



Malee[®]
Fruit with care.

Behind the Well Being of Thai People

เบื้องหลังสุขภาพที่ดีของคนไทย

Annual Report 2013

Contents

04

Message
from the
Chairman

06

financial
Summary

12

General
Information/
other
important
information

16

Shareholder

17

Dividend
Policy

18

Major
Changes in
2013

19

Nature of
Business

34

Quality
System
and
Awards

36

Risk
Factors

38

Management
Structure

50

Good
Corporate
Governance

54

Audit
Committee
Report

55

Internal
Control
System/Risk
Management

56

Related
Transactions

60

CSR

65

Management
Discussion
and Analysis:
MD & A

71

Financial
Statements

The best caring for fruit
becomes the best caring
for health

Seeding, Sourcing,
Selecting, Entrusting.
Caring by Malee Family
at every step of the process.





Chatchai Boonyarat

Chairman

Malee Sampran Public Company Limited

Message From The Chairman

The Year 2013 was a very volatile year. At the beginning of the year, both the government and the private sector expected that Thailand's GDP would grow by 5.2%. Unfortunately, the Thai economy faced many adverse factors such as a slump in global economic growth and domestic political chaos towards the end of the year which continues to worsen. As of the date of this message, solutions for the domestic political conflict have yet to be found, thus putting a downward pressure on domestic economic growth to be only 2.9%. Such an uncertain domestic political climate has been unfavorable for domestic consumptions and investments. Malee continuously adapts our business plans and operations plans to meet the new requirements. With our management and staff's experiences, our strong brand name, and our hard efforts throughout the year, the Year 2013 was one of the most successful years for the Company. We achieved strong sales and profitability, especially in our own brand business. Apart from the Year 2012, which was the best year in our history in terms of both revenues and profits due to special contract manufacturing orders we obtained from some of the clients that were affected by the flood in the Year 2011, the Year 2013 was on the most memorable years in our history.

In June 2013, Malee was selected to be included in the calculation of the MSCI Global Small Cap Indices which is widely used by institutional investors throughout the world for the purpose of fund performance assessment and comparisons. In August 2013, Malee was selected by FORBES magazine to be one of the "200 Asia's Best Under a Billion" companies. The Company was selected to be one of the best small-and medium-sized companies in the Asia Pacific Region from more than 15,000 companies throughout Asia. The Company was the only Thai Fast Moving Consumer Goods (FMCG) company that was selected due to our strong and continuous growth and capability to generate strong returns for investors. This indicates that the Company could manage its operating cost efficiently and has an optimum capital structure.

In addition, our strategic move to change our business position from the processed agriculture business to the beverage business proved successful, thus allowing the Company to grow robustly at the present. In 2013, the Company continued this strategic move by stopping our sweet corn production. Sweet corn is a commodity product facing high price competition and many anti-dumping measures as used by many European countries (EU). The closing of this unit will stop the operating losses related to the business in the future.

In 2014, the Company will continue to improve in many aspects, including human resources, business structure and policies, management procedure, internal data systems, costs and expenses reduction, as well as environmental protection and saving. Management and staff will cooperate with one another closely to achieve our goals. I am confident that our company has a strong business foundation and a flexible business structure that can tolerate unfavorable business environments, which will allow us to generate sound return for investors, trading partners, and employees based on the principle of running business with great ethics and great social and environmental responsibilities for the sustainability of our company and the society.

Last but not least, I, as the representative of Malee Sampran Public Company Limited, would like to thank our shareholders, customers, business partners, financial institutions, government agencies, as well as all of our directors of the Board, management, and employees for your effort and support towards our business achievements. We look forward to your continuous support and great successes for many years to come.

Financial Summary

		2013	2012	2011	2010	2009
Total Revenue	Million Baht	5,205	6,286	3,726	2,889	3,146
Sales Revenue	Million Baht	5,088	6,157	3,650	2,824	3,083
Gross Profit	Million Baht	1,451	1,667	1,069	800	735
Net Earnings	Million Baht	285	549	228	106	131
Earnings Per Share	Baht	2.0	3.9	3.3	1.5	1.9
Book Value Per Share	Baht	7.5	7.2	7.8	5.6	4.7
Total Assets	Million Baht	2,676	2,744	2,264	2,197	2,152
Total Liabilities	Million Baht	1,628	1,732	1,717	1,806	1,825
Shareholders' Equity	Million Baht	1,048	1,012	547	392	327

SIGNIFICANT FINANCIAL RATIO

LIQUIDITY RATIO		2013	2012	2011	2010	2009
Current Ratio	Time	1.0	1.0	0.8	0.6	0.5
Quick Ratio	Time	0.5	0.5	0.4	0.3	0.3
Cashflow From Operation Ratio	Time	(0.0)	0.3	0.2	0.1	0.1
A/R Turnover Ratio	Time	8.2	9.7	6.8	6.5	7.3
Average Collection Period	Days	44.6	37.8	53.9	56.1	50.2
Inventory Turnover Ratio	Time	5.1	7.6	5.3	4.6	5.2
Average Age Of Inventory	Days	70.9	48.1	68.7	78.8	69.9
A/P Turnover Ratio	Time	4.2	4.0	2.2	1.9	2.0
Average Payment Method	Days	87.6	92.3	162.4	196.6	180.1
Cash Cycle	Days	27.9	(6.5)	(39.7)	(61.8)	(60.0)

PROFITABILITY RATIO		2013	2012	2011	2010	2009
Gross Profit Ratio	%	28.5	27.1	29.3	28.3	23.8
Net Profit Ratio	%	5.5	8.7	6.1	3.7	4.2
Return On Equity Ratio	%	27.6	70.4	48.5	29.6	312.7

EFFICIENCY RATIO		2013	2012	2011	2010	2009
Return On Assets Ratio	%	15.0	31.5	11.7	6.4	6.3
Return On Fixed Assets Ratio	%	23.2	48.5	20.7	8.9	12.6
Assets Turnover Ratio	Time	1.9	2.5	1.7	1.3	1.5

FINANCIAL POLICY RATIO		2013	2012	2011	2010	2009
Debt To Equity Ratio	Time	1.6	1.7	3.1	4.6	5.6
Interest Coverage Ratio	Time	2.8	28.0	8.8	2.7	5.5
Dividend Payout Ratio	%	52.0	38.2	0.0	0.0	0.0

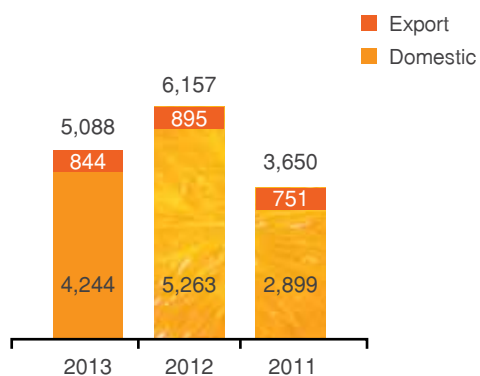
Revenue Structure

	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic	4,244	83.41%	5,263	85.47%	2,899	79.43%
Export	844	16.59%	895	14.53%	751	20.57%
Total Sales	5,088	100.00%	6,157	100.00%	3,650	100.00%

Financial Summary

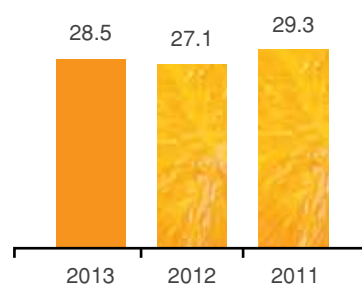
Sales Revenue

(Million baht)



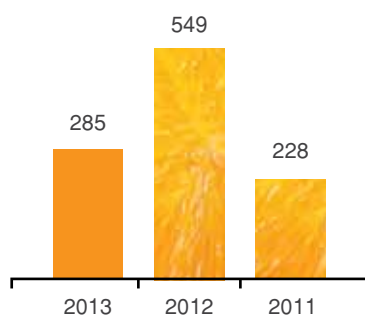
Gross Profit Ratio

(%)



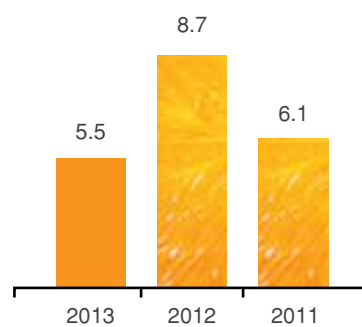
Net Earnings

(Million baht)



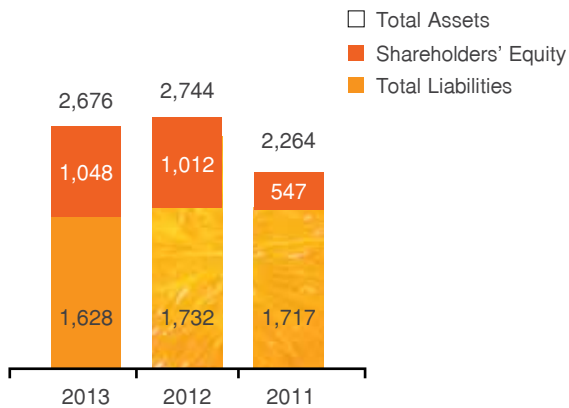
Net Profit Ratio

(%)



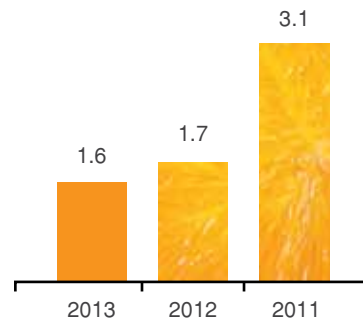
Financial Ratio

Total Assets



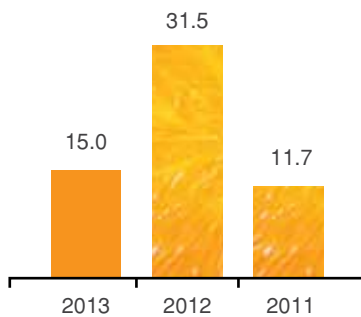
Debt to Equity Ratio

(Time)



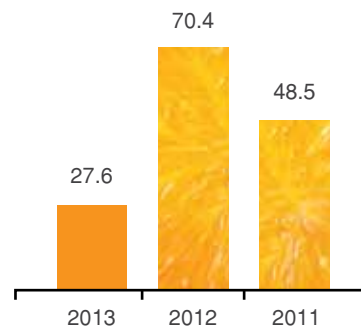
Return on Assets Ratio

(%)



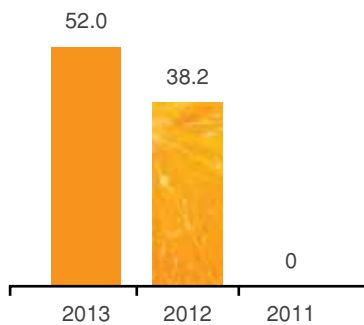
Return on Equity Ratio

(%)



Dividend Payout Ratio

(%)



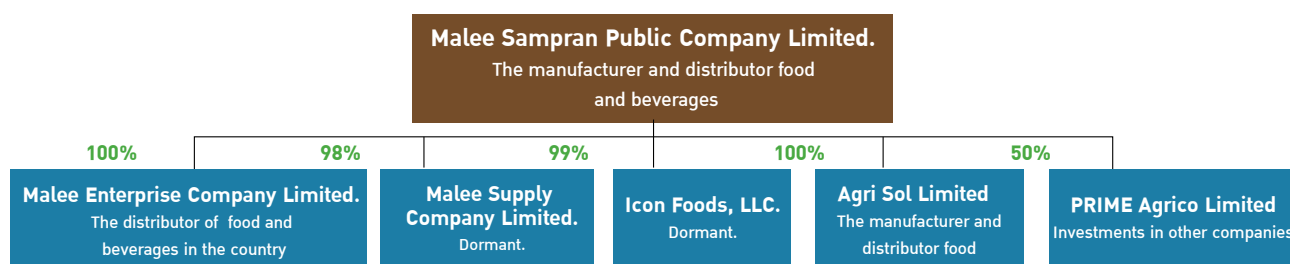
Vision

To be the preferred company for business partners and consumers in processed food and beverage businesses internationally



General Information/ Other important information

Structure Malee Sampran Limited (the Company) and its subsidiaries as at 31 December 2013.



Malee Sampran Public Company Limited. Registration number 0107535000079

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

Tel. +66(2)-992-5800 to 15, Fax. +66(2)-992-5850 (Central office), +66(2)-992-5818-9 (Export Department)

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

Contact Person: Naharuthai Chuachalad Tel: +66(2)-992-5800 Ext. 4010, E-mail: naharuthai_chu@malee.co.th

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

Ordinary Share allotment 140,000,000 share par value Baht 1

Malee Enterprise Company Limited. Registration number 1105535109621

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

Tel. +66(2)-992-5821 to 32 , Fax. +66(2)-992-5833 (Central office), +66(2)-992-5834 to 5 (Domestic Distributor)

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

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

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

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: +66(2)-992-5800 to14, Fax: +66(2)-992-5819

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

Factory and branch office No.: 110 Moo 9, Tambol Bangpaeng, Amphoe Banpaeng, Nakornphanom 48140, Thailand

Tel. +66(2)-551-9088 , +66(42)-551-128 , **Fax.** +66(2)-551-9087 ext. 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 par value Baht 10

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

Malee Supply Company Limited.

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

Share allotment 175,000 ordinary shares par value Baht 10. Number of shares held by the company 170,800 shares held by the Company 170,800 shares (97.60%)

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.

Joint Venture

PRIME Agrico Limited

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

Tel. +66(2)-992-5800 to 15

Share allotment 400,000 ordinary shares par value Baht 100.

Number of shares held by Malee Sampran Public Company Limited 200,000 shares (50.00%)

Other Reference

Securities Registrar

Thailand Securities Depository Co.,Ltd.

4th Floor, The Stock Exchange of Thailand Bldg.

62 Rajadapisek Road, Klongteoy Bangkok 10110

Tel: +66(2)-229-2800, +66(2)-654-5999

Auditor

Mrs. Kesree Narongdej, Certified Public Accountant No. 76
Mrs. Natsarak Sarochanunjeen, Certified Public Accountant No. 4563
Mr. Sumit Khopaiboon, Certified Public Accountant No. 4885
A.M.T. & Associates.
491/27 Silom Plaza, Silom Road, Bangruak, Bangkok 10500
Tel: +66(2)-234-1676

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: +66(2)-992 5800 ext. 4010
E-mail: naharuthai_chu@malee.co.th



Malee®
Fruit with care.

มาลีดูแลคุณ ด้วยผลไม้ที่เราดูแลมาอย่างดี
คัดพันธุ์ เลือกแหล่ง คัดพล เลือกคน ใส่ใจทุกขั้นตอนโดยครอบครัวมาลี



Shareholder

MAJOR SHAREHOLDERS AS OF DECEMBER 31, 2013

<u>No.</u>	<u>Name of shareholders</u>	<u>No. of shares</u>	<u>Percentage</u>
1.	Thailand Securities Depository Co., Ltd., for Depositors	76,569,431	54.69%
2.	Abico Holdings Public Company Limited.	35,681,400	25.49%
3.	Thailand Securities Depository Co., Ltd., for Depositors.	14,698,437	10.50%
4.	Mr.Pichai Chirathivat	12,815,800	9.15%
<u>Total</u>		<u>139,765,068</u>	<u>99.83%</u>

Note:

No. 1 : As part of scriptless, which shareholders have deposited with the Depository for Securities (Thailand) Limited, under the issuer to maintain share. Without the status of a shareholder who is present until the actual closing.

SHAREHOLDING BY THE DIRECTORS AS OF DECEMBER 31, 2013

<u>Name</u>	<u>As of Dec 31, 2013</u>	<u>Amount Change</u>	<u>As of Dec 31, 2012</u>
Mr.Chatchai Boonyarat	-	-	-
Mrs. Chintana Boonyarat	-	-	-
Mr.Narongchai Akrasanee	-	-	-
Mr. Khemadhat Sukondhasingha	-	-	-
Mr. Pichai Chirathivat	9.15%	-	9.15%
Mr. Kobchai Chirathivat	-	-	-
Mr. Kitti Vilaivarangkul	-	-	-
Ms.Nattharin Talthong	-	-	-
Ms. Roongchat Boonyarat	-	-	-

Dividend payment policy

“The company has the policy to pay dividends at the rate of not less than 50% of the net profit from normal operation according to consolidated financial statement after deduction of tax revenue and legal reserve. However, actual payments will be depending on the Company’s cash flow, Company’s investment plan including affiliate company and other necessities as the Board of Director consider appropriate”



Major Changes in 2013

On April 10th, 2013

the Company registered changes in the number of registered shares and par value by splitting the par value from 2 baht per share into 1 baht per share. Therefore, the total number of registered shares has increased from 70 million shares to 140 million shares.

On November 8th, 2013

The Company acquired another 60,000 ordinary shares or 15% shares in Prime Agrico from the existing shareholders valued at 6 million Thai Baht, with the par value of 100 baht each.

The Company now holds 50% shares or 200,000 shares in Prime Agrico worth 20 Million baht.

On September 3rd, 2013

The Company invested 14 million baht to hold 35% of the registered capital of the Joint Venture Company - Prime Agrico. The Company holds a total of 140,000 ordinary shares, with the par value of 100 baht each.

2013

Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec

In June 2013

MALEE was added to MSCI Global Small Cap Indices.

On December 30th, 2013

The Company discontinued the sweet corn operation and factory at Baan Pang District, Nakorn Panom Province. This is due to the New Company's Policy to outsource or Trade agricultural products in stead of using in-house production.

