to having continuous maintenance and improvement. Thus, the book value of plant and machineries are not represented at the value in use. The Company has not applied retroactive adjustment to the comparative financial statements because of without the sufficient data. The appraisal price was of Baht 868.86 million (the Company only: amounted to Baht 708.60 million). Increment per assets appraisal was amount of Baht 450.71 million (the Company only: amounted to Baht 381.23 million) which was presented in the revaluation surplus under the caption of the other components of equity. However, the Company and its subsidiary had impairment loss from appraisal of buildings and machineries in the amount of Baht 12.92 million (the Company only: amounted to Baht 1.91 million).

The Company and its subsidiary have calculated the depreciation of the incremental amounts per assets appraisal which had been charged against the revaluation surplus account under the other comprehensive income (using the cost method under the Notification of the Federation of Accounting Professions (FAP) No. 25/2549 and No. 18/2554). If the Company and its subsidiary choose to recognize the depreciation for the surplus on fixed assets in profit or loss according to TAS 16 (Revised 2009) Property, Plant and Equipment, the profit for the years and basic earnings per share for the years ended December 31, 2012 and 2011 would have been changed to the following:

	Consolidateds financial statements		Separate financial statements	
	2012	2011	2012	2011
Decrease in profit for the years (Million Baht)	40.04	40.93	33.16	33.99
Decrease in earnings per share attributable to equity holders of the parent (Baht per share)	0.57	0.58	0.47	0.49

However, the Company and its subsidiary do not depreciate the increment of land revaluation.

The revaluation surplus account included in equity have been transferred directly to retained earnings(deficit) in year 2012 and 2011 amounting to Baht 3.68 million and Baht 7.82 million respectively (the Company only: Baht 3.68 million and Baht 7.25 million, respectively) due to those assets have been derecognized.

12. LAND NOT USED IN OPERATION, NET

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Land not used in operation, cost	24,447,713	185,535,831	-	157,485,047
Deduction of difference amounts per lands appraisal	4,003,215	(56,702,453)	-	(58,753,127)
Net	28,450,928	128,833,378	-	98,731,920
Add : Acquisitions	-	-	5,784,773	1,718,493
Less : Disposals	(5,902,933)	(100,382,450)	(5,784,773)	(100,450,413)
Land not used in operation, net	22,547,995	28,450,928	-	-

Baht

Land not used in operation lands locate at Baan - muang district, Sakolnakorn province, the land space is in total of 1,258 rai 1 ngarn 12 square wah. The lands have been acquired since the year 2003, at the cost amounting to Baht 26.61 million, the appraisal prices of the lands from independent appraiser were in the amount of Baht 24.93 million which was made as second time in June 2004. Since quarterly 1, 2009 the Company had sold such land to its subsidiary, Agri Sol Co., Ltd. at book value price of Baht 24.93 million which is over than the latest appraisal price before the selling date; on July 17, 2007, for lands building and other construction; and on August 2, 2007 for machineries and equipment. However, the management had decided to sale at book value in accordance with the resolution of the Board of Director Meeting No. 3/2551 dated July 21, 2008. As a result, have no gain or loss in this transaction.

Later, Agri Sol Co., Ltd. has made an assessing for the land in December, 2009 the appraisal value was of Baht 28.66 million, which is presented in the consolidated financial statements. This latest appraisal value is presented at higher value, compared to the acquisition cost in the amount of Baht 2.05 million, which was presented in the revaluation surplus under the caption of the other components of equity. The allowance for impairment loss that was ever recorded for the second appraisal was reversed in the amount of Baht 1.68 million in statement of income for the year ended December 31, 2009. Currently, the lands were charged as non - operated lands.

On August 19, 2010, Agri Sol Co., Ltd. purchased 3 parcels of land located near former land which has space in total of 85 rai 1 ngan 47 square wah, at the cost of Baht 1.44 million. Purchase of such land was done according to Board of Director Meeting No. 1/2553 held on August 9, 2010.