In August 2013

The Company was selected by FORBES Asia magazine, from more than 15,000 companies throughout Asia, to be One of "Asia's 200 Best Under a Billion" companies as one of the best small-and medium-sized companies in the Asia Pacific Region. The Company was the only Thai Fast Moving Consumer Goods (FMCG) company selected.

Nature of Business

Malee Sampran Public Company Limited engaged in the business of producing and distributing products domestically and internationally. It's business could be categorized into:

1. Own Brand Business is separated into 2 business units as follows:

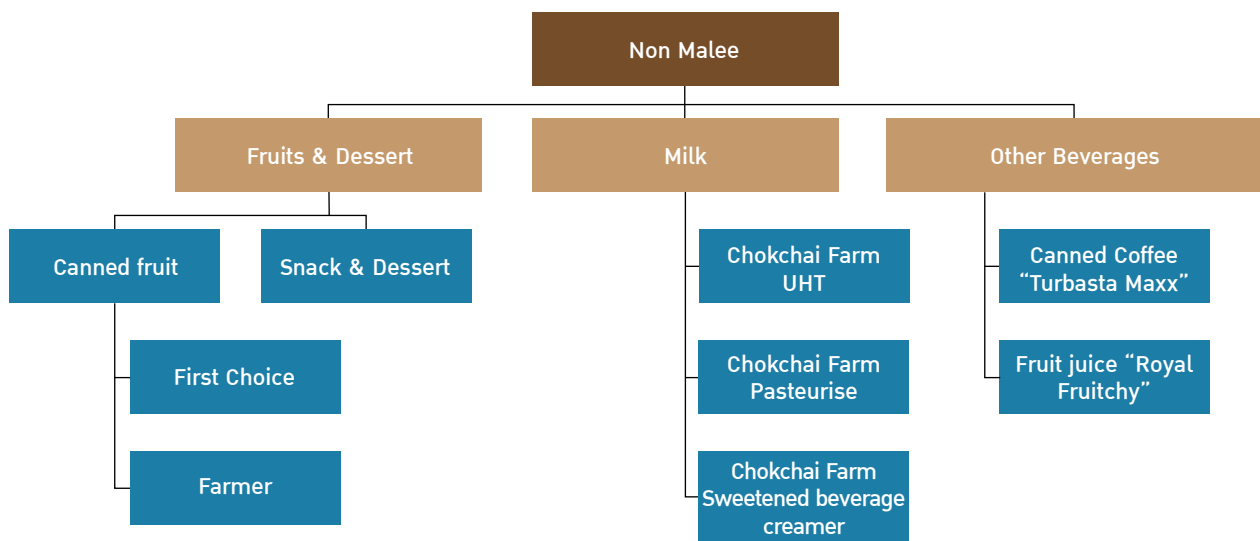
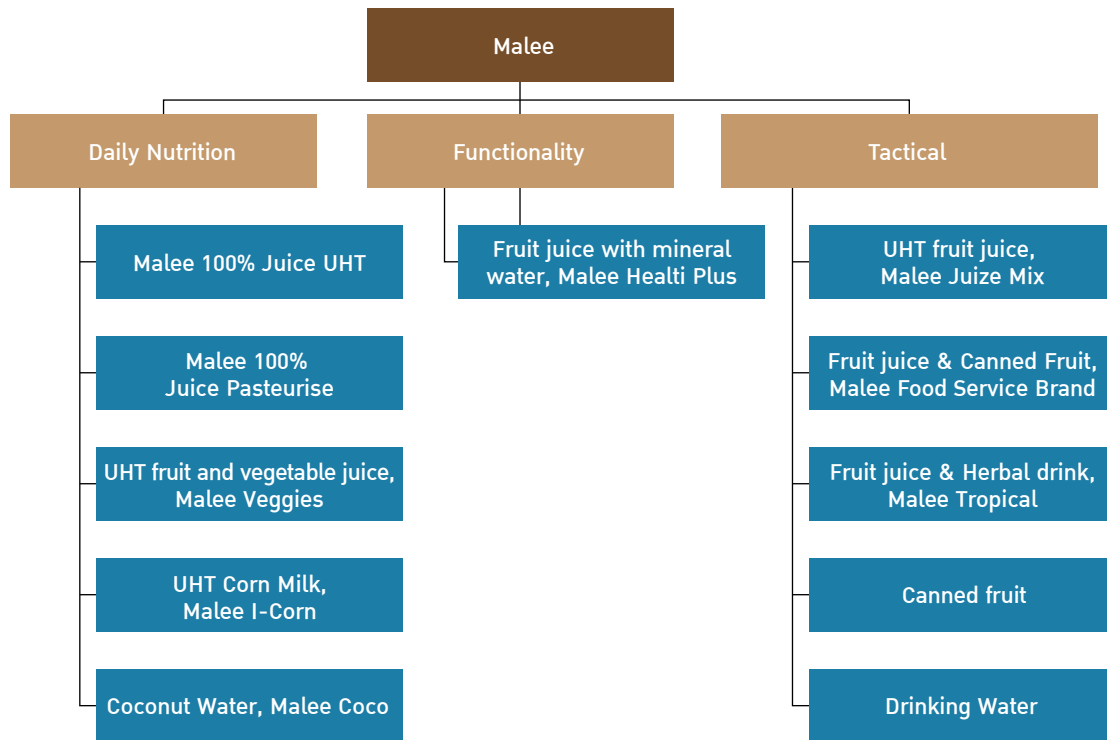
- >> Beverage Business which includes UHT and pasteurized fruit and vegetable juices under "Malee" brand, "Malee Veggies" brand, "Malee Healti Plus" Brand, "Malee Juize Mix" Brand, "Malee Food Service" Brand, "Malee Tropical" Brand, and "Malee CoCo" Brand. Other products in this business include tea, coffee, and drinking water contained in aluminum can and PET bottle under Malee brand. The Company also produces and distributes UHT and pasteurized milk under "Farm Chokchai" brand and corn milk under "Malee I-Corn" brand.
- >> Processed Food Business which includes canned fruits (such as rambutan, rambutan stuffed with pineapple, lychee, longan, toddy palm, mango, etc), canned sweet corn, canned pineapple, and mixed canned fruits under "Malee" brand, "First Choice" brand, "Farmer" brand, and "Malee Food Service" brand.

2. Contract Manufacturing Business in which the Company produces beverage products in accordance with domestic and international customers' requirements. Such products are distributed and marketed under customers' brand names.

Malee Sampran Public Company Limited and Agri Sol Company Limited run raw materials sourcing campaign on a fully-integrated basis including development and provision of knowledge regarding seeds, plantation promotion and contract farming with farmer members to ensure availability and sufficiency of raw material for its production to fulfill customers' requirement and quality of raw materials that is in line with GMP, HACCP, BRC, IFS, HALAL and Q-Mark quality standards as required by relevant quality certification agencies. This ensures the farmers that planting in contract farming project guarantees them income and do not have to worry about over supply of raw materials.

Malee Enterprise Company Limited, subsidiary of Malee Sampran Public Company Limited, markets and distributes MALEE products in the domestic market via the Company's own sales teams and distributor network throughout the country.

Key products distributed by **Malee Enterprise Co., Ltd.** are categorized as follows:



With the aim to produce and offer high-quality products for consumers' good health, the Company has set up a new product structure. The Company's products could be categorized into a group of products that provide daily nutrition, a group of products that have added functionality, and a group of tactical products. Daily Nutrition Products provide consumers with sufficient vitamins and nutrients for their good health. The ingredients are natural and simple and have no added nutrients. Functional products are those with additional vitamins and nutrients to satisfy particular consumption requirements. Tactical products are those of refreshments category which can satisfy every group of customers.

Major Developments in the Past Year

In 2012, Malee underwent the rebranding process to modernize Malee Brand but still maintains its trust to the Thai people who have long been accustomed to the brand. The Company used a variety of media and channels to reach target customers with the aim to show that Malee really cares about its customers' good health. The Company has put special emphasis on every stage of production to ensure the consumers are very confident with the products' quality and nutritional benefits under the slogan "Malee...Fruit with Care". The Company would like the consumers to take care of their health and those around them by giving high-quality fruit juices that are carefully produced under every single production step. In 2013, the Company continued to put emphasis on the beverage products in the domestic market by offering new products and expanding new distribution channels to reach target customers efficiently. Key activities in the Year 2013 include:

- >> **100% UHT Fruit Juice:** The products were launched with new packaging to make them look fresher and more modernized with the aim to capture the younger generation, while still maintaining the older generation as customers. The Company launched road show campaigns throughout the country, focusing at offices, universities and supermarkets to reach the target groups directly, including office workers, university students, house wives, and teenagers, all of which are groups of customers with growth potential.
- >> **Melody of Life No. 7:** Malee joined the Melody of Life No. 7, "The Innovative Music Festival", to initiate music marketing in order to capture the younger generation's attention. In this music festival, MALEE engaged with consumers with activities at the booths and offered beverage products under Malee brand with special prices with the aim to allow all teenagers who take part in this music festival to taste and become familiarized with the products. Melody of Life is the innovative music festival for new generation who is in the learning age that should be taking care of their health. Malee wants to instill the products into this group of consumers' lifestyle.
- >> **Communicating the "4 cares" concept via a new advertising campaign:** The movie launched in April tells the story about Malee's careful production process to ensure every product offers good quality and nutrient benefits to consumers. Malee is very careful in every production stage from seeding, sourcing, selecting, and entrusting to ensure high quality of every Malee product. All of these can be summarized under the slogan "Fruit with Care", which illustrates that Malee really cares about every step of the production process in order to take care of consumers' health.
- >> **Malee Healti Plus:** The first innovative fruit juice mixed mineral water. Fruit juice market continues to grow as can be seen from increasing numbers of health conscious consumers. The Company conducted research and developed new product category with the aim to satisfy group of customers who care are beauty-conscious, in particular of their skin. The Company launched a new product under the brand "Malee Healti Plus" with 3 different formulas, including acerola cherry formula, yuzu orange formula, and blackcurrant formula. This is the first time fruit nutrients are mixed with mineral

water from the best source in Thailand which is the quality hot spring water from the only granite mountain in Thailand, containing as many as 19 types of mineral that skin requires which cannot be consumed from any foods such as Silica, acts as an anti-oxidant, and fluoride, helps strengthen your bone and teeth. Malee Healti Plus helps moisturize skin from inside out — perfect for young working women and female university students who care about her beautiful skin and good health. Malee Healti Plus is so delicious combining with complete nutrition for skin therefore we believe that all three formulas will create the new drinking trend among students and professionals because Malee brand is the strong Thai brand that consumers trust and accept product quality. Besides, Malee has planned proactive marketing activities to create quick awareness and brand recall by launching new TV advertisement called “drink moisture for your skin all day” with complete communication plan to endorse product benefit and stimulate consumption such as promotion, product sampling or mix of appropriate medium including television, radio, outdoor, online, or social media such as Facebook and Instagram to reach university student and first jobbers. Various kinds of media will be employed to create customer awareness in this product. The Company launched a roadshow campaign in many communities, office and universities throughout the country to create trail, create customer awareness in product benefits, create brand recall, and finally purchase the products. These three formulas of Malee Healti Plus (acelora cherry, yuzu orange, and blackcurrant) are not providing only deliciousness but also providing moisture for skin, the only natural care for your skin from inside out.



- >> **Malee 100% UHT Fruit Juice:** In 2013, new products include 100% trio orange juice, 100% lychee juice, and 100% peach juice mixed strawberry juice were launched with the aim to expand Malee's market share in the premium fruit juice market. They were well accepted.

- >> **Malee Veggies 100% mixed fruit and vegetable juice and Malee I-Corn:** In 2013, the Company supported Yaowaraj Vegetarian Festival to have exposure with the consumers who participated in the Vegetarian Ceremony for 10 days and 10 nights under the campaign "Im Boon Ruam Duangjai for the King and the Queen" .

- >> **Malee 100% Pasteurized Fruit juice:** Malee launched 100% lychee juice size 300mL at 7-Eleven to expand distribution channel and increase market share in the convenient store channel.

- >> **Malee 100% Apple Juice:** Malee's apple juice, according to Nielsen in December 2013, had the highest market share of 58%. This reflects strong customer's confidence in Malee products. This success has attributed to Malee's dedication to careful production process from seeding, sourcing, selecting, to entrusting. The Company will continue to develop and launch new, high-quality products that match with consumers' requirements.

- >> **Cooperation with Nithipol Clinic and Body Shape:** Malee co-launched two campaigns called "Beauty Within" with Body Shape and "Blink & Bright" with Nithipol Clinic, with the aim to capture the consumers who care about health and beauty, in particular healthy shape and healthy skin. Both campaigns received great feedback. Consumers purchased and collected participating Malee 100% fruit juice products according to the campaign's conditions and redeemed beauty vouchers for free.

- >> **Malee Fruits:** Malee launched a new product in the fruit category, toddy palm mixed red kidney bean in heavy pandan flavored syrup. This product is ready to eat in the form of retort pouch which is inside another layer of a paper cup. It is distributed only at 7-Eleven to match with the convenience nature of the product. 7-Eleven sells Malee canned fruit exclusively for eight consecutive years. The Company promoted the new usage of Malee canned fruit in various menus through television programs to increase consumption. The Company also launched many campaigns aimed to stimulate consumption throughout the year.

- >> **Chokchai Farm UHT and Pasteurized milk:** The Company launched three new SKUs in 2013, one UHT milk size 200mL chocolate malt flavor and two pasteurized milk size 200mL banana flavor and coffee flavor.

- >> **Sweetened Non-Dairy Creamer Beverage:** The Company launched new product under Chockchai Farm brand in order to increase distribution in the Food Service channel.
- >> **100% Valencia Orange Juice and 100% Apple Juice:** Malee Valencia orange juice and apple juice were selected to be served on Thai Airways' international flights for a period of one year from 1 November 2013 to 31 October 2014.

Industry Review and trend in 2014

Export

UHT Fruit Juice and Canned Fruit

The Company has set up more tactical and strategic marketing plans for the export business by focusing on Malee brand products. Malee developed new products in order to reach overseas consumers of all ages and to expand markets and distribution channels. Consequently the growth of export value for UHT Fruit juices increased more than 80% from the year 2012. The major export market consisted of the Philippines, Republic of China, Hong Kong, South Korea and Pakistan which contributed approximately 70% of total export value for Malee brand products.

The export value of canned fruits during the year 2013 increased from the previous year by 10%. The total export value for canned fruit, excluding canned pineapple in 2013 was approximately 5.138 billion Thai baht with 9% growth rate from the Year 2012. The major canned fruits export markets were USA, Japan, Malaysia, Singapore and Australia respectively. The reason of such growth was due to the recovery of the US economy.

Thailand export business for canned fruit is still in upward trend. However, there might be some negative effects as EU would deprive the right of GSP which will be effective on 1 January 2015 onwards.

Domestic

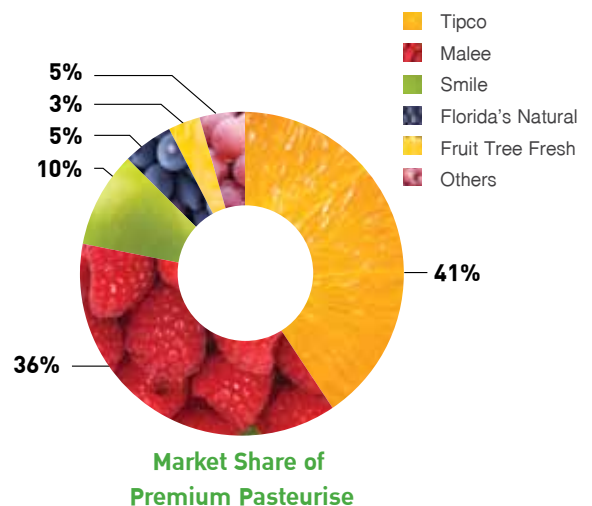
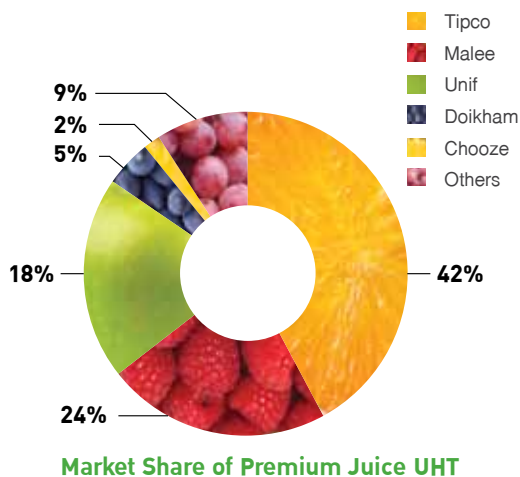
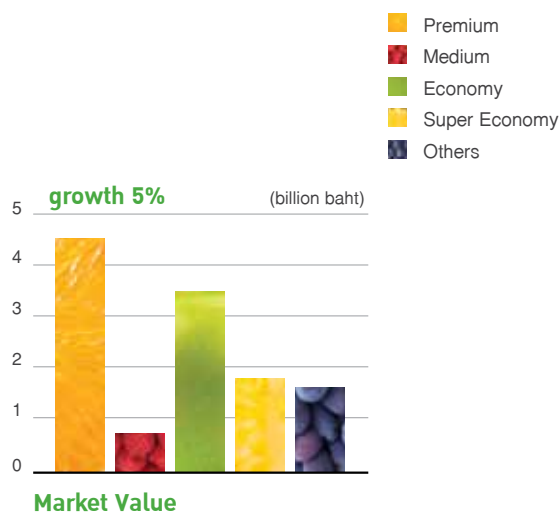
The Business of Fruit and Vegetable Juice

Consumption of healthy vegetables and fruit beverages continues to be popular but the aim of consuming healthy drinks has shifted from curing health problems to preventing health problems. As the population shifts more towards aging population, consumers are more knowledgeable regarding their health and tend to spend more time to conduct research and look for data regarding food nutrition and healthy drinks to ensure that their health is properly taken care of. Consumers tend to learn more about various kinds of health products and need to consider which kinds and brands of health products are more appropriate for them. Although popularity of health beverage products provides a business opportunity for the Company, it also attracts new competitors into the industry.

In 2013, the total market size for the domestic ready-to-drink fruit juice market was approximately 12 billion Thai Baht, with total consumption volume for the entire year of 306.66 million liters. The size of the Premium

Market segment (100% fruit juice) was 4.46 billion Thai Baht, or total consumption volume of 63.82 million liters.

Annual growth is 5%. The Premium Market segment could be categorized into the UHT market, with total size of 3.97 billion Thai Baht, with an annual growth of 4%. Malee held a market share of 24% in this sub-segment. Another part of the Premium Market segment is the pasteurized sub-segment, with total market size of 0.48 billion Thai Baht, with an annual growth of 12%. Malee held a market share of 36% in this sub-segment. Another part of the domestic ready-to-drink fruit juice market is the Medium Market, with total market size of 0.64 billion Thai Baht, with total consumption volume of 13.04 million liters. The remaining parts of the domestic ready-to-drink fruit juice market consist of the Economy Market, with total market size and consumption volume of 3.5 billion Thai Baht and 126.43 million liters respectively, the Super Economy Markets, with total market size and consumption volume of 1.82 billion Thai Baht and 6507 million liters consecutively and Other sub-segment with total market size and consumption volume of 1.6 billion Thai Baht and 39.3 million liters respectively. It is expected that the domestic ready-to-drink fruit juice market will continue to expand as number of health-concerned consumers tend to increase from year to year. Nevertheless, the advent of new domestic and foreign competitors will intensify the level of competition in the domestic ready-to-drink fruit juice market. (Source: Nielson, December 2013)



In the past, the domestic ready-to-drink fruit juice market experienced a continuous robust growth for several years. In 2013, however, this market experienced a slower growth due to strong competition from other categories of beverages such as green tea, soft drinks, and functional drinks. High level of competition in the domestic beverage market put a downward pressure on the growth of domestic ready-to-drink fruit juice market to just only 2% (Source: Nielsen, December 2013). Although more domestic and foreign competitors will enter into this market, the Company still believes that the domestic ready-to-drink fruit juice market will still continue to grow and be relatively attractive. The Company will continue to launch new, innovative products and launch smarter marketing campaigns to expand its growth and capture higher market share. In the Year 2014, the Company will launch fruit juice with new flavors and concepts to capture additional market share using a fully-integrated marketing campaigns and continuous R&D activities to provide new products which can really satisfy customer requirements.

In 2013, the Company adjusted marketing strategies by creating a new slogan called “Malee Fruit with Care” and 4 cares (seeding, sourcing, selecting, and entrusting). This new concept has been communicated via a new commercial with the aim to make customers fully realize about hidden value in 100% Malee fruit juice. The Company also co-launched a marketing campaign with its business partners, such as Spicy Disc, Body Shape, and Nithipol Clinic with the aim to make Malee brand more modern and to reach out to new target groups. The Company also launched many new flavors of 100% fruit juice such as 100% trio orange juice, 100% lychee juice, and 100% peach mixed with strawberry and red grape juice to satisfy customers’ requirements. Apart from advertising campaigns, the Company also launched many promotional campaigns. Malee also launched a new innovative product called Malee Healti Plus which is a mix between fruit juice and mineral water in September 2013 to penetrate the target group of university students and first jobbers. This has offered a new category of fruit juice for beauty-conscious consumers. Malee Healti Plus helped Malee expand to a new segment and capture more market share in the domestic beverage business.

Canned Fruit Business

Nature of the Canned Fruit Industry

Because the amount of seasonal raw material supply is quite limited, the premium domestic canned fruit market in the Year 2013 grew at a slow pace of just only 2%, with total market size of approximately 885 million Thai Baht. Total output could not satisfy domestic and international demand. The level of competition in the domestic canned fruit market is not intense, with only a few premium brands that have been well accepted. This business needs quite a high amount of initial investment, skills, and expertise, especially in the area of raw material sourcing and selection and production, thus the entry of new competitors in this industry is rare.

Industry Trend

Canned fruit business is directly related to the amount of agricultural output. For any single year that natural disasters such as flood, drought or abnormal season which will adversely affect quality and supply of agricultural output, this will result in the problem quality and amount of raw material that do not conform to the market requirements. Given the number of young generation of farmers continues to decrease, this has also diminished the number of planting areas from year to year. Canned fruits business is affected mainly by two factors, including:

1. **Packaging for Canned Fruits:** Suppliers of tin cans packaging have strong bargaining power over its customers due to a limited number of suppliers in the country. Tin can is the only kind of packaging that can be used in the canned fruit business to preserve the quality of fruits for a period of 2 years. In case cost of tin plate rises, this will directly affect the cost of the finished goods.
2. **Amount of Fresh Fruits:** Given the climate has changed quite substantially over the last 5 years, this has reduced the amount of high-quality raw materials that can be used in the canned fruit business to be less than expected. Many companies in this business prefer to produce sufficient amount of canned fruits to satisfy market requirements rather than using market campaigns to stimulate market demand.

Competition Situation

The domestic canned fruit market is divided into 3 sub-segments, including Premium, Medium, and Economy.

- >> **The Premium Market:** 2 key players in this sub-segment are Malee Sampran Public Company Limited and Universal Foods Company Limited (UFC). Rather than price competition, firms in this sub-segment compete in terms of product quality, distribution, packing, and other promotional campaigns
- >> **The Medium Market:** Key players in this sub-segment are, Pigeon, Thai AD, First Choice, and other house brands. The quality of products and pricing in this sub-segment are lower than those of the Premium Market.
- >> **The Economy Market:** Players in this sub-segment include Farmer, Chao Doi, and many other house brands. Pricing is the key concern in the Economy Market.

The overall competition in the Year 2013 of the domestic premium canned fruit sub-segment is not so intense due to a limited number of competing firms. Most firms tend to focus on promotional campaigns at point of sales during key festivals such as Chinese New Year to stimulate market demand. Competing firms need to maintain a balance between sales amount and sufficient stock of products throughout the year. Malee will continue to be the sole supplier of premium canned fruits in 7-Eleven in 2014 and launch of new products.

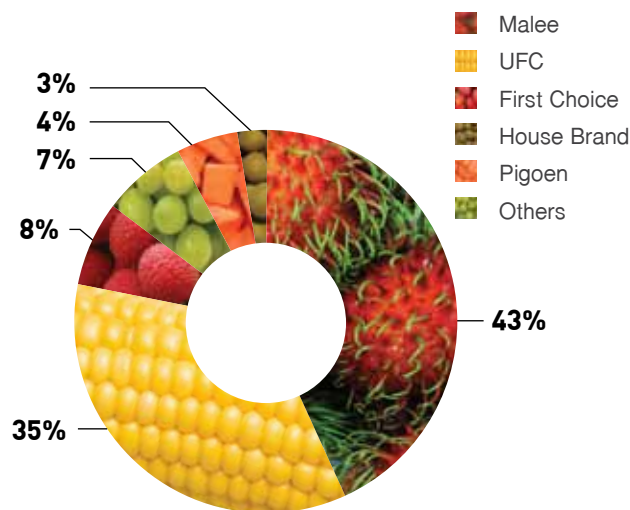
The Company's Market Position

Malee is the market leader in the domestic canned fruit business. Its actions via various promotional campaigns and launch of new products will affect the domestic market's growth and trend.

Market Share

1. Malee is the market leader, with total market share of 43%.
2. UFC has a market share of 35%.
3. First Choice has a market share of 8%.
4. House brand has a combined market share of 7%.
5. Pigeon has a market share of 4%.
6. Others have a combined market share of 3%.

(Source: Nielsen, December 2013)



Cereal Drink Business

Total market size for cereal drink in the Year 2013 was 2.3 billion Thai Baht. Total size of this market is not quite large compared to those of other dairy markets. However, market growth was very robust, standing at 17% in the Year 2013 as people tend to be more health conscious. Competing firms in the domestic cereal drink business tend to launch new products and spend substantial amount of expenditures to stimulate domestic consumption of cereal drink products. In the latter half of the Year 2013, the domestic cereal drink business was supported by favorable factors such as the Vegetarian Food Festival, thus helping this sector to maintain a strong market growth for another year. Main competitors of the Company in this market are V-fit and Profit brand.

In 2013, the Company maintained its sales amount close to the previous year in this market but the growth direction was not pronounced. Consumers have many healthy drink choices. Many of the Company's competitors continued to launch new products. The Company also faced the problem of sweet corn scarcity due to prolonged and abnormal winter period. These factors jointly capped the Company's growth in this business. Despite this, the Company will continue cereal drink business as it foresees increasing demand for high quality products. The Company will continue to look for additional sources of sweet corn and develop new products to satisfy consumer demand in the cereal drink sector.

UHT and Pasteurized Milk Business

In the Year 2013, many competing firms in the domestic ready-to-drink dairy beverage launched strong promotional and advertising campaigns aimed to stimulate domestic consumption of milk. Although average domestic consumption of milk tends to increase from year to year, and recently standing at 14 liters per head per year, this is still quite small when compared to global average of 100 liters per head per year, the average of 76 liters per head per year in Japan and the average of 60 liters per head per year of other countries in the Southeast Asian Region. Thus, many organizations have continuously launched campaigns to persuade Thai people to consumer more milk. Such campaigns aim to provide more knowledge and stimulate more milk consumption among Thai people. This has made Thailand one of the markets with high growth potential in Asia due to higher level of education among Thai people which has made them to be more health conscious. Total market size for the domestic dairy drink sector is approximately 50 billion Thai Baht, with an average annual growth of 9%. It is projected that such robust growth will continue over the foreseeable future as many firms will continue to launch new products with different flavors. Launch of new premium dairy drinks, expansion of distribution channel and



continuous launch of fully-integrated marketing and PR communication campaigns would also play an important role in supporting domestic growth in demand for dairy drink products. At present, Thai people are more health conscious and tend to consume more milk each year.

In the domestic ready-to-drink milk and dairy beverage market, price is controlled by the government. Sub-segments in this business consist of:

- >> UHT ready-to-drink milk accounts for approximately 30% of total market size (Source: Nielsen, December 2013). Milk with plain flavor accounts for the highest portion of this segment. Milk and dairy products could be classified into UHT milk for families, for adults, and for kids. Average annual growth for this sector is 9%.
- >> Pasteurized milk accounts for approximately 14% of total market size (Source: Nielsen, December 2013). Average annual growth for this segment is 20%.

In 2013, level of competition in the domestic ready-to-drink milk was quite intense. Many competing firms launched a variety of campaigns to stimulate domestic consumption of milk and dairy drinks which would help them to gain more market share and maintain competitive advantages in terms of production costs related to economy of scale. Many firms continued to launch several marketing and promotional campaigns and packaging improvement with the aim to attract more consumers and maintain their market shares. This diversely affected small firms' capabilities to compete well with bigger ones in this business as such smaller competing firms need to sell their products at the price as controlled by the government and at the same time had to bear higher costs of raw milk.

The Company adjusted its marketing strategies by emphasizing growth via local outlets and expanding distributions. This has helped the Company to control selling costs at the appropriate level. The Company has positioned its milk product to be 100% milk with good and a reasonable price to stimulate its milk consumption. The Company continued to launch new products such as 200ml. UHT milk with chocolate malt flavor and pasteurized milk with banana and coffee flavors also in 200ml. packaging. Such products have been launched nationwide to penetrate different groups of target customers and stimulate more domestic consumption. The Company's UHT mil products are the only ones that are distributed via Amway, thus enhancing its premium image in the eyes of target customers.

The Company will continue to provide easy access for target customers to its UHT and pasteurized milk products via wider distribution channels such as school and agent for pasteurized products. The Company will expand its market to the group of businesses that use pasteurized milk products as raw production material. In the Year 2014, the Company has set a target growth for pasteurized and UHT milk products under Chockchai Farm brand by expanding its customer base, launching products with new flavors to fulfill customer requirements so as to increase both consumption quantity and frequency, looking for additional distribution channels, redesigning its product labels to look more exciting as well as developing new UHT and pasteurized milk products that can really satisfy customers' requirement and are not subject to price control by the government. This will allow the Company to adjust its pricing in accordance with market mechanism and well matching with production costs.

Major Changes in the Year 2013 and Trend in the Year 2014

For decades, Melee has relied on seasonal fruits such as rambutan, lychee and longan to drive its growth. Thus, fluctuation in the availability of such agricultural outputs would definitely affect its financial performance from year to year. Since the Year 2010, Malee has shifted its strategy to focus more on beverage products such as fruit juice and other healthy drinks and less on processed fruit products so that it could maintain its stable growth, focus more on right strategic direction and rely less on availability and quality of fresh fruits. By focusing on healthy drink beverages, Malee could better respond to customers' requirements in terms of their lifestyles and market growth. This has helped all products under Malee brand to satisfy various customers with more flexibility.

Malee Sampran Public Company Limited is the producer and distributor of beverage products domestically and internationally. Its business structure consists of:

1. Own Brand Business
2. Contract Manufacturing Business

To have growth in beverage business at present and in the future, the Company plans to expand its production capacity to fulfill market requirements which may vary in terms of required flavor and packaging. Malee does so by acquiring additional production machine to fulfill increasing domestic and international demands as well as launching marketing and promotional campaigns to attract new domestic and international customers. Malee is the only Thai producer of beverage products that has production lines for three different formats of packaging, including PET bottles, cans and UHT Tetra Pak.

From 2014 on, Malee will implement marketing strategies for its branded products by developing products for more specific groups of customers so that all consumers' needs could be fully fulfilled. Products structure under Malee and sub-Malee brands are clearly identified, developed and implemented to ensure such brands or sub-brands are appropriately and well positioned according to each customer segment.

To correspond to the shift of the business' focus from processed fruit products to healthy beverages and to ensure its business slogan matches well with its core business, Malee changed its business slogan from "Malee The Fruit Expert" to "Malee Fruit with Care". Such new slogan well reflects the concept that our care to all customers are ingrained in every Malee production stage and product and such care is sent to all customers' health. To ensure Malee's products could deliver the best value in terms of good flavors, quality, and food nutrients, Malee closely monitors and takes care every step of its production starting from seed selection, plantation, harvesting and packaging (seeding, sourcing, selecting, and entrusting).

Our Products



Malee 100% UHT Juice



Malee 100% Pasteurized Juice



Malee Healti Plus, fruit juice with natural spring water



Chokchai Farm UHT and Pasteurized Milk



Malee I-Corn

Malee Juize Mix



Malee Coco



Malee Canned Fruit



Malee Toddy palm
mixed red kidney
bean in heavy
pandan flavored syrup



Chokchai Farm,
sweetened
non dairy
creamer beverage



Malee Food Service

Quality System and Awards

Malee Sampran Public Company Limited continuously develops and improves its production process and technologies so that they are up to international standards and can compete well globally. The Company also continues to improve its product quality in both domestic and international levels. In doing so, the Company has taken into account both safety and health of consumers. The Company has been certified by many domestic and international organizations for its high production standards, including:

- >> **BRC (Global Standard for Food Safety): British Retail Consortium.** The Company was certified by BVQI on 25 November 2013.
- >> **IFS: International Food Standard.** The Company was certified by BVQI on 5 November 2012.
- >> **HACCP Codex Alimentarius Commission (FAO/WHO) : Hazard Analysis and Critical Control (HACCP) Guideline Annex to CAC/RCP-1 (1969) Version 4 (2013).** The Company was certified by BVQI on 27 January 2013.
- >> **Halal Certificate:** The Company was certified by the Central Islamic Committee of Thailand on 26 June 2013.
- >> **Kosher Certificate:** The Company was certified by Thai Kashrut Services Limited on 1 October 2013.
- >> **GMP Codex Alimentarius Commission Recommended International Code of Practice General Principles of Food Hygiene, CAC/RCP1 (1969) Version 4 (2013).** The Company was certified by BVQI on 27 January 2013.
- >> **SGS : ISO 22000 : 2005,** Issue 11 October 2013.
- >> **SGS : Food Safety System Certification 22000:2010,** including ISO 22000:2005, ISO/TS 22002-1 & additional FSSC 22000 requirements.
- >> **Good Laboratory Practice / Department of Industrial Works, GLP/DIW.** The Company was certified by the Department of Industrial Factories, the Ministry of Commerce.
- >> **Certificate in the Program of Industrial Production Process Improvement with Cleaner Technology** from Mahidol University in cooperation with National Science and Technology Development Agency (NSTDA)

The Company also received many awards from well-recognized organizations, including:

- >> **The Company received “Trusted Brand Award 2013”** for the category of fruit juice products from Reader’s Digest Magazine for 11 consecutive years due to Malee Brand’s strong awareness, not only in Thailand but throughout the Asia region.
- >> **Malee Brand** was selected to be **1 of 20 leading Thai brands** in accordance with a survey conducted by Media Magazine, Asian Integrated Media Limited.
- >> The Company was selected by FORBES magazine to be one of the **“200 Asia’s Best under a Billion”** companies. The Company was selected to be one of the best small- and medium-sized companies in the Asia Pacific Region from more than 15,000 companies throughout Asia. The Company was the only

Thai Fast Moving Consumer Goods (FMCG) company that was selected due to its strong and continuous growth and capability to generate strong return for investors. This indicates that the Company could manage its operating costs efficiently and has an optimum capital structure.