Following in April, 2011, Agri Sol Co., Ltd. had sold certain plots of lands, which purchased from the Company, to the Company at Baht 1.72 million and the Company sold them to outsiders at the same price.

Following in March, 2012, Agri Sol Co., Ltd. had sold certain plots of lands, which purchased from the Company, to the Company at book value price of Baht 5.78 million and the Company sold them to outsiders at Baht 4.30 million.

The revaluation surplus account included in equity have been transferred directly to retained earnings (deficit) in year 2012 and 2011 amounting to Baht 1.76 million and Baht - million, respectively, due to those assets have been derecognized.

13. INTANGIBLE ASSETS, NET

Baht

	Consolidated financial statements		
	Computer software	Computer software under development	Total
Cost			
As at December 31, 2011	-	-	-
Increase	333,750	15,789,821	16,123,571
Decrease	-	-	-
Transfer in (out)	-	-	-
As at December 31, 2012	333,750	15,789,821	16,123,571
Accumulated amortization			
As at December 31, 2011	-	-	-
Increase	1,459	-	1,459
Decrease	-	-	-
As at December 31, 2012	1,459	-	1,459
Net book value			
As at December 31, 2011	-	-	-
As at December 31, 2012	332,291	15,789,821	16,122,112

Baht

	Separate financial statements		
	Computer software	Computer software under development	Total
Cost			
As at December 31, 2011	-	-	-
Increase	-	15,789,821	15,789,821
Decrease	-	-	-
Transfer in (out)	-	-	-
As at December 31, 2012	-	15,789,821	15,789,821
Accumulated amortization			
As at December 31, 2011	-	-	-
Increase	-	-	-
Decrease	-	-	-
As at December 31, 2012	-	-	-
Net book value			
As at December 31, 2011	-	-	-
As at December 31, 2012	-	15,789,821	15,789,821

14. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2012 and 2011 bank overdrafts and short - term loans from financial institutions were as follows:

Baht

	Interest rate (% p.a.)	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Bank overdrafts	MOR	-	4,638,866	-	1,484,299
Short - term loans	MLR, MRR - 1.25, MOR - 0.50	168,952,004	246,075,713	168,952,004	228,354,713
Total		168,952,004	250,714,579	168,952,004	229,839,012

15. OTHER PAYABLES

Other payables, as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Accrued expenses	252,858,994	232,872,280	110,668,430	95,292,731
Advance received	323,111	1,052,740	323,111	1,052,741
Total	253,182,105	233,925,020	110,991,541	96,345,472

16. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities under finance lease agreements	11,196,661	12,210,712	9,552,499	10,945,972
Less : deferred interest	(946,102)	(1,203,432)	(780,250)	(1,077,712)
deferred VAT	(107,562)	(82,740)	-	-
	10,142,997	10,924,540	8,772,249	9,868,260
<u>Less</u> : current portion due within one year	(4,217,279)	(3,409,048)	(3,603,881)	(3,013,103)
Liabilities under finance lease agreements, net of current portion	5,925,718	7,515,492	5,168,368	6,855,157

Consolidated financial statements (Baht)

	2012				2011			
	Principal	Deferred interest	Deferred VAT	Total	Principal	Deferred interest	Deferred VAT	Total
1 - 5 years	5,925,718	445,361	57,918	6,428,997	7,515,492	584,938	49,644	8,150,074
Over 5 years	-	-	-	-	-	-	-	-
Total	5,925,718	445,361	57,918	6,428,997	7,515,492	584,938	49,644	8,150,074

Separate financial statements (Baht)

	2012				2011			
	Principal	Deferred interest	Deferred VAT	Total	Principal	Deferred interest	Deferred VAT	Total
1 - 5 years	5,168,368	375,311	-	5,543,679	6,855,157	536,073	-	7,391,230
Over 5 years	-	-	-	-	-	-	-	-
Total	5,168,368	375,311	-	5,543,679	6,855,157	536,073	-	7,391,230