- >> The Company was awarded **Thailand Energy Awards 2008** from the Ministry of Energy, 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, thus helping to substantially save electricity expenses and fuel oil costs. The company was also awarded the runner-up in **ASEAN Energy Awards 2008**.
- >> The Award for **Great Agricultural Dietary Product** from the department of Industrial Work on 10 January 2012 from joining the project of developing the waste management technology in Agricultural Dietary Product Industrial year 2011.

The Company’s staff maintain their high working and production standards to receive these accomplishments



Risk Factors

1. Risks from Raw Materials Scarcity

At present, domestic and global climates have substantially changed. This has resulted in uncertain amount and quality of many kinds of agriculture raw materials as well as fluctuation in raw material prices from year to year. The Company has managed the risk by looking for new sources of high-quality raw materials, contract farming, and placing orders with reliable suppliers.

2. Risks from Competitors

Many of our competitors have possessed advantages relative to us in terms of strong sources of financial support from foreign business partners, advanced production technology as well as new and modernized R&D centers. The Company has a policy to compete with our competitors in terms of good product quality, strong brand image, advertising and promotional campaigns, and various marketing campaigns rather than the price cutting method. The Company supplies products with high quality to our customers, invests in launching new products that could generate returns and profitability, launches marketing campaigns with reasonable return on investment, as well as distributes our products via variety distribution channels to ensure we could reach our target customers efficiently.

3. Risks from Modern Trade

Modern Trade accounts, including supermarkets, discount stores, and convenience stores, have strong bargaining power and require suppliers to spend a substantial amount on selling expenditures. To counter this risk, the Company continues to distribute its products via various channels including Traditional Trade, Food Service, Agent, and Modern Trade to create a balance in terms of distribution channels as well as efficiently manage operating and marketing expenses.

4. Risks from Contract Manufacturing Clients

The Company has engaged in the contract manufacturing business for more than 20 years. It has managed this business well and has diversified operating risk in terms of clients and products to ensure well-balanced revenues. Currently, the Company has more than ten clients and manufacturing variety of products including tea, coffee, fruit juice, functional drinks, and canned fruits. The Company has provided various contract manufacturing services in accordance with customer requirements ranging from product development to production process. With close cooperation and frequent communication between the Company and clients starting from the product development phase, it is less likely that the clients will switch manufacturers and more likely to extend production contracts. The Company negotiates with its clients to obtain an appropriate term for its production services.

5. Risk from the Advent of AEC

The common goal for the ASEAN Economic Community (AEC) is to achieve the single market and production bases for the ASEAN community, thus allowing free movement in 5 areas including product, service, investment, skilled labor and capital. Such free trade will create both winners and losers, depending upon their business and competitive potentials relative to that of their competitors. With no tariffs and tax barriers, tax-free products and services from other countries could come into Thailand, thus putting Thai entrepreneurs in a more downward pressure, and vice versa. To cope with this, the Company will compete with its domestic and foreign competitors in terms of product innovation, product offerings that conform to customer requirements, production efficiency, labor, production technology, and sound logistics system to ensure competitive logistics and transportation costs and sourcing for high-quality raw materials with reasonable prices. The advent of the AEC also allows the Company an opportunity to expand or move its production base to other ASEAN countries with abundant raw materials. To create and maintain its long-term competitive advantages, the Company will continue to learn about its competitors, reduce operating costs, and solidify its strengths and improve its weaknesses.

6. Risks from Foreign Exchange

With dynamic changes in global economic situations, the exchange rate is very volatile. To manage foreign exchange risk, the Company has used currency forward to hedge some of its foreign cash flows when appropriate and used some of its foreign cash flows from export sales to settle for cost of imported raw materials and packaging (Natural Hedge).



Management Structure



1. Mr. Chatchai Boonyarat

Chairman



2. Mrs. Chintana Boonyarat

Director



3. Mr. Pichai Chirathivat

Director



4. Mr. Kobchai Chirathivat

Director



5. Mr. Kitti Vilaivarangkul

Director



6. Ms. Roongchat Boonyarat

Director



7. Mr. Narongchai Akrasanee

Director/

Chairman of Audit Committee/

Independent Director



8. Mr. Khemadhat Sukondhasingha

Director/

Chairman of Risk Management
Committee/

Member of Audit Committee/

Independent Director



9. Ms. Nattharin Talthong

Director/

Chairman of Nominating
and Remuneration Committee/

Member of Audit Committee/

Independent Director



10. Mr. Paitoon Eiamsirikulmit

Company Secretary

Board of Directors

1. Mr. Chatchai Boonyarat	Chairman
2. Mrs. Chintana Boonyarat	Director
3. Mr. Pichai Chirathivat	Director
4. Mr. Kobchai Chirathivat	Director
5. Mr. Kitti Vilaivarangkul	Director
6. Ms. Roongchat Boonyarat	Director
7. Mr. Narongchai Akrasanee	Director / Chairman of Audit Committee/ Independent Director
8. Mr. Khemadhat Sukondhasingha	Director / Chairman of Risk Management Committee / Member of Audit Committee/ Independent Director
9. Ms. Nattharin Talthong	Director /Chairman of Nominating and Remuneration Committee/ Member of Audit Committee/ Independent Director
10. Mr. Paitoon Eiamsirikulmit	Company Secretary

Remark: Mr. Mati Tungpanich Director (retired by rotation)

Board of Directors

1. Mr. Chatchai Boonyarat

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 Public Company Limited he also serves as the Chairman of Abico Holding Public Company Limited.

2. Mrs. Chintana Boonyarat

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.; Director of Abico Holdings Plc. and Director of Board of Trade of Thailand.

3. Mr. Pichai Chirathivat

Director

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

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

4. Mr. Kobchai Chirathivat

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 5/2001) from The Institute of Directors Association.

Currently, as Director of Malee Sampan Plc; Executive Director of Central Group of Companies Co., Ltd ; Director of Sakura Restaurant Co., Ltd. ; Director of Central Advance System Co., Ltd. and Director of Genesis Corporation Co., Ltd.

5. Mr. Kitti Vilaivarangkul

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 Public Co., 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 Public Company Limited; Director of Malee Enterprise Co., Ltd.; Director of Abico Dairy Farm Co., Ltd.; Director of Malee Sampran Public Co., Ltd., Director of Abico Land Co.,Ltd. and also as Director of PPO Farm Co.,Ltd.,

6. Ms. Roongchat Boonyarat

Director

Graduated with a Bachelor's Degree of Art in Economics, from Bowdoin College, USA and Master Degree from Sasin Graduate Institute of Business Administration of Chulalongkorn University.

Currently work as Managing Director of Malee Enterprise Co., Ltd. and Director of Malee Sampran Public Co., Ltd.

7. Mr. Narongchai Akrasanee

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 (IOD) 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. ; Vice Chairman of the Board of Directors, Thai-German Products Plc. ; Chairman of the Board of Directors, Ananda Development Plc. ; Independent Director and Chairman of the Audit Committee, Malee Sampran Plc. ; Independent Non — executive Director of AIA Group ; Member, Monetary Policy Committee of the Bank of Thailand (BOT) ; Chairman, Thailand National Committee for Pacific Economic Cooperation Council (TNCPEC) ;

Chairman of the Steering Committee and Vice Chairman of the Council of Mekong Institute (MI); Honorary Advisor, the Fiscal Policy Research Institute Foundation (FPRI) ; Member of the Board of Directors & Council of Trustees, Thailand Development Research Institute (TDRI) and Chairman, Khon Kaen University Council.

8. Mr. Khemadhat Sukondhasingha

Director / Chairman of Risk Management Committee /

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 in 2006. Formerly the Executive of Thai Kawasaki Motor Co., Ltd.; Chairman of Sikor 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 Audit committee, National Science Development Agency, Chairman of Audit Committee, King Mongkut University of Technology Thonburi ; Director and Independent Director of Malee Sampran Plc.

9. Ms. Nattharin Talthong

Director / Chairman of Nominating and Remuneration Committee /

Member of Audit Committee /

Independent Director

Graduated with a Bachelor of Business Administration (BBA) from Kasetsart University and Master of Science in Finance from University of Colorado, Denver, The United of America. Formerly working for Kasikorn Securities Public Co., Ltd. and also participated in the Capital Market Academy (CMA 11), Directors Accreditation Program (DAP) Class 69 from The Institute of Directors Association.

Currently, as Director / Independent Director of Malee Sampran Public Co.,Ltd.

10. Mr. Paitoon Eiamsirikulmit

Company Secretary

Graduated with a Bachelor of Science (Agricultural Economics) and Master of Science (Agricultural Economics) from Kasetsart University

Currently work as Director of Malee Enterprise Co., Ltd.; Director of Agri Sol Co., Ltd.; and Vice President Corporate Finance and Corporate Affairs of Malee Sampran Plc.

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 include 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 of Audit Committee
Mr. Khemadhat Sukondhasingha	Member of Audit Committee
Ms. Nattharin Talthong	Member of Audit Committee

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
Ms. Roongchat Boonyarat	Director

The Authority And Duties Of Executive Committee

1. 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.
2. Consider the Company's annual budget before submission to the Board of Directors for approval.
3. Prepare and propose strategy, business and operation plan to the Board of Directors for approval.
4. Consider new business startup in compliance with the Company's policy before submission to the Board of Directors for approval.
5. Periodically review normal and non-normal courses of businesses operated by business departments.
6. Review and comment on monthly profit and loss report presented by management.
7. Perform any other act delegated by the Board of Directors and approved by the Executive Committee.

The Nominating And Remuneration Committee

Ms. Nattharin Talthong	Chairman
Mr. Khemadhat Sukondhasingha	Member
Mrs. Chintana Boonyarat	Member

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. Kittti Vilaivarangkul	Member
Ms.Nattharin Talthong	Member

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 Secretary

Mr. Paitoon Eiamsirikulmit

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

- >> Bachelor 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

- 1) Directors' remuneration in 2013, for 10 persons, was Baht 3,655,000
- 2) Executive directors and Management's remuneration in 2013, for 16 persons, was Baht 34,202,837 (as of 31 December 2013, total managements are 6 persons including with Directors for 10 persons)

Other remuneration

Provident Fund of Management for 8 persons in 2013, was Baht 438,347.52

Company's Committee, Number of Attendance and Remuneration for year 2013

	Name of Director	Number Of Attendance Of Meeting (time)						Meeting Perdiem					
		Duration of Tenure	BOD	AC	EXCOM	RM.	NR.	BOD	AC	EXCOM	RM.	NR.	Total
1.	Mr. Chatchai Boonyarat >> Chairman of the Board of Director >> Chairman of the Executive Director	2013-2016	4/4	-	12/12	-	-	280,000	-	480,000	-	-	760,000
2.	Mrs. Chintana Boonyarat >> Director >> Member of the Executive Director >> Member of the Nominating and Remuneration Committee	2012-2014	4/4	-	12/12	-	1/1	170,000	-	240,000	-	10,000	420,000
3.	Mr. Kitti Vilaivarangkul >> Director >> Member of the Executive Director >> Member of the Risk Management Committee	2012-2014	4/4	-	12/12	4/4	-	170,000	-	240,000	40,000	-	450,000
4.	Mr.Pichai Chirathivat >> Director >> Member of the Executive Director	2012-2015	4/4	-	8/12	-	-	170,000	-	210,000	-	-	380,000
5.	Mr.Kobchai Chirathivat >> Director	2012-2014	3/4	-	-	-	-	160,000	-	-	-	-	160,000
6.	Ms.Roongchat Boonyarat >> Director >> Member of the Executive Director	2013-2016	3/3	-	7/7	-	-	150,000	-	160,000	-	-	310,000
7.	Mr.Narongchai Akrasanee>> Director >> Chairman of the Audit Committee Independent Director	2012-2015	4/4	4/4	-	-	-	170,000	235,000	-	-	-	405,000
8.	Mr. Khemadhat Sukondhasingha >> Chairman of the Risk Management Committee >> Member of the Audit Committee >> Member of the Nominating and Remuneration Committee >> Independent Director	2013-2016	4/4	3/4	-	4/4	1/1	170,000	145,000	-	80,000	10,000	405,000
9.	Ms. Nattharin Talthong >> Chairman of the Nominating and Remuneration Committee >> Member of the Audit Committee >> Member of the Risk Management Committee >> Independent Director	2013-2016	3/3	2/2	-	3/3	-	150,000	125,000	-	30,000	-	305,000
10.	Mr. Mati Tungpanich >> Chairman of the Nominating and Remuneration Committee >> Member of the Audit Committee >> Member of the Risk Management Committee >> Independent Director	2011-2013	1/1	1/1	-	-	1/1	20,000	20,000	-	-	20,000	60,000
TOTAL								1,610,000	525,000	1,330,000	150,000	40,000	3,655,000

Remark: a) Duration of Tenure — 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,

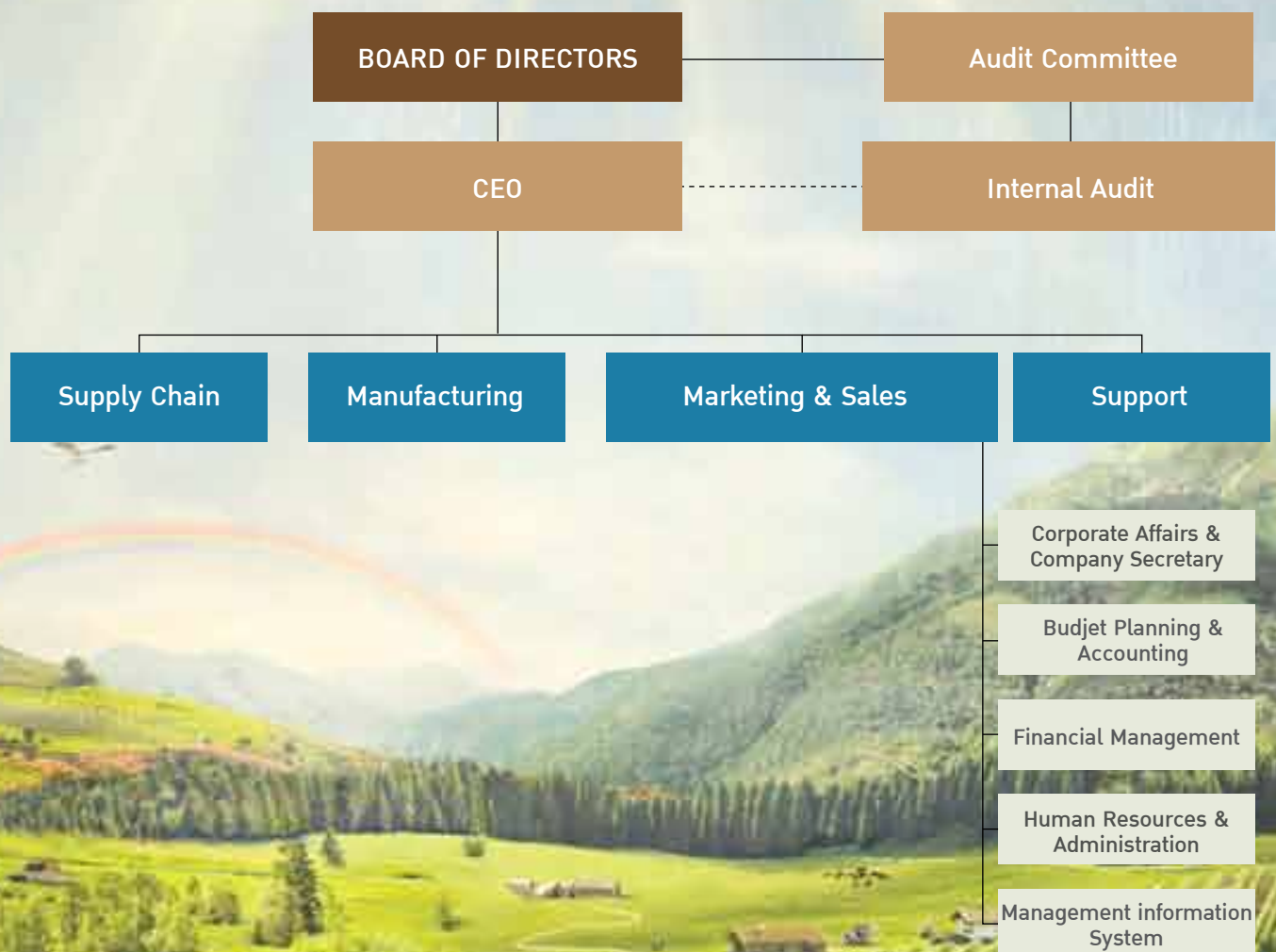
b) then the number nearest to one — third shall be retired. A retiring director is eligible for re-election.

BOD = BOARD OF DIRECTOR EXCOM= EXECUTIVE COMMITTEE AC = AUDIT COMMITTEE NR= NOMINATING AND REMUNERATION COMMITTEE RM = RISK MANAGEMENT COMMITTEE

- Mr. Mati Tungpanich retired by rotation.

Organization Chart:

Malee Sampran Public Company Limited



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 2013, the Shareholders' Meeting had been held on March 29th 2013, 10:00 a.m. at MAGIC 3 room 2nd Floor Miracle Grand Convention Hotel 99 Kamphaeng Phet 6 Road, Talad-Bangkhen, Laksi, Bangkok 10210, Thailand. 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 2013	1,488 persons
Employee Costs for the year 2013	Baht 391,356,033



มาลีดูแลคุณ ด้วยน้ำผลไม้ที่เราดูแลมาอย่างดี
 คัดพันธุ์ เลือกแหล่ง คัดผล เลือกคน ใส่ใจทุกขั้นตอนโดยครอบครัวมาลี



Audit Committee Report

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

In 2013, 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 2013 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 2013 internal audit plan. Also supported and encouraged internal auditors to perform internal audit activities according 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 by appointing Mr. Khemadhat Sukondhasingha serves as Chairman of Risk Management, Mr. Kitti Vilaivarangkul and Ms. Nattarin Talthong be members of Risk management by recommending the utmost advantage and reducing all risks from operation, instructive a special lecture of risk management for the integration in 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, 2014

Internal Control System / Risk Management

In accordance with the principles of good corporate governance, the Board of Directors has continuously put emphasis on the internal control system by assigning the Audit Committee, which consists of independent directors, to review the Company's internal control system. The Company has instituted an internal audit department which is independent from management and directly reports to the Audit Committee to review the operations and working systems of each department of the Company and its subsidiaries in accordance with the annual audit plan. This is to ensure the Company's business objectives could be achieved.

It is the view of the Board of Directors and management that the Company's internal control system is sufficient and effective in the following areas:

1. The Company's objectives could be achieved efficiently and effectively.
2. The Company's risk management system covers all aspects and is effective.
3. The Company's information system, important financial data, management and operation systems are trustworthy, complete accurate and timely.
4. System to safeguard assets, human resources and data in information system is appropriate.
5. The Company's operation is in compliance with policies, rules, regulations, and requirements related to the Company's businesses.



Related 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	Original owner of Chokchai brand (Dormant)	Relate with Abico Holding Public Company Limited
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Central Food Retail Company Limited (A)	Department store	Co - directors
CG Broker Company Limited (B)	Insurance	Co - directors
Centralworld Company Limited	Department store	Co - directors

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

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.

		Consolidated		Separate	
		Transfer Pricing policy	financial statements	financial statements	
		2013	2012	2013	2012
Transactions with subsidiaries					
(Eliminated in the consolidated financial statements)					
Sales of goods	Cost plus margin	-	-	1,388,207,477	1,254,045,415
Others income	Cost plus margin	-	-	1,610,960	8,743,656
Revenues from service	Contract price	-	-	11,340,000	-
Guarantee income	1.75 percent in year 2013 and 0.25 percent in year 2012 of the guarantee amount	-	-	1,750,000	612,500
Purchase of goods	Cost plus margin	-	-	2,567,636	13,856,301
Purchase of raw material and others	Cost plus margin	-	-	59,006,067	120,124,002
Marketing support expenses	Contract price	-	-	6,283,165	25,080,908
Guarantee fee	1.75 percent in year 2013 and 0.25 percent in year 2012 of the guarantee amount	-	-	2,858,334	700,000
Land and plant rental and service expense	Contract price	-	-	-	1,195,828
Purchase of land not used in operation	Cost	-	-	-	5,784,773
Transactions with related parties					
Sales of goods	Cost plus margin	29,215	26,463,377	-	-
Produce service	Cost plus margin	112,292,841	82,245,586	112,292,841	82,245,586
Sale promotion expense	Contract price	-	2,982,729	-	-
Building rental expenses	Contract price	12,014,000	11,744,040	7,250,400	7,069,140
Insurance expenses	Contract price	-	1,727,533	-	1,591,809

The balances of the accounts as at December 31, 2013 and 2012 between the Company and its subsidiaries and those related companies are as follows:

Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Trade receivables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	261,924,115	359,946,171
Agri Sol Co., Ltd.	-	-	-	10,334,167
Total	-	-	261,924,115	370,280,338
Related parties				
Chokchai Milk Co., Ltd.	-	513,554	-	513,554
Abico Daily Farm Co., Ltd.	610,053	-	-	-
Centralworld Co.,Ltd.	5,932	19,099	-	-
Total	615,985	532,653	-	513,554
Allowance for doubtful account				
Related party				
Chokchai Milk Co., Ltd.	-	(513,554)	-	(513,554)
Allowance for contingent damage due to a subsidiary cannot pay for goods				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	-	(26,395,494)
Other receivables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	4,992,100	-
Agri Sol Co., Ltd.	-	-	2,494,801	-
Total	-	-	7,486,901	-
Related party				
Abico Daily Farm Co., Ltd.	661,639	289,800	661,639	289,800
Deposits				
Related parties				
Abico Land Co., Ltd.	8,424,800	8,424,800	5,451,800	5,451,800

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Trade payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	346,683	25,698
Agri Sol Co., Ltd.	-	-	10,004,986	37,786,384
Total	-	-	10,351,669	37,812,082
Related party				
Abico Daily Farm Co., Ltd.	7,395,468	10,717,261	7,379,686	10,685,214
Other payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	2,858,334	6,487,869
Agri Sol Co., Ltd.	-	-	2,746,016	962,249
Total	-	-	5,604,350	7,450,118
Related parties				
Abico Land Co., Ltd.	92,285	114,802	60,091	77,348



Corporate Social Responsibilities



Malee Sampran Public Company Limited has run its business including its internal and external activities taking into account direct and indirect social impacts to surrounding communities and environment. The Company consumes materials and resources with the aim to sustainably be a part of the society based on the following principles:

1. Good Corporate Governance

It is the Company's policy to conform to the principles of good corporate governance. Its internal management system put emphasis on equal, fair, efficient, and transparent working procedures and systems to create trust and confidence in the Company among shareholders and other stakeholders and involved parties. (For further details, please refer to section 9).

2. Fair Business Operations

Fair business operation is one of the areas in Malee's code of best practices and conduct. The Company has long put emphasis on fair business operation, taking into account and understanding the interests of customers

and trading partners including raw material suppliers and farmers as well as surrounding communities to create their trust in the Company. This will generate sustainable benefits for both the Company and all stakeholders.

In 2009, the Company was awarded SR Mark (Social Responsibility Mark) from the Department of Export Promotion. This award is given to business that has long engaged in the practice of contract agriculture with the aim to improve quality of life of Thai farmers and sustainable long-term local economic growth.

3. Anti-Corruption

Since 2011, the Company has joined with more than 20 organizations, led by the Thai Chamber of Commerce to establish Anti-Corruption Network of Thailand. The Company has taken part in many campaigns to counter corruption practices and promote such campaigns on a continuous basis. The Company has trained its staff with the aim to ensure they work with integrity.

In 2013, the Company joined the Collective Action Coalition of Thai Private Sector to Anti-Corruption established by the Institute of Thai Directors, the Thai Chamber of Commerce, the International Chamber of Commerce, Association of Thai Listed Companies, Association of Thai Banks, Federal of Thai Capital Market Associations, and the Federation of Thai Industries.

4. Respect to Human Rights and Fair Treatment to Labor

Human resource is one of the key factors for the Company to improve and create value-added production productivity. Thus the Company has continued to improve and promote internal working environment to ensure good life quality for its employees, including good occupational health and work safety for its staff. The Company has also promoted “Zero-Accident” campaign to ensure work safety for its staff.

In the area of human rights and fair treatment to labor, the Company has strictly conformed to relevant rules and regulations under the Department of Labor Protection and Welfare, the Ministry of Labor in providing fair and equal treatment to Thai and foreign labors. The Company has legally registered its foreign labors. The Company has provided fair compensations and other welfare to its labor, including providing necessary training courses to improve labor skills and promote their career advancement. Moreover, the Company obtained certificate from The Department of Labor Protection and Welfare from the Ministry of Labor.

5. Responsibilities to Consumers

Because the Company is the producer and distributor of consumer products, it is the Company’s policy to produce and sell merchandise that meets all required safety standards. The Company has long been well accepted for its high quality products and ability to fulfill all required standards. It obtained many domestic and international certificates including Certificate in the Program of Industrial Production Process Improvement with Cleaner Technology from Mahidol University with cooperation from NSTDA and HACCP, GMP, KOSHER, Q Mark, IFS, BRC and Halal Certificate from international organizations. Furthermore, the Company has a call center unit to receive customers’ complaints and relay the messages to all the parties involved internally.

In 2013, the Company initiated the project “Caring Heart Kids” to all parties involved. For this campaign, the Company donated 3 Thai Baht per canned fruits size 20-oz with the total amount of 231,201 Thai Baht to Dr. Boonchob Pongpanich, the Chairman of the cardiac children of Thailand, the agent of Cardiac Surgery Foundation of Her Royal Highness Princess Galyani Vadhana. The donation from this campaign helped the kids to receive pediatric cardiac surgery. The Company intends to continue aiding the foundation in 2014.

6. Communities and Society Development

The Company has long realized that the healthy communities and societies with sustainable development is a key factor that will allow the Company to run its operation and business successfully. The Company has thus taken part in many campaigns aimed to promote and support the existence of such communities and societies.

In 2011, the Company made a donation to aid communities situated in Sampran District, Nakhonpathom that were affected by the flood. The Company joined with relevant government agencies and surrounding communities to establish and implement short-term measures and long-term preventive policies to reduce the effect of the flood and aid victims.

In 2013, the Company donated 7,200 cans of 20-oz canned fruits with the total amount of 577,000 Thai Baht to aid victims of the flood in Prachinburi Province.

The Company also participated in many CSR campaigns in the Year 2013, including:

- >> Campaign for Aluminum Recycling to the Disabled with Sampran Municipality
- >> Big Cleaning Day for Road to Sampran District
- >> Food Treatment for the Elderly at Nakhonpathom Province
- >> Sport Equipment Donation for Students at Watratsathatham and Bantakrdad school, Sampran District, Nakhonpathom Province
- >> Anti-Drug Campaign with Sampran Municipality
- >> Blood Donation Campaign with Nakhonpathom Hospital

7. Environment Protection

Strong growth in global population coupled with continuous economic growth not only cause substantial consumption of natural resources but also create huge amount of toxic waste.

The Company has implemented waste water treatment technology and system, thus being awarded the award of outstanding production factory in the area of efficient waste water treatment and management in the Years 1994, 1995, and 1997. The Company was also awarded the award of outstanding production factory in the area of water environment protection in the Year 1994 from the Committee of Environmental Protection. On 15 May 2009, the Company was awarded by the Ministry of Commerce the Social Responsibility Mark Award due to its practice of society and environmental responsibilities.

The winner awarded of “Thailand Energy Awards 2008” from the Ministry of Energy for its off-grid renewable energy campaigns. Such renewable energy is produced from waste water and fruit garbage.

The First runner-up award in “Asean Energy Awards 2008” in development of biogas project system in the UASB Type (pond type) by reprocessing from waste water and fruit garbage.

Both projects were aimed to protect environment by getting rid of waste from the production process of agricultural products without causing any environmental problems. This project also generated other by-products in the form of renewable and substitute energy that can be used in the Company’s production factories and help it to save more than 10 Million Thai Baht a year in terms of electricity expenses and fuel oil costs.



Biogas production system UASB pond type

The award for Great Agriculture 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 2012.

For the project of algae feeding, the Company has established the policy of obtaining minimal and finally zero waste from the feeding process. All waste from the feeding process will be recycled. At present, waste from the feeding process includes fluent (waste water) of the amount of at least 1,000 sq.m. per day and substantial amount of flue gas from the process of steam production each day. With its policy to recycle waste from the feeding process, the Company will conduct an experiment to see whether fluent and flue gas could be used to feed spirulina algae. This would help to eradicate waste and thus protect the environment. The Company plans to disseminate this knowledge to the public. It plans to hire a research team with specialization in the area of bio technology from the Institute of Science and Technology Research of Thailand to conduct research in the area of feeding spirulina using the co-process. The results and findings from such research will be disseminated to the public for further use.



The Project of Spirulina algae feeding.

8. Knowledge Sharing from Innovation and Social Responsibilities

The Company continues to develop knowledge and findings from its operation and shares such knowledge to interested parties. Many interested firms and parties visited the UASB biogas project (pond type) that aims to produce biogas from waste and water and waste from agricultural products. This substantially saves electricity expenses and fuel oil costs each year.

Management Discussion and Analysis

	For the Year 2012					
	For the Year 2011		(Restated)		For the Year 2013	
	Million	Percentage	Million	Percentage	Million	Percentage
Sales	3,660.4	98.2%	6,157.2	98.0%	5,087.6	97.7%
Other incomes	65.8	1.8%	128.5	2.0%	117.6	2.3%
Total Revenues	3,726.2	100.0%	6,285.7	100.0%	5,205.2	100.0%
Cost of Sales	2,571.3	69.0%	4,490.5	71.4%	3,636.4	69.9%
Selling Expenses	623.4	16.7%	700.0	11.1%	784.3	15.1%
Administrative Expenses	264.7	7.1%	305.6	4.9%	379.2	7.3%
Other Expenses	5.4	0.1%		0.0%		0.0%
Finance Costs	33.7	0.9%	16.0	0.3%	17.0	0.3%
Total Expenses	3,498.5	93.9%	5,512.2	87.7%	4,816.8	92.5%
Share of Profit (Loss) from Investments	-	0.0%	-	0.0%	(1.8)	0.0%
Profit (Loss) before Income Tax Expenses	227.7	6.1%	773.5	12.3%	386.6	7.4%
Tax Expenses (Income)	-	0.0%	224.4	3.6%	103.8	2.0%
Profit (Loss) for the Years	227.7	6.1%	549.1	8.7%	282.8	5.4%

Below is the summary of the Company's operating performance for the Year ended 31 December 2012 compared with that of the Year ended 31 December 2011:

- >> Total sales revenue of the Company and its subsidiaries was Baht 6,157.2 million, an increase by Baht 2,506.8 million or 68.5%. This is because domestic sales revenue from production contracting business and brand business.
- >> Total gross profit stood at Baht 1,655.3 million, representing 26.9 % of sales revenue. When comparing with the previous year, the gross profit increased Baht 580.6 million. This was because sales revenue increased.
- >> Selling and Administrative expenses totaled Baht 1,005.6 million, an increase by Baht 117.5 million or 13.2% compared to that of the previous year. This was because domestic promotion and selling expenses increased commensurate with rise in domestic sales.
- >> The Company's pre-tax earnings stood at Baht 773.5 million, an increase by Baht 545.8 million. Moreover, the Company's net profit earning (Restated) is Baht 549.1 million. Comparing the year 2012 which is stood at Baht 227.7 million, an increase by Baht 321.4 million. Net profit margin increased 141.1%

Below is the summary of the Company's operating performance for the Year ended 31 December 2013 compared with that of the Year ended 31 December 2012:

- >> Total sales revenue of the Company and its subsidiaries was Baht 5,087.6 million, a decline by Baht 1,069.6 million or 17.4%. This is because domestic sales revenue from contract manufacturing business declined by 38.1% which is related to order from vendors that were affected by the great flood from the end of the Year 2011 to 2012. It is the extraordinary, whereas Revenue from the brand business increased by 10.3%.
- >> Total costs of goods sold of the Company and its subsidiaries stood at Baht 3,636.4 million, accounting for 71.5% of total sales revenue. The proportion of cost of goods sold to total sales revenue declined by 1.4% due to change in proportion of revenue from each kind of business and product and the capability to control costs of production and raw material.
- >> Total gross profit stood at Baht 1,451.2 million, representing 28.5% of total sales revenue. This proportion increases by 1.4% compared to that of the previous year.
- >> Selling expense totaled Baht 784.3 million, an increase by Baht 84.3 million or 12.0% compared to that of the previous year. This was because domestic promotion and selling expenses increased commensurate with rise in domestic sales and launch of new products.
- >> Administrative expense totaled Baht 379.2 million, an increase by Baht 73.6 million or 24.1% due to product development expense, pre-production expansion expense and expense related to closure of a sweet corn production factory owned by a subsidiary at the end of the previous year for the amount of Baht 14 million.
- >> (Extraordinary Items)
 - Gain from sale of unused land for the amount of Baht 10.7 million.
 - On 13 June 2013, the Board of Directors approved an investment in Prime Agrico Ltd. Later, the Board of Directors approved an increase investment to the Company's stake in 50 % (with total registered capital of Baht 40 million). On 4 November 2013, Prime Agrico acquired a 70% stake in Lanchang Farm Co., Ltd., a firm engaging in the business of hydroponic, greenhouse grown produces. The Company realized a loss from investment in Prime Agrico Ltd. in accordance with percentage of its stake in such company for the amount of Baht 1.8 million.
- >> Net Profit
 - The Company's pre-tax earnings stood at Baht 386.6 million, representing a pre-tax margin of 7.6% of total sales revenue. Total income tax expense is Baht 103.8 million (consisting of corporate income tax expense of Baht 81.9 million and deferred tax expense of Baht 21.9 million). The Company's total net earnings is Baht 282.8 million, a decline by 48.5% from that of the last year. Net profit margin is 5.6% of total sales revenue.

Analysis of Financial Position

Assets

Asset Components	Million Baht					
	2011 (Restated)		2012 (Restated)		2013	
Trade Receivables	611.5	25%	662.2	24%	580.5	22%
Inventories	500.2	21%	682.4	25%	729.9	27%
Investment and Loans to Other Parties	12.4	1%	5.7	0%	19.3	1%
Land Awaiting for Future Development	28.5	1%	22.5	1%	-	0%
PP&E	1,004.2	42%	1,150.0	42%	1,146.6	43%
Intangible Assets	-	0%	16.1	1%	30.4	1%
Other Assets	241.8	10%	205.3	7%	169.7	6%
	2,398.6	100%	2,744.2	100%	2,676.4	100%

As of 31 December 2012, total assets stood at Baht 2,744.2 million, an increase by Baht 345.6 million or 14.4% from that in the Year 2011. This was because an increase in inventories, trade receivables and property, plant and equipment (PP&E).

- >> Accounts receivables increased by Baht 50.7 million in commensurate with domestic sales. Inventories rose by Baht 182.2 million which is in line with increase in inventories in the form of packaging and finished goods to support domestic growth.
- >> Investment and loans to other parties decreased due to repayment welfare project
- >> In the first quarter of the Year 2012, the awaiting for future development decreased because the Company sold some parts of land awaiting for future at Ban Muang district, Sakon Nakhon province.
- >> Net Property, Plant and equipment (PP&E) increased Baht 145.7 million because the Company invested in PP&E to meet orders in beverage business in the year 2012.
- >> Intangible asset as showed on the financial statements for the Year ended 31 December 2012 was computer software under development.
- >> Other assets that increased include cash & cash equivalent, unearned revenue, and deposit related to normal operation.