17. EMPLOYEE BENEFIT OBLIGATION

Movement in the present value of the employee benefit obligation for the years ended December 31, 2012 and 2011

Million Baht

	Consolidated financial statement		Separate financial statement	
	2012	2011	2012	2011
Employee benefit obligation at beginning of year	34.98	31.80	28.73	26.56
Benefits paid	(0.84)	(0.69)	(0.19)	(0.69)
Current service cost and interest	3.04	3.87	2.00	2.86
Actuarial losses	12.43	-	11.87	-
Employee benefit obligation at end of year	49.61	34.98	42.41	28.73

Expenses recognised in the income statement for the years ended December 31, 2012 and 2011

are as follows:

Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service costs	1.97	2.56	1.24	1.80
Interest cost	1.07	1.31	0.76	1.06
Total	3.04	3.87	2.00	2.86

Total actuarial losses recognized in the other comprehensive income in the consolidated financial statements as at December 31, 2012 and 2011 amounted Baht 12.43 million and Baht - million, respectively (the Company only: Baht 11.87 million and Baht - million, respectively).

Principal actuarial assumptions as at December 31, 2012 and 2011

	Percent	
	2012	2011
Discount rate	3.50	4.75
Salary increase rate	2.50 - 4.00	2.50 - 4.00
Employee turnover rate	0 - 22.92*	0 - 22.92*
Mortality rate	75% of TMO2008***	75% of TMO97**

* Based on the weighted average by age group of employees

** Reference from TMO97 : Thai Mortality Ordinary Table 1997

*** Reference from TMO 2008 : Thai Mortality Ordinary Table 2008

18. SHARE CAPITAL AND REDUCTION OF DEFICIT

At the 2012 Annual General Meeting of Shareholders held on April 5, 2012, the shareholders have approved as follows :

- >> Approved the reduction of the authorized share capital of the Company in the amount of Baht 299.99 million, from Baht 999.99 million (99,999,000 ordinary shares at Baht 10 each) to Baht 700.00 million (70,000,000 ordinary shares at Baht 10 each) due to the shareholders have approved the revocation of issuance and offering of the warrants and then they have approved the cancellation of ordinary shares reserved for accommodating the exercise of such warrants. This had been registered with the Ministry of Commerce on April 19, 2012.
- >> Approved the reduction of the authorized share capital and paid - up share capital of the Company in the amount of Baht 560.00 million by reducing the par value, from Baht 700.00 million (70,000,000 ordinary shares at Baht 10 each) to Baht 140.00 million (70,000,000 ordinary shares at Baht 2 each). This had been registered with the Ministry of Commerce on June 15, 2012.
- >> Approved the elimination of the Company's deficit as of December 31, 2011 by transfer from the legal reserve of Baht 8.18 million, the share premium of Baht 347.50 million and the paid - in capital from reduction in par value of Baht 560.00 million. This had been processed in June, 2012.
- >> Approved the increase in the registered capital of the Company and the allotment of increased ordinary shares by means of General Mandate after capital reduction as stated in the above paragraph. The Company will increase the registered capital for the amount of Baht 42.00 million by issuing 21,000,000 new ordinary shares, with a par value of Baht 2 each. Newly issued shares will be offered to existing shareholders on an RO basis (Right Offering). In this regard, the Board of Directors, the Management Committee or authorized directors shall be empowered to take all necessary actions with respect to share allotment and offering in case newly issued shares must be allotted within the date the next annual ordinary meeting of shareholders is held or the date Company is required by law to hold the next annual ordinary meeting of shareholders, whichever comes first. The Company had registered the increased registered capital with the Ministry of Commerce on June 19, 2012.

19. DIVIDEND PAID

At the meeting held on November 9, 2012, the Board of Directors had approved to pay the interim dividend at Baht 1.00 per share amounted to Baht 70.00 million. However, the Company has recorded the dividend payment according to the legitimated shareholders having the right to receive the dividend for the total amount of Baht 69.99 million.

20. LEGAL RESERVE

Under the Public Limited Companies Act, the Company is required to set aside as legal reserve of at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized share capital. This reserve is not available for dividend distribution.

21. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3.0 percent of their basic salaries, and by the Company and its subsidiaries at the same rate, and will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Asset Management Company Limited.

The Company and its subsidiaries contributed to the fund for years ended December 31, 2012 and 2011 as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Provident fund contribution	3,422,530	2,795,116	2,539,669	1,990,391

Baht

22. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the year by the weighted average number of ordinary shares in issued during the years.

Consolidated financial statements

	Profit (loss)		Weighted average number of ordinary shares		Earnings per share	
	2012	2011	2012	2011	2012	2011
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share	645,903,576	227,729,453	70,000,000	70,000,000	9.23	3.25

Separate financial statements

	Profit (loss)		Weighted average number of ordinary shares		Earnings per share	
	2012	2011	2012	2011	2012	2011
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share	601,186,286	220,770,966	70,000,000	70,000,000	8.59	3.15

23. FINANCIAL INFORMATION BY SEGMENT

The Company's and its subsidiaries' operations involve the manufacturing and distribution of canned fruits, fruit juices and drinks. Which are carried on in both Thailand and foreign countries. Financial information of the Company and its subsidiaries as at December 31, 2012 and 2011 and for the years ended December 31, 2012 and 2011, broken down by geographic segment, are as follows:

Million Baht

Consolidated financial statements

	Domestic		Foreign		Total	
	2012	2011	2012	2011	2012	2011
Revenues from sales	5,262.70	2,899.51	894.54	750.94	6,157.24	3,650.45
Gross profit	1,412.68	971.73	242.58	97.52	1,655.26	1,069.25
Others income					128.47	75.70
Selling expenses					705.15	613.48
Administrative expenses					289.01	264.68

Million Baht

Consolidated financial statements

	Domestic		Foreign		Total	
	2012	2011	2012	2011	2012	2011
Other expenses					-	5.35
Finance cost					16.04	33.71
Income tax expenses					127.63	-
Profit (loss) for the years					645.90	227.73
Trade receivables, net	604.53	577.87	57.69	33.69	662.22	611.56
Property, plant and equipment, net					1,129.32	1,004.25
Other assets					908.50	648.25
Total assets					2,700.04	2,264.06

24. CREDIT FACILITIES

Credit facilities granted to the Company and its subsidiaries by financial institutions are secured by the mortgage/pledge of deposits at financial institutions, certain plots of its lands, buildings, some machineries and certain part of land not used in operation and by the guarantees of a related company and the former directors of the Company and its subsidiaries.

In addition, credit facilities granted to the subsidiary by financial institutions are secured by the guarantee provided by the Company.

25. COMMITMENTS AND CONTINGENT LIABILITIES**25.1 Commitments**

As at December 31, 2012 and 2011, the Company and its subsidiaries had the following commitments:

- a) The Company had commitments of approximately USD 0.02 million and USD 0.51 million in relation to purchase of raw materials, respectively.
- b) As at December 31, 2012, the Company and its subsidiaries have commitments relating to the lease agreements for lands, head office buildings, warehouses, machineries, office equipment, vehicles and service fees whereby for the expiration dates range from 2013 - 2017. Future minimum payments under the leases are as follows:

Million Baht

Lease agreements	Periods			
	Consolidated financial statements		Separate financial statements	
	Not later than one year	Later than one year and not later than five years	Not later than one year	Later than one year and not later than five years
Lands	1.25	0.80	1.25	0.80
Head office buildings	12.01	13.52	7.25	9.06
Warehouses	6.17	-	1.06	-
Machineries	6.30	18.83	4.39	12.60
Office equipment	1.11	1.49	0.70	0.88
Vehicles	7.27	6.39	5.04	4.54
Service fees	5.54	-	4.56	-

Rental expenses and service fees under the above leases for the year ended December 31, 2012 amounted to Baht 42.96 million (the Company only : amounted to Baht 28.67 million).