As of 31 December 2013, total assets stood at Baht 2,674.4 million, a declined by Baht 67.8 million or 2.5% from that in the Year 2012. This was because a decrease in, trade receivables.

- >> Accounts receivable decreased by Baht 81.7 million in commensurate with contraction in production contracting business in the Year 2013. Inventories rose by Baht 47.5 million which is in line with increase in inventories in the form of packaging and finished goods to support domestic growth of the brand business.

- >> Investment and loans to other parties amounting Baht 19.3 million increased due to a joint investment in Prime Agrico Ltd.
- >> In the third quarter of the Year 2013, the Company sold land awaiting for future development for the amount of Baht 22.5 million and realized a gain for the amount of Baht 10.7 million.
- >> In the Year 2013, Net Property, Plant and equipment (PP&E) increased Baht 148 million because the Company invested in PP&E to meet orders from new clients; it sold retired production machine and equipment and adjusted the depreciation.
- >> Intangible asset as showed on the financial statements for the Year ended 31 December 2013 is computer software under development from Year 2012.
- >> Other assets that increased include cash & cash equivalent, unearned revenue, deferred tax asset and deposit related to normal operation.

Liabilities

Million Baht

Details of Liabilities	2011		2012 (Restated)		2013	
Bank Overdrafts and Short-term Loans	298.3	16%	261.6	15%	674.7	41%
Trade Payables and Other Payables	1,183.9	65%	1,086.5	63%	658.9	40%
Trade Payable under Compromise Agreement	139.8	8%	112.2	6%	78.3	5%
Other Current Liabilities	52.8	3%	114.2	7%	65.9	4%
Other Non-Current Liabilities	149.3	8%	157.3	9%	150.2	9%
	1,824.1	100%	1,731.8	100%	1,628.0	100%

As of 31 December 2012, Total liabilities stood at Baht 1,731.8 million, a decline by Baht 92.3 million or 5% from that in the Year 2011. The main reason was the declining of trade payables.

- >> Bank over drafts and short term loans declined by Baht 36.7 million.
- >> Trade payables and other payables decline by Baht 97.4 million. This is due to repayment to account payables.
- >> In the year 2012, trade payables under compromise agreement stood at Baht 36 million and accrued interest payable was Baht 8.4 million.
- >> Other current liabilities compose of accrued income tax, advance for merchandise and others.
- >> Other non-current liabilities mainly consist of deferred tax liabilities and employee benefit obligations.

As of 31 December 2013, Total liabilities stood at Baht 1,628.0 million, a decline by Baht 103.8 million or 6% from that in the Year 2012. The main reason was the declining of trade payables.

- >> Overdrafts and short-term loans increased by Baht 413 million due to support operation activities repay trade payable and invest in asset and invest in joint venture company.
- >> Trade Payables and other payables declined Baht 427.6 million due to debt repayment and decline in purchase amount of materials caused by shrinking production.
- >> In the Year 2013, the Company repaid Trade Payable under compromise agreement for the amount of Baht 41 million and recorded accrued interest expense for the amount of Baht 7.1 million.
- >> Other current liabilities consist of accrued income tax expense, advance for merchandise and others.
- >> Other non-current liabilities mainly consist of deferred tax liabilities and employee benefit obligations.

Shareholders' Equity

As of 31 December 2012 (Restated), the Company's restated shareholders' equity is Baht 1,012.3 million, an increase by Baht 437.8 million from that at the end of the Year 2011. Such changes are due to the Company's recognition of comprehensive income during the Year 2012 of Baht 507.9 million and dividend payment of Baht 70 million.

As of 31 December 2013, the Company's shareholders' equity is Baht 1,048.4 million, an increase by Baht 36 million from that at the end of the Year 2012. Such changes are due to the Company's recognition of comprehensive income during the Year 2013 of Baht 252.6 million, dividend payment of Baht 208.7 million and share repurchase of Baht 7.9 million.

The Quality of Assets

Account Receivables

As of 31 December 2012, the Company has total net accounts receivable of Baht 662.2 million which consists of accounts receivable overdue of Baht 117.4 million. Amount of accounts receivable overdue at the end of the Year 2012 declined by Baht 37.4 million or 24.2% from that at the end of the Year 2011 which stood at Baht 154.8 million thanks to the Company's capability to collect debts effectively, At the end of the Year 2011, amount of accounts receivable overdue was abnormally high due the effect of the great flood which affected some of the domestic customers' ability to repay their debts. Some of the accounts receivable overdue were related to foreign sales, and the Company is in the process of collecting such debts. The Company's management reviewed the amount of allowance for such doubtful debts as of 31 December 2012 and deemed that it is sufficient.

As of 31 December 2013, the Company's net accounts receivable stood at Baht 662.2 million, a portion of which is accounts receivable overdue for the amount of Baht 184.3 million. Amount of accounts receivable overdue at the end of the Year 2013 rose by Baht 66.99 million compared to the amount of Baht 117.4 million at the end

of the Year 2012. Most of the Company's accounts receivable overdue is the one that is overdue for no more than 3 months. Such increase in the amount of accounts receivable overdue is in line with sales growth of the domestic Brand Business, and a portion of which relates to foreign sales. The Company is in the process of collecting such foreign debts and taking necessary legal actions. The Company's management reviewed the amount of allowance for such doubtful debts as of 31 December 2013 and deemed that it is sufficient.

Liquidity

	For the year 2012 (Restated)	For the year 2013
Net Cash flows from (used in) operating activities	384,826,927	(62,584,728)
Net cash flows from (used in) investing activities	(226,268,819)	(102,169,277)
Net cash flows from (used in) financing activities	(126,044,857)	174,073,664
Net increase (decrease) in cash and cash equivalents	32,513,251	9,319,659
Cash and cash equivalents at beginning of years	25,872,015	58,385,266
Cash and cash equivalents at end of years	58,385,266	67,704,925

For the year 2013, the company's net cash flow increased Baht 9.3 million. At the beginning of the year, the company has cash and cash equivalent was Baht 58.4 million and the end of the years it stood at Bath 67.7 million. This showed the company has a good financial position in term of liquidity and debt to equity ratio.

- >> Cash flows from (used in) operating activities are Baht 62.6 million, whereas compared to the year 2012, it declined by Baht 447.4 million. The main reason was the profit from operation decreased, repayment to trade payables and income tax increase.
- >> Cash flows from (used in) investing activities amounting to Baht 102.2 million, a decline by Baht 124.1 million in the year 2012. This was the investment in building, machinery and equipment in order to support new clients and product. Moreover, the company invested in joint venture.
- >> Cash flows from (used in) financing activities stood at Baht 174.1 million, an increase by Baht 300.1 million in the year 2012. This was due to loan from financial institution, and increase of dividend payment.

Appropriateness of Capital Structure

- >> The Company underwent operating and capital restructurings. As of 31 December 2012, the Company's debt — to equity ratio was 1.7:1 which drastically declined from that at the end of the Year 2011 which was 3.1:1.
- >> As of the end of the Year 2013, the Company's debt-to-equity ratio was 1.6:1, a change from that at the end of the preceding year which was 1.7:1.

Malee Sampran Public Company Limited And Its Subsidiaries

T H A I L A N D

**Financial Statements
For The Year Ended December 31, 2013
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, 2013, 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, 2013, 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, 2013, the results of its operations and its cash flows for the year then ended in accordance with financial reporting standards.



(NATSARAK SAROCHANUNJEEN)

Certified Public Accountant

Registration No. 4563

A.M.T. & ASSOCIATES

Bangkok, Thailand

February 12, 2014

Malee Sampran Public Company Limited And Its Subsidiaries

Statements Of Financial Position

As at December 31, 2013

ASSETS

		Consolidated financial statements			Separate financial statements			Baht
		As at December	As at December	As at January	As at December	As at December	As at January	
		Note	31, 2013	31, 2012	1, 2012	31, 2013	31, 2012	1, 2012
CURRENT ASSETS				(Restated)	(Restated)		(Restated)	(Restated)
Cash and cash equivalents	5		67,704,925	58,385,266	25,872,015	39,875,029	31,155,152	7,321,223
Trade receivables								
Subsidiaries	6		-	-	-	261,924,115	370,280,338	624,948,551
Related parties	6		615,985	532,653	17,722,448	-	513,554	1,088,540
Unrelated parties			583,878,417	666,216,317	599,553,575	156,198,790	249,758,071	164,614,068
Less : Allowance for doubtful account	6 and 7		(4,013,578)	(4,529,132)	(5,715,302)	(3,974,299)	(4,487,853)	(5,062,839)
: Allowance for contingent loss due								
to a subsidiary may not be able								
to pay for the purchased goods	6 and 7		-	-	-	-	(26,395,494)	(244,395,435)
Trade receivables, net	7		580,480,824	662,219,838	611,560,721	414,148,606	589,668,616	541,192,885
Other receivables	6 and 8		44,758,589	68,677,102	40,197,931	48,594,374	64,599,572	34,393,387
Inventories, net	9		729,940,356	682,423,838	500,183,628	533,730,006	505,283,657	392,837,569
Other current assets			8,401,363	12,666,132	14,785,652	4,569,927	8,860,564	12,901,935
TOTAL CURRENT ASSETS			1,431,286,057	1,484,372,176	1,192,599,947	1,040,917,942	1,199,567,561	988,646,999
NON - CURRENT ASSETS								
Investments in associate	10		18,195,851	-	-	20,000,000	-	-
Investments in subsidiaries, net	11		-	-	-	244,988,000	145,000,000	145,000,000
Loan to employees under welfare								
programme			137,878	4,680,420	7,298,541	79,737	3,077,150	5,060,650
Restricted bank deposits	12 and 27		1,000,000	1,000,000	5,143,412	-	-	-
Property, plant and equipment, net	13 and 27		1,146,624,092	1,149,969,612	1,004,254,421	1,024,480,548	1,013,420,403	855,722,131
Land not used in operation, net	14		-	22,547,995	28,450,928	-	-	-
Intangible asset, net	15		30,387,826	16,122,112	-	30,122,285	15,789,821	-
Deferred tax assets	4 and 24		24,853,658	44,175,060	134,566,871	17,932,058	40,470,324	82,746,504
Other non - current assets								
Deposits	6		19,882,421	16,102,916	22,208,450	13,922,673	10,558,191	12,344,214
Others			4,042,776	5,247,511	4,100,098	4,042,776	5,247,511	3,895,143
TOTAL NON - CURRENT ASSETS			1,245,124,502	1,259,845,626	1,206,022,721	1,355,568,077	1,233,563,400	1,104,768,642
TOTAL ASSETS			2,676,410,559	2,744,217,802	2,398,622,668	2,396,486,019	2,433,130,961	2,093,415,641

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

Malee Sampran Public Company Limited And Its Subsidiaries

Statements Of Financial Position (Cont.)

As at December 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		Consolidated financial statements			Separate financial statements			Baht
		As at December	As at December	As at January	As at December	As at December	As at January	
		31, 2013	31, 2012	1, 2012	31, 2013	31, 2012	1, 2012	
		Note						
CURRENT LIABILITIES			(Restated)	(Restated)		(Restated)	(Restated)	
Bank overdrafts and short - term loans from								
financial institutions	16 and 27	595,837,247	168,952,004	250,714,579	595,837,247	168,952,004	229,839,012	
Trade payables								
Subsidiaries	6	-	-	-	10,351,669	37,812,082	26,120,545	
Related party	6	7,395,468	10,717,261	6,153,107	7,379,686	10,685,214	6,135,570	
Unrelated parties		433,477,545	822,552,545	943,874,366	414,247,856	777,411,065	873,652,999	
Other payables	6 and 17	217,967,124	253,182,105	233,925,020	89,903,531	110,991,541	96,345,472	
Factoring payables	7	78,935,812	92,559,693	47,621,078	-	-	9,107,671	
Current portion of trade payable under								
a compromise agreement	28.4.2	43,765,608	33,878,452	27,636,667	43,765,608	33,878,452	27,636,667	
Current portion of liabilities under financial lease	18	4,824,647	4,217,279	3,409,048	4,398,466	3,603,881	3,013,103	
agreements								
Current portion of liability from guarantee	28.4.1	-	-	2,738,259	-	-	2,738,259	
Income tax payable		32,287,665	63,227,714	-	16,681,952	44,743,335	-	
Other current liabilities								
Advances received for goods		13,452,364	24,876,902	27,863,769	13,434,784	24,863,154	27,835,011	
Accrued dividends payment		3,427,463	7,158,199	-	3,427,463	7,158,199	-	
Others		11,874,218	14,776,823	18,771,439	4,727,029	8,692,572	8,642,322	
TOTAL CURRENT LIABILITIES		1,443,245,161	1,496,098,977	1,562,707,332	1,204,155,291	1,228,791,499	1,311,066,631	
NON - CURRENT LIABILITIES								
Trade payable under a compromise agreement,								
net of current portion	28.4.2	34,541,572	78,307,180	112,185,633	34,541,572	78,307,180	112,185,633	
Liabilities under financial lease agreements,								
net of current portion	18	4,904,198	5,925,718	7,515,492	4,573,029	5,168,368	6,855,157	
Liability from guarantee, net of current portion	28.4.1	-	-	-	-	-	-	
Deferred tax liabilities	4 and 24	95,235,047	101,892,325	106,718,647	82,505,524	87,412,679	91,821,507	
Employee benefit obligation	19	50,105,199	49,606,408	34,980,869	43,127,936	42,413,225	28,733,873	
TOTAL NON - CURRENT LIABILITIES		184,786,016	235,731,631	261,400,641	164,748,061	213,301,452	239,596,170	
TOTAL LIABILITIES		1,628,031,177	1,731,830,608	1,824,107,973	1,368,903,352	1,442,092,951	1,550,662,801	

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

Malee Sampran Public Company Limited And Its Subsidiaries

Statements Of Financial Position (Cont.)

As at December 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Consolidated financial statements			Separate financial statements			Baht
		As at December	As at December	As at January	As at December	As at December	As at January	
		31, 2013	31, 2012	1, 2012	31, 2013	31, 2012	1, 2012	
SHAREHOLDERS' EQUITY			(Restated)	(Restated)		(Restated)	(Restated)	
Share capital	20							
Authorized share capital								
182,000,000 ordinary shares of Baht								
1.00 each as at December 31, 2013 and								
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 January 1, 2012		182,000,000	182,000,000	999,990,000	182,000,000	182,000,000	999,990,000	
Issued and fully paid - up share capital								
140,000,000 ordinary shares of Baht								
1.00 each as at December 31, 2013 and								
70,000,000 ordinary shares of Baht 2.00 each								
as at December 31, 2012 and 70,000,000 ordinary								
shares of Baht 10.00 each as at January 1, 2012		140,000,000	140,000,000	700,000,000	140,000,000	140,000,000	700,000,000	
Share premium on issue of share		-	-	347,500,000	-	-	347,500,000	
Retained earnings (deficit)								
Appropriated								
- Legal reserve	22	14,000,000	14,000,000	8,180,000	14,000,000	14,000,000	8,180,000	
- Treasury shares reserve	20.2	7,891,025	-	-	7,891,025	-	-	
Unappropriated								
(after quasi - reorganization in June, 2012)	4	552,906,938	480,361,118	(895,850,502)	566,154,275	500,220,493	(879,220,219)	
Other components of equity		341,472,444	378,026,076	414,685,197	307,428,392	336,817,517	366,293,059	
Less : Treasury shares	20.2	(7,891,025)	-	-	(7,891,025)	-	-	
TOTAL SHAREHOLDERS' EQUITY		1,048,379,382	1,012,387,194	574,514,695	1,027,582,667	991,038,010	542,752,840	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,676,410,559	2,744,217,802	2,398,622,668	2,396,486,019	2,433,130,961	2,093,415,641	

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

Malee Sampran Public Company Limited And Its Subsidiaries

Statements Of Changes In Shareholders' Equity

For The Year Ended December 31, 2013

Consolidated financial statements (Baht)

	Note	Issued and fully paid - up share capital	Treasury shares	Share premium on issue of share	Paid - in capital from reduction in par value of share capital	Retained earnings (deficit)			Other components of equity			
									Other comprehensive income (loss)			
									Actuarial gains (losses) on defined employee benefit plans			
									Total			
						Legal reserve	Treasury shares reserve	Unappropriated	Revaluation surplus			Total equity
Balances as at January 1, 2013												
- as previously reported		140,000,000	-	-	-	14,000,000	-	455,918,855	472,611,469	(12,425,865)	460,185,604	1,056,104,459
Cumulative effect of change in accounting												
policy regarding to income tax	4 and 24	-	-	-	-	-	-	34,383,107	(94,585,393)	2,485,021	(92,100,372)	(57,717,265)
Transferred to deficit		-	-	-	-	-	-	(9,940,844)	-	9,940,844	9,940,844	-
Balance as at January 1, 2013 - as restated		140,000,000	-	-	-	14,000,000	-	480,361,118	378,026,076	-	378,026,076	1,012,387,194
Repurchased during the year	20.2	-	(7,891,025)	-	-	-	-	-	-	-	-	(7,891,025)
Treasury shares reserve	20.2	-	-	-	-	-	7,891,025	(7,891,025)	-	-	-	-
Transferred to retained earnings (deficit)	13	-	-	-	-	-	-	6,328,247	(6,328,247)	-	(6,328,247)	-
Total comprehensive income (loss) for the period		-	-	-	-	-	-	282,801,198	(30,225,385)	-	(30,225,385)	252,575,813
Dividend paid	21	-	-	-	-	-	-	(208,692,600)	-	-	-	(208,692,600)
Ending balance as at December 31, 2013		140,000,000	(7,891,025)	-	-	14,000,000	7,891,025	552,906,938	341,472,444	-	341,472,444	1,048,379,382
Balances as at January 1, 2012												
- as previously reported		700,000,000	-	347,500,000	-	8,180,000	-	(1,027,028,681)	518,015,152	-	518,015,152	546,666,471
Cumulative effect of change in accounting												
policy regarding to income tax	4 and 24	-	-	-	-	-	-	131,178,179	(103,329,955)	-	(103,329,955)	27,848,224
Balances as at January 1, 2013 - as restated		700,000,000	-	347,500,000	-	8,180,000	-	(895,850,502)	414,685,197	-	414,685,197	574,514,695
Reduction in share capital		(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												
		-	-	(347,500,000)	(560,000,000)	(8,180,000)	-	915,680,000	-	-	-	-
Legal reserve		-	-	-	-	14,000,000	-	(14,000,000)	-	-	-	-
Transferred to deficit	13,14 and 19	-	-	-	-	-	-	(4,580,484)	(5,360,360)	9,940,844	4,580,484	-
Total comprehensive income (loss) for the year		-	-	-	-	-	-	549,108,504	(31,298,761)	(9,940,844)	(41,239,605)	507,868,899
Dividend paid	21	-	-	-	-	-	-	(69,996,400)	-	-	-	(69,996,400)
Balances as at December 31, 2012		140,000,000	-	-	-	14,000,000	-	480,361,118	378,026,076	-	378,026,076	1,012,387,194

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

Malee Sampran Public Company Limited And Its Subsidiaries

Statements Of Changes In Shareholders' Equity

For The Year Ended December 31, 2013

Separate financial statements (Baht)

	Note	Retained earnings (deficit)							Other components of equity				Total equity
		Issued and fully paid - up share capital	Treasury shares	Share premium on issue of share	Paid - in capital from reduction in par value of share capital				Other comprehensive income (loss)				
						Appropriated		Unappropriated	Revaluation surplus	Actuarial gains (losses) on defined employee benefit plans		Total	
						Legal reserve	Treasury shares reserve						
Balances as at January 1, 2013													
- as previously reported		140,000,000	-	-	-	14,000,000	-	474,830,893	421,021,897	(11,872,425)	409,149,472	1,037,980,365	
Cumulative effect of change in accounting													
policy regarding to income tax	4 and 24	-	-	-	-	-	-	34,887,540	(84,204,380)	2,374,485	(81,829,895)	(46,942,355)	
Transferred to deficit		-	-	-	-	-	-	(9,497,940)	-	9,497,940	9,497,940	-	
Balance as at January 1, 2013 - as restated		140,000,000	-	-	-	14,000,000	-	500,220,493	336,817,517	-	336,817,517	991,038,010	
Repurchased during the year	20.2	-	(7,891,025)	-	-	-	-	-	-	-	-	(7,891,025)	
Treasury shares reserve	20.2	-	-	-	-	-	7,891,025	(7,891,025)	-	-	-	-	
Transferred to retained earnings (deficit)	13	-	-	-	-	-	-	4,150,388	(4,150,388)	-	(4,150,388)	-	
Total comprehensive income (loss) for the period		-	-	-	-	-	-	278,367,019	(25,238,737)	-	(25,238,737)	253,128,282	
Dividend paid	21	-	-	-	-	-	-	(208,692,600)	-	-	-	(208,692,600)	
Ending balance as at December 31, 2013		140,000,000	(7,891,025)	-	-	14,000,000	7,891,025	566,154,275	307,428,392	-	307,428,392	1,027,582,667	
Balances as at January 1, 2012													
- as previously reported		700,000,000	-	347,500,000	-	8,180,000	-	(961,718,481)	457,866,324	-	457,866,324	551,827,843	
Cumulative effect of change in accounting	4 and 24												
policy regarding to income tax		-	-	-	-	-	-	82,498,262	(91,573,265)	-	(91,573,265)	(9,075,003)	
Balances as at January 1, 2013 - as restated		700,000,000	-	347,500,000	-	8,180,000	-	(879,220,219)	366,293,059	-	366,293,059	542,752,840	
Reduction in share capital		(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		-	-	(347,500,000)	(560,000,000)	(8,180,000)	-	915,680,000	-	-	-	-	
Legal reserve		-	-	-	-	14,000,000	-	(14,000,000)	-	-	-	-	
Transferred to deficit	13 and 19	-	-	-	-	-	-	(5,818,452)	(3,679,488)	9,497,940	5,818,452	-	
Total comprehensive income (loss) for the year		-	-	-	-	-	-	553,575,564	(25,796,054)	(9,497,940)	(35,293,994)	518,281,570	
Dividend paid	21	-	-	-	-	-	-	(69,996,400)	-	-	-	(69,996,400)	
Balances as at December 31, 2012		140,000,000	-	-	-	14,000,000	-	500,220,493	336,817,517	-	336,817,517	991,038,010	

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

Malee Sampran Public Company Limited And Its Subsidiaries

Statements of Income

For The Year Ended December 31, 2013

Baht

	note	Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
		2013	2012	2013	2012
			(Restated)		(Restated)
REVENUES					
Sales	6	5,087,568,756	6,157,244,713	4,177,966,166	5,166,272,232
Other income					
- Adjustment for decrease in contingent loss due to a subsidiary may not be able to pay for the purchased goods		-	-	26,395,495	217,999,941
- Adjustment for decrease in impairment loss on investments		-	-	99,988,000	-
- Gain on sales of assets		11,214,992	2,713,345	-	2,689,770
- Others	6	106,377,604	125,756,682	108,420,152	57,041,127
TOTAL REVENUES		5,205,161,352	6,285,714,740	4,412,769,813	5,444,003,070
EXPENSES					
Cost of sales		3,636,352,313	4,490,540,641	3,611,264,168	4,359,598,493
Selling expenses		784,284,221	770,043,652	161,752,778	126,731,339
Administrative expenses		379,162,511	305,559,634	276,882,544	234,147,133
Other expenses					
- Loss on sales of fixed assets		-	-	125,555	-
Finance costs		16,966,824	16,040,071	15,613,046	14,388,775
TOTAL EXPENSES	1,2 and 6	4,816,765,869	5,512,183,998	4,065,638,091	4,734,865,740

The accompanying notes to financial statements 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, 2013

Baht

	note	Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
		2013	2012	2013	2012
			(Restated)		(Restated)
SHARE OF PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD - ASSOCIATED COMPANY		(1,804,149)	-	-	-
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		386,591,334	773,530,742	347,131,722	709,137,330
TAX EXPENSES (INCOME)	24	103,790,136	224,422,238	68,764,703	155,561,766
PROFIT (LOSS) FOR THE YEARS		282,801,198	549,108,504	278,367,019	553,575,564
BASIC EARNINGS PER SHARE	3.22				
Profit attributable to equity holders of the parent (Baht)		2.02	3.92	1.99	3.95
The weighted average number of ordinary shares (shares)	25	139,995,425	140,000,000	139,995,425	140,000,000

The accompanying notes to financial statements 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, 2013

Baht

	note	Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
		2013	2012	2013	2012
PROFIT (LOSS) FOR THE YEARS		282,801,198	(Restated) 549,108,504	278,367,019	(Restated) 553,575,564
OTHER COMPREHENSIVE INCOME (LOSS)					
Depreciation of increment in assets	13	(39,432,021)	(40,043,323)	(32,586,019)	(33,164,939)
Deferred tax relating to other component of equity		9,206,636	8,744,562	7,347,282	7,368,885
Actuarial gains (losses) on defined employee benefit plans	19	-	(12,425,865)	-	(11,872,425)
Deferred tax relating to other component of equity		-	2,485,021	-	2,347,485
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		(30,225,385)	(41,239,605)	(25,238,737)	(35,293,994)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		252,575,813	507,868,899	253,128,282	518,281,570

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

Malee Sampran Public Company Limited And Its Subsidiaries

Statements of Cash Flows

For The Year Ended December 31, 2013

Baht

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
note	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from (used in) operating activities				
Profit (loss) for the years	282,801,198	549,108,504	278,367,019	553,575,564
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	-	-	(26,395,494)	(217,999,941)
Bad debt and allowance for doubtful accounts (reversal)	(2,000)	(605,158)	-	(574,987)
Loss on obsolete inventories	20,313,323	9,660,808	10,678,447	4,107,890
Provision for obsolete inventories (reversal)	27,783,231	(1,854,423)	13,549,683	(1,757,012)
Depreciation	72,928,121	58,052,163	61,390,711	46,942,448
Provision for obsolete inventories (reversal)	(58,677)	-	(58,677)	-
Amortization	4,673,154	2,998,211	3,139,423	2,694,122
Allowance for impairment loss (reversal)	-	-	(99,988,000)	-
Withholding tax write - off	-	49,332	-	-
Write - off property, plant and equipment	169,238	556,748	169,236	44,867
Loss (gain) on sales of property, plant and equipment	(11,199,944)	(2,713,345)	125,555	(2,689,770)
Unrealised loss on exchange rate	(27,124)	1,581,996	(20,247)	1,587,978
Employee benefit obligation	10,874,876	3,035,114	1,501,481	1,994,367
Interest income	(571,773)	(810,585)	(390,786)	(441,929)
Finance costs	16,966,824	16,040,071	15,613,046	14,388,775
Income tax expense	103,790,136	224,422,238	68,764,703	155,561,766

The accompanying notes to financial statements 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, 2013

Baht

	note	Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
		2013	2012	2013	2012
			(Restated)		(Restated)
Profit (loss) from operating activities					
before changes in operating assets					
and liabilities		528,440,583	859,521,674	326,446,100	557,434,138
Operating assets decrease (increase)					
Trade receivables		81,741,015	(50,053,960)	201,915,504	170,099,195
Other receivables		23,918,513	(28,478,776)	16,005,198	(30,206,185)
Inventories		(95,613,072)	(190,046,594)	(52,674,480)	(114,796,966)
Other current assets		1,257,174	1,743,935	711,489	4,041,371
Loan to employees under welfare programme		4,542,541	2,618,121	2,997,413	1,983,500
Other non - current assets		(6,981,877)	(18,656,769)	(5,101,333)	(22,910,913)
Operating liabilities increase (decrease)					
Trade payables		(392,369,669)	(116,757,666)	(392,387,966)	(80,000,753)
Other payables		(39,094,540)	24,497,912	(26,221,932)	21,001,096
Trade payables under a compromise agreement, long - term		(33,878,452)	(27,636,668)	(33,878,452)	(27,636,668)
Other current liabilities		(14,327,142)	(6,981,483)	(15,385,714)	(2,921,606)
Employee benefit obligation		(10,376,085)	(835,440)	(786,771)	(187,440)
Cash flows from (used in) operating activities		47,258,989	448,934,286	21,639,056	475,898,769
Net cash paid to income tax		(109,843,717)	(64,107,359)	(68,268,628)	(63,207,709)
Net cash flows from (used in) operating activities		(62,584,728)	384,826,927	(46,629,572)	412,691,060

The accompanying notes to financial statements 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, 2013

Baht

	note	Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
		2013	2012	2013	2012
			(Restated)		(Restated)
Cash flows from (used in) investing activities					
Decrease (increase) in restricted bank deposits		-	4,143,412	-	-
Investment in associate (paid)		(18,195,851)	-	(20,000,000)	-
Acquisition of property, plant and equipment		(142,820,648)	(228,022,328)	(138,362,487)	(227,371,321)
Proceeds from sales of property, plant and equipment		72,815,324	12,921,624	38,461,419	12,861,012
Decrease (increase) in intangible assets		(14,539,875)	(16,122,112)	(14,538,416)	(15,789,821)
Interest income received		571,773	810,585	390,786	441,929
Net cash flows from (used in) investing activities		(102,169,277)	(226,268,819)	(134,048,698)	(229,858,201)
Cash flows from (used in) financing activities					
Increase (decrease) in bank overdrafts and short - term loans from financial institutions		426,885,243	(83,344,571)	425,364,306	(62,474,986)
Increase (decrease) in factoring payable		(13,623,881)	44,938,615	-	(9,107,671)
Cash paid to liabilities under finance lease agreement		(5,786,071)	(781,543)	(5,172,673)	(1,096,011)
Cash paid to liability from guarantee		-	(2,738,259)	-	(2,738,259)
Cash paid to finance cost		(20,978,290)	(21,280,898)	(18,370,149)	(20,743,802)
Dividend paid		(212,423,337)	(62,838,201)	(212,423,337)	(62,838,201)
Net cash flows from (used in) financing activities		174,073,664	(126,044,857)	189,398,147	(158,998,930)
Net increase (decrease) in cash and cash equivalents		9,319,659	32,513,251	8,719,877	23,833,929
Cash and cash equivalents at beginning of years		58,385,266	25,872,015	31,155,152	7,321,223
Cash and cash equivalents at end of years	5	67,704,925	58,385,266	39,875,029	31,155,152

The accompanying notes to financial statements 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, 2013

Supplemental disclosures of cash flows information :

Activities not effecting cash :

1) 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 note13 to financial statements.

2) For the year ended December 31, 2013

- Decrease in revaluation surplus due to depreciation of the incremental asset for the year ended December 31, 2013 of Baht 39.43 million (the Company only of Baht 32.59 million) is recognized as stated in note 13 to interim financial statements.

- Increase in revaluation surplus due to deferred tax income for the year ended December 31, 2013 of Baht 8.76 million (the Company only of Baht 7.35 million) is recognized as stated in note 24 to interim financial statements.

- In the 3rd quarter of 2013, increase in the Company's other payable from purchases property, plant and equipment amount of Baht 34.34 million.

- Payable - Treasury stock increased by 7.89 million baht from the share repurchasing, as described in Note 20.2 to the financial statements.

Malee Sampran Public Company Limited And Its Subsidiaries

Notes To Financial Statements

For The Year Ended December 31, 2013

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 and its subsidiaries are principally engaged in the manufacture and distribution of canned agriculture products, fruit juices and non - alcohol beverage 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, 2013 and 2012 are as follows :

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Changes in inventories of finished goods	(34,866,594)	(180,339,061)	1,250,462	(102,814,483)
decrease (increase)	264,756,002	381,055,932	315,858,368	279,737,885
Purchase finished goods	2,968,709,751	4,001,365,287	2,946,017,037	3,968,462,843
Raw materials and consumables used	357,153,196	345,108,620	241,002,720	250,810,008
Employee benefits expenses	34,202,837	36,974,906	27,497,554	26,587,070
Directors and management benefit expenses	77,601,275	61,050,374	64,530,134	49,636,570
Depreciation and amortization expenses	-	-	125,555	-
Loss on sale of fix assets	169,238	556,748	169,236	44,867
Write - off property, plant and equipment	48,096,554	7,806,385	24,228,131	2,350,878
Loss from defective and obsolete inventories	2,792,646	-	2,756,974	-
Loss on exchange rate				

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 Adoption of new financial reporting standards

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

During the year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2013 and relevant to the Group's business as follows

:

Accounting Standards

TAS 12 Income Taxes

TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2009)

Financial Reporting Standard

TFRS 8 Operating Segments

Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements except as stated in note 4.

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

Since year 2010 to at the end of year 2013, the Federation of Accounting Professions has issued the revised and new accounting standard, financial reporting standards, accounting standard interpretation and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1 in the year indicated as follows:

Accounting Standard

TAS			<u>Year effective</u>
TAS	1	Presentation of Financial Statements (revised 2012)	
TAS	7	Statement of Cash Flows (revised 2012)	2014
TAS	12	Income Taxes (revised 2012)	2014
TAS	17	Leases (revised 2012)	2014
TAS	18	Revenue (revised 2012)	2014
TAS	19	Employee Benefits (revised 2012)	2014
TAS	21	The Effects of Changes in Foreign Exchange Rate (revised 2012)	2014
TAS	24	Related Party Disclosures (revised 2012)	2014
TAS	28	Investments in Associates (revised 2012)	2014
TAS	31	Interests in Joint Venture (revised 2012)	2014
TAS	34	Interim Financial Reporting (revised 2012)	2014
TAS	38	Intangible assets (revised 2012)	2014

Year effective

Financial Reporting Standard

TFRS	2	Share - Based Payments (revised 2012)	2014
TFRS	3	Business Combinations (revised 2012)	2014
TFRS	4	Insurance Contracts (revised 2012)	2016
TFRS	5	Non - current Assets Held for Sale and Discontinued Operations (revised 2012)	2014
TFRS	8	Operating Segments (revised 2012)	2014

Accounting Standard Interpretations

TSIC	15	Operating Leases - Incentives	2014
TSIC	27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TSIC	29	Service Concession Arrangements: Disclosures	2014
TSIC	32	Intangible Assets - Web Site Costs	2014

Financial Reporting Standard Interpretations

TFRIC	1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC	4	Determining whether an Arrangements contains a Lease	2014
TFRIC	5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC	7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC	10	Interim Financial Reporting and Impairment	2014
TFRIC	12	Service Concession Arrangements	2014
TFRIC	13	Customer Loyalty Programmers	2014
TFRIC	17	Distributions of Non - cash Assets to Owners	2014
TFRIC	18	Transfers of Assets from Customers	2014

The management of the Company has assessed that TAS 1 (revised 2012), TAS 12 (revised 2012), TAS 17 (revised 2012), TAS 18 (revised 2012), TAS 24 (revised 2012), TAS 34 (revised 2012) and TFRS 8 (revised 2012) will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Group's business, therefore they do not have impact on the financial statement when they are 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, 2012. 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		Country of incorporation	Assets as a percentage to the consolidated total assets		Revenues as a percentage to the consolidated total	
		shareholding			total assets	total		
		2013	2012					
							2013	2012
<u>Held by the Company</u>								
Malee Enterprise Company Limited	Distributor	99.99	99.99	Thailand	24.30	22.42	44.05	38.83
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	7.50	9.54	2.32	4.77

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

Investment in associate is accounted for in the consolidated financial statement using the equity method.