- c) In the 4th quarter of 2011, the Company paid a deposit to purchase land and construction in amount of Baht 4.12 million and as of December 31, 2011 it had commitment of Baht 16.48 million. However, on February 21, 2012 the Company has paid up the said amount and the ownership has been transferred to the Company.
- d) In the 2nd quarter of 2012, the Company paid a deposit to purchase machineries in amount of Baht 17.04 million and as of December 31, 2012 it had commitment of Baht 51.16 million.
- e) As at December 31, 2012, the Company has the commitment from purchase of intangible assets amounted to Baht 14.21 million.

25.2 Bank guarantees

As at December 31, 2012 and 2011 there were outstanding bank guarantees of approximately Baht 7.43 million issued by banks on behalf of the Company and its subsidiaries (the Company only : amounted to Baht 6.43 million) in respect of certain performance obligations as required in the ordinary course of its business.

25.3 Guarantee

As at December 31, 2012 and 2011, the Company had guaranteed Baht 245 million and Baht 295 million, respectively, of loans obtained by a subsidiary from financial institutions, and its subsidiary had guaranteed loans of the Company amount to Baht 280 million. These guarantees are effective for as long as the underlying obligations have not been discharged by the Company or its subsidiary.

Guarantee fees have been charged between the Company and its subsidiary at 0.25 percent per annum of the guarantee amount.

25.4 Litigation

25.4.1 The financial institution sued the Company, as the guarantor of a former subsidiary, for a total of Baht 24 million (including interest of Baht 4 million). The Company has set aside a provision of Baht 12 million. However, in the first quarter of 2005, the Company and its former subsidiary negotiated compositions with that financial institution, whereby agreement was reached that the Company will pay indebtedness totaling Baht 20 million plus interest in installments as per the provisions of the agreement. The Company has recorded the Baht 8 million difference in profit (loss) in the first and second quarter of 2005 and presented the outstanding balance of this liability as “Liability from guarantee” in the statements of financial position. In addition, in the second quarter of 2005, the former subsidiary negotiated compositions with the Company, whereby agreement was reached that the former subsidiary will pay indebtedness totaling Baht 16 million (the indebtedness to two financial institutions) in installments per the provisions of the agreement. For prudent reason, the Company will record the transactions when it receives settlement from the former subsidiary. In May, 2012, the Company has received the total settlement.

For the years ended December 31, 2012 and 2011, the Company received the repayment of debt from the said subsidiary company in the amount of Baht 2.74 million each and Baht 3.00 million each, respectively.

25.4.2 Since September 30, 2008, a company which is a trade payables took legal action against the Company in accordance with the black court case, requiring settle debts for payment of the goods in the total amount of Baht 273.23 million - consisting of product cost at Baht 202.82 million and interest at Baht 70.41 million. Additionally, the Company has to pay interest at 7.25 percent per annum of the amount Baht 202.82 million from October 1, 2008 until payment is fully settled to that Company as well as paying the charges and lawyer fee for that company. However, the Company had filed a petition to the appeal court against such black court case, later it was ordered to end by the appeal court because of missing in litigation form, and the consumer case was used to complaint for this. Later, on May 28, 2009, the court of Thanyaburi province had read a conclusion of the chief of the appeal court and decided that the black court case is also not the consumer case. As a result, the case is released from the litigation record. Nevertheless, the trade payables (plaintiff) is reserved a right to bring a further action in civil suit and bankruptcy case. Next, on May 21, 2009 the trade payables has already delivered a borrowed article to the Company again for sustaining the civil suit and/or bankruptcy case. At that moment, the Company was in the debt negotiation with the payable but they did

not reaching a compromise yet, resulting the Company still recognized the debt and interest charge in fully amount. The Company has fully recognized the obligation of such amount of interest into the financial statements since year 2008 until the six - month period ended June 30, 2009, in the total amount of Baht 81.40 million. Trade payables and accrued interest as at June 30, 2009 in the amount of Baht 284.22 million are recorded into the Statements of financial position of the Company. Consequently, in the quarter 3, 2009 the Company and the payable had reached a compromise agreement, and that allowed the Company to pay the debt in respect of the compromise agreement which required in the essential conditions as follows:

The Company has to pay the certain debt of the goods in the total amount of Baht 202.82 million with interest calculated from the total debt outstanding of the 31th installment onwards, at the rate of 7.25 percent per annum by monthly installment of 74 periods within the date of 30th of every month, the first period commencing on August 30, 2009. The details of repayment of principal and interest shown by the document attached such compromise agreement are as follow:

Installment Number	Amount of Installment
1- 24	Principal of Baht 2 million (no interest)
25- 30	Principal of Baht 3 million (no interest)
31- 48	Principal with interest of Baht 3 million
49- 73	Principal with interest of Baht 4 million
74 (final)	Principal with interest of Baht 3,576,407

As a result, in the quarter 3, 2009 the Company has a fully revision of the accrued interest charge in the total amount of Baht 81.40 million which was provisioned since having the taking legal action from the trade payable. The reversal estimation of interest charge is accounted in the statements of income for the three - month period ended September 30, 2009.

As at December 31, 2012 and 2011, the Company has recorded accrued interest expenses for such payable in amount of Baht 7.46 million and Baht 12.04 million, respectively. This accrued interest has been calculated by the effective interest rate method based on the fixed rate in the agreement that will be paid in the thirtieth - first (31), installments, February 2012 onward. The recognized interest expense will be fully or partial reversed when having prior repayment for the loan which determined in the compromise agreement.

The changes of trade payables under a compromise agreement during the years as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Beginning balance	139,822,300	168,822,300	139,822,300	168,822,300
Additional during the year	-	-	-	-
Deduction during the year	(27,636,668)	(29,000,000)	(27,636,668)	(29,000,000)
	112,185,632	139,822,300	112,185,632	139,822,300
<u>Less</u> : Current portion due within one year	(33,878,452)	(27,636,667)	(33,878,452)	(27,636,667)
Trade payables under a compromise agreement, net of current portion	78,307,180	112,185,633	78,307,180	112,185,633

26. FINANCIAL INSTRUMENTS

26.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables, trade payables and short - term and long - term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdraft, short - term and long - term loans. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at December 31, 2012 and 2011, the Company and its subsidiaries are exposed to foreign currency risk primarily to foreign currency denominated financial assets and liabilities as follows:

Consolidated financial statements

Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate as at December 31, 2012
			(Baht per foreign currency unit)
US dollar	699,348	2,361,436	30.39/30.78
Euro	-	95,261	40.13/40.86
			As at December 31, 2011
			(Baht per foreign currency unit)
US dollar	553,391	1,248,764	31.45/31.83

Separate financial statements

Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate as at December 31, 2012
			(Baht per foreign currency unit)
US dollar	657,908	2,317,806	30.39/30.78
Euro	-	95,261	40.13/40.86
			As at December 31, 2011
			(Baht per foreign currency unit)
US dollar	540,006	1,214,346	31.45/31.83

However, as at December 31, 2011, the Company and its subsidiaries have the outstanding foreign currency sales agreements of US Dollars 3.47 million (the Company only: US Dollars 1.76 million) in an exchange for Baht currency with maturity date within 6 months.

26.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

27. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at December 31, 2012, the Group's debt to equity ratio was 1.52 : 1 (as at December 31, 2011: 3.15: 1) and the Company's was 1.31 : 1 (as at December 31, 2011: 2.64: 1).

28. CORPORATE INCOME TAX

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries has calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The corporate income tax rate being used in year 2011 and 2012 are 30% and 23% respectively, 20% for the year 2013 and subsequent year.

The Company has received promotional privileges from the Board of Investment for the manufacture of canned vegetables, pursuant to the promotion certificate No. 1089/2542 at 50 percent deduction of corporate income tax on income derived from the promoted operations for a period of 5 years starting from August 6, 2009; and commencing year 2010, the Company has not had the promotional privileged revenue.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 15, 2013.



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