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

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

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

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

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

This is a change in accounting policy as previously the Company and its subsidiaries did not recognize deferred tax. The effects of the change on the financial statements are disclosed in note 4 to the financial statements.

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 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognizes the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remainder deducted against retained earnings.

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.

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

3.22 Basic Earnings per share

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

The Company has restated the weighted average number of ordinary shares used in computation of the basic earnings per share for the year ended December 31, 2012 to reflect the change in par value of the ordinary shares as mentioned in notes 20 and 25 to the financial statements which is adjusted for the proportionate change in number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest year presented. As a result, the basic earnings per share for the year ended December 31, 2012 has been changed from Baht 7.84 per share to Baht 3.92 per share in the consolidated financial statements (restated) and changed from Baht 7.91 per share to Baht 3.95 per share in the separate financial statements (restated).

4. EFFECT OF THE CHANGES IN ACCOUNTING POLICIES

During the current year, the Company and its subsidiaries have changed the accounting policies of income tax, as a result of the adoption of TAS 12 Income Taxes, which is applied retrospectively on the previous period's financial statements.

The amounts of adjustments affecting the statement of financial position as of December 31, 2012 and January 1, 2012 are summarised below.

Consolidated financial statements

	As of December 31, 2012			As of January 1, 2012		
	Effect of the changes in			Effect of the changes in		
	As previously reported	accounting policy	As restated	As previously reported	accounting policy	As restated
Asset						
Deferred tax assets	-	44,175	44,175	-	134,567	134,567
Liabilities						
Deferred tax liabilities	-	101,892	101,892	-	106,719	106,719
Shareholders' equity						
Retained earning (deficit)						
- Unappropriated	455,919	34,383	490,302	(1,027,029)	131,178	(895,851)
<u>Add</u> transfer form other components of equity						
- Actuarial gains (losses) on defined employee benefit plans	(12,426)	2,485	(9,941)	-	-	-
Total retained earning - unappropriate (restated)			<u>480,361</u>			<u>(895,851)</u>
Other components of equity						
- Revaluation surplus	472,611	(94,585)	378,026	518,015	(103,330)	414,685

Separate financial statements

	As of December 31, 2012			As of January 1, 2012		
	As previously reported	Effect of the changes in accounting policy	As restated	As previously reported	Effect of the changes in accounting policy	As restated
Asset						
Deferred tax assets	-	40,470	40,470	-	82,747	82,747
Liabilities						
Deferred tax liabilities	-	87,413	87,413	-	91,822	91,822
Shareholders' equity						
Retained earning (deficit)						
- Unappropriated	474,831	34,888	509,719	(961,718)	82,498	(879,220)
<u>Add</u> transfer from other components of equity						
- Actuarial gains (losses) on defined employee benefit plans	(11,872)	2,374	(9,498)	-	-	-
Total retained earning - unappropriate (restated)			<u>500,221</u>			<u>(879,220)</u>
Other components of equity						
- Revaluation surplus	421,022	(84,204)	336,818	457,866	(91,573)	366,293

The amounts of adjustments affecting the statements of income and other comprehensive income for the year ended December 31, 2012 are summarised below.

	Consolidated financial statements			Separate financial statements		
	As previously reported	Effect of the changes in accounting policy	As restated	As previously reported	Effect of the changes in accounting policy	As restated
Statements of income						
Tax expenses (income)	127,627	96,795	224,422	107,951	47,611	155,562
Profit (loss) for the year	645,903	(96,795)	549,108	601,186	(47,611)	553,575
Basic earning per share (Baht)	4.61*	(0.69)*	3.92*	4.29*	(0.34)*	3.95*
Other comprehensive income						
Deferred tax relating to other components of equity	-	8,745	8,745	-	7,369	7,369

*The company has restated the weighted average number of ordinary shares used in computation of the basic earnings per share for the year ended December 31, 2012 to reflect the change in par value of the ordinary shares as mentioned in notes 20 and 25 to the financial statements.

The amounts of adjustments affecting the statements of income and statements of comprehensive income for years ended December 31, 2013 are summarised below.

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Income (loss) for the years before effect of change in accounting policy	304,672	303,345
Increase in income tax	21,871	24,978
Income (loss) for the years after effect of change in accounting policy	282,801	278,367
Decrease in earning per share (Baht)	0.16	0.18
Other comprehensive income (loss) for the years before effect of change in accounting policy	(39,432)	(32,586)
Decrease in income tax relating to other components of equity	9,207	7,347
Other comprehensive income (loss) for the years after effect of change in accounting policy	(30,225)	(25,239)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Petty cash	179,636	191,159	80,000	80,000
Cash at banks				
- current accounts	7,001,829	11,119,330	3,679,309	3,803,798
- saving accounts	52,683,959	46,371,456	36,115,720	27,271,354
- fixed accounts	2,918	2,873	-	-
Cheque in hand	7,836,583	700,448	-	-
Total	67,704,925	58,385,266	39,875,029	31,155,152

6. 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	Original owner of Chokchai brand (Dormant)	Relate with Abico Holding Public Company Limited
PPO Farm Company Limited	Agriculture and dairy farm	Co - directors
Central Food Retail Company Limited (A)	Department store	Co - directors
CG Broker Company Limited (B)	Insurance	Co - directors
Centralworld Company Limited	Department store	Co - directors

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

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.

		Consolidated		Separate	
Transfer		financial statements		financial statements	
Pricing policy		2013	2012	2013	2012
<u>Transactions with subsidiaries</u>					
(Eliminated in the consolidated financial statements)					
Sales of goods	Cost plus margin	-	-	1,388,207,477	1,254,045,415
Others income	Cost plus margin	-	-	1,610,960	8,743,656
Revenues from service	Contract price	-	-	11,340,000	-
Guarantee income	1.75 percent in year 2013 and 0.25 percent in year 2012 of the guarantee amount	-	-	1,750,000	612,500
Purchase of goods	Cost plus margin	-	-	2,567,636	13,856,301
Purchase of raw material and others	Cost plus margin	-	-	59,006,067	120,124,002
Marketing support expenses	Contract price	-	-	6,283,165	25,080,908
Guarantee fee	1.75 percent in year 2013 and 0.25 percent in year 2012 of the guarantee amount	-	-	2,858,334	700,000
Land and plant rental and service expense	Contract price	-	-	-	1,195,828
Purchase of land not used in operation	Cost	-	-	-	5,784,773
<u>Transactions with related parties</u>					
Sales of goods	Cost plus margin	29,215	26,463,377	-	-
Produce service	Cost plus margin	112,292,841	82,245,586	112,292,841	82,245,586
Sale promotion expense	Contract price	-	2,982,729	-	-
Building rental expenses	Contract price	12,014,000	11,744,040	7,250,400	7,069,140
Insurance expenses	Contract price	-	1,727,533	-	1,591,809

The balances of the accounts as at December 31, 2013 and 2012 between the Company and its subsidiaries and those related companies are as follows:

Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Trade receivables</u>				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	261,924,115	359,946,171
Agri Sol Co., Ltd.	-	-	-	10,334,167
Total	-	-	261,924,115	370,280,338
Related parties				
Chokchai Milk Co., Ltd.	-	513,554	-	513,554
Abico Daily Farm Co., Ltd.	610,053	-	-	-
Centralworld Co.,Ltd.	5,932	19,099	-	-
Total	615,985	532,653	-	513,554
<u>Allowance for doubtful account</u>				
Related party				
Chokchai Milk Co., Ltd.	-	(513,554)	-	(513,554)
<u>Allowance for contingent damage due to</u>				
<u>a subsidiary cannot pay for goods</u>				
Subsidiary				
Malee Enterprise Co., Ltd.	-	-	-	(26,395,494)
<u>Other receivables</u>				
Subsidiary				
Malee Enterprise Co., Ltd.	-	-	4,992,100	-
Agri Sol Co., Ltd.	-	-	2,494,801	-
Total	-	-	7,486,901	-

Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Related parties				
Abico Daily Farm Co., Ltd.	661,639	289,800	661,639	289,800
Deposits				
Related parties				
Abico Land Co., Ltd.	8,424,800	8,424,800	5,451,800	5,451,800
Trade payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	346,683	25,698
Agri Sol Co., Ltd.	-	-	10,004,986	37,786,384
Total	-	-	10,351,669	37,812,082
Related party				
Abico Daily Farm Co., Ltd.	7,395,468	10,717,261	7,379,686	10,685,214
Other payables				
Subsidiaries				
Malee Enterprise Co., Ltd.	-	-	2,858,334	6,487,869
Agri Sol Co., Ltd.	-	-	2,746,016	962,249
Total	-	-	5,604,350	7,450,118
Related parties				
Abico Land Co., Ltd.	92,285	114,802	60,091	77,348

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 Holding Public Company Limited as the company 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. And since at January 2, 2013, it transferred ownership of license in “Chokchai Farm” brand to other company, therefore the Company has signed a license agreement with that company in order to be a manufacturer and distributor of the product under “Chokchai Farm” brand and has been committed to pay fees at Baht 500,000 per year. Under the agreement, the Company shall comply with various conditions for a period of 1 year including a renewal option.

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 Bankrupt 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 and in the 1st quarter of year 2013, the Company had written off the remainder of the debt into bad debt of Baht 0.51 million.

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, 2013 and 2012 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short - term employee benefits	33,748,949	36,443,378	27,121,606	26,287,800
Post - employment benefits	453,888	531,528	375,948	299,270
Total	34,202,837	36,974,906	27,497,554	26,587,070

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 28.3 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. Subsequently, on April 1, 2013 the Company and its subsidiary entered into a memorandum attached agreement collecting the Company has not paid marketing support expenses to the subsidiary since April 1, 2013 onward.

Service agreements

The Company entered into 2 service agreements with 2 subsidiaries to manage in each function specified in the agreements by receiving total fees amount of Baht 1.26 million per month for a period of 1 year including a renewal option commencing from April 1, 2013. The Company has to comply with certain conditions contained in the agreements.

7. TRADE RECEIVABLES, NET

The outstanding balances of trade receivables as at December 31, 2013 and 2012 are aged, based on due date, as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Age of receivables				
Not yet due	400,123,852	549,387,626	310,204,549	518,786,314
Past due				
Up to 3 months	159,302,411	111,304,789	82,871,341	86,283,259
3 - 6 months	20,160,660	-	20,355,501	-
6 - 9 months	-	609,942	-	825,537
Longer than 9 months	4,907,479	5,446,613	4,691,514	14,656,853
Total	584,494,402	666,748,970	418,122,905	620,551,963
<u>Less</u> : Allowance for doubtful accounts	(4,013,578)	(4,529,132)	(3,974,299)	(4,487,853)
: Allowance contingent loss due				
to a subsidiary may not be able				
to pay for the purchased goods	-	-	-	(26,395,494)
Trade receivables, net	580,480,824	662,219,838	414,148,606	589,668,616

Included in the trade receivables of the Company and its subsidiaries as at December 31, 2013 and 2012 were approximately Baht 100.27 million and Baht 117.27 million, respectively, in the consolidated financial statements and Baht - million and Baht - million, respectively, in the separate financial statements, which have been sold with recourse to financial institutions at a discount. Factoring payables were approximately Baht 78.94 million and Baht 92.56 million, respectively, in the consolidated financial statements and Baht - million and Baht - million, respectively, in the separate financial statements.

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Beginning balance	(4,529,132)	(5,715,302)	(4,487,853)	(5,062,839)
Increased during the years	-	-	-	-
Received during the years	2,000	605,158	-	574,986
Decreased due to write - off	513,554	581,012	513,554	-
Ending balance	(4,013,578)	(4,529,132)	(3,974,299)	(4,487,853)

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		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Beginning balance	-	-	(26,395,494)	(244,395,435)
Decreased (increased) during the years	-	-	26,395,494	217,999,941
Ending balance	-	-	-	(26,395,494)

8. OTHER RECEIVABLES

Other receivables, as follows:

Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Accrued other income	35,235,822	54,007,489	41,739,269	52,486,963
Advance payment	1,400,383	3,065,589	1,342,164	2,918,707
Prepaid expense	3,458,956	3,706,318	1,868,795	3,066,238
Advances payment for goods	1,019,282	1,770,042	-	-
Excise tax	3,644,146	6,127,664	3,644,146	6,127,664
Total	44,758,589	68,677,102	48,594,374	64,599,572

9. INVENTORIES, NET

Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Finished goods	550,294,531	515,427,937	345,804,352	347,054,815
Raw materials	44,501,382	33,602,587	44,479,283	33,294,295
Packing materials	123,246,638	88,992,046	121,579,968	85,082,426
Spare parts and factory supplies	37,916,928	40,032,078	32,799,431	34,630,384
Goods in transit	5,517,122	8,122,204	5,517,123	8,122,204
Total	761,476,601	686,176,852	550,180,157	508,184,124
Less : Allowance for stock obsolescence	(31,536,245)	(3,753,014)	(16,450,151)	(2,900,467)
Inventories, net	729,940,356	682,423,838	533,730,006	505,283,657

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

Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Beginning balance	(3,753,014)	(5,607,437)	(2,900,467)	(4,657,479)
Decreased (increased) during the years	(27,783,231)	1,854,423	(13,549,684)	1,757,012
Ending balance	(31,536,245)	(3,753,014)	(16,450,151)	(2,900,467)

10. INVESTMENT IN ASSOCIATE

Baht

Company's name	Paid - up capital		Shareholding percentage		Consolidated financial statements Equity method		Separate financial statements Cost method	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>Investment in associate</u>								
Prime Agrico Ltd.	Baht 40 million	-	50.00	-	18,195,851	-	20,000,000	-
(Expansion investing in agriculture and food business cover domestic and aboard - Holding Company)								

On September 3, 2013, the Company invested in a new established company namely Prime Agrico Ltd.

In the consolidated statements, the Company recorded investment in associate, as of December 31, 2013, using the equity method which was based on the unaudited financial statement of associate.

11. 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)	
	2013	2012	2013	2012	2013	2012
<u>Investments in subsidiary companies</u>						
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
<u>Less</u> :Impairment loss on investment					(2,999,000)	(102,987,000)
Investments in subsidiaries, net					244,988,000	145,000,000

12. RESTRICTED BANK DEPOSITS

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

13. PROPERTY, PLANT AND EQUIPMENT, NET

Consolidated financial statements

Baht

	Land	Buildings and improvement	Land improvement	Machineries and equipment	Motor vehicles	Furniture, fixtures and office equipment	Construction in progress	Elimination	Total
Cost amount:									
As at December 31, 2012	62,219,715	322,056,930	9,835,616	1,458,020,277	27,104,869	118,112,407	220,439,790	(301,913)	2,217,487,691
Acquisition	-	1,311,960	2,659,633	32,442,961	5,900,000	5,916,944	99,961,071	-	148,192,569
Disposals	-	(106,025)	-	(58,510,582)	(6,870,078)	(120,313)	-	-	(65,606,998)
Transfer in (out)	-	1,846,776	-	74,646,770	-	-	(76,493,546)	-	-
Write - off	-	-	-	(1,320,000)	-	(7,376,976)	-	-	(8,678,976)
As at December 31, 2013	62,219,715	325,109,641	12,495,249	1,505,297,426	26,134,791	116,532,062	243,907,315	(301,913)	2,291,394,286
Accumulated depreciation:									
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
Depreciation for the year	-	21,490,941	514,846	40,584,640	3,949,201	6,388,493	-	-	72,928,121
Depreciation on disposals	-	(98,821)	-	(23,853,351)	(6,870,073)	(74,048)	-	-	(30,896,293)
Transfer in (out)	-	-	-	-	-	-	-	-	-
Write - off	-	-	-	(1,295,216)	-	(7,214,522)	-	-	(8,509,738)
As at December 31, 2013	-	249,856,728	9,374,596	1,163,282,665	14,112,628	102,987,019	-	(153,083)	1,539,460,553
Allowance for impairment loss:									
As at December 31, 2012	-	11,648,118	-	3,534,815	-	-	18,720,047	-	33,902,980
Increasing	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Write - off	-	-	-	(58,677)	-	-	-	-	(58,677)
As at December 31, 2013	-	11,648,118	-	3,476,138	-	-	18,720,047	-	33,844,303
Net book value:									
As at December 31, 2012	62,219,715	81,944,204	975,866	306,638,870	10,071,369	14,225,311	201,719,743	(148,830)	677,646,248
As at December 31, 2013	62,219,715	63,604,795	3,120,653	338,538,623	12,022,163	13,545,043	225,187,268	(148,830)	718,089,430
Incremental amount:									
As at December 31, 2012	156,825,622	75,295,223	-	359,506,300	-	-	-	-	591,627,145
Increasing (decreasing)	-	-	-	-	-	-	-	-	-
Disposals	-	(18,665)	-	(6,495,602)	-	-	-	-	(6,514,267)
Write - off	-	-	-	(307,878)	-	-	-	-	(307,878)
As at December 31, 2013	156,825,622	75,276,558	-	352,702,820	-	-	-	-	584,805,000
Accumulated depreciation of incremental amount:									
As at December 31, 2012	-	11,414,189	-	107,889,592	-	-	-	-	119,303,781
Depreciation for the year	-	3,764,390	-	35,667,631	-	-	-	-	39,432,021
Disposals	-	(3,404)	-	(2,349,200)	-	-	-	-	(2,352,604)
Write - off	-	-	-	(112,860)	-	-	-	-	(112,860)
As at December 31, 2013	-	15,175,175	-	141,095,163	-	-	-	-	156,270,338
Incremental value, net:									
As at December 31, 2012	156,825,622	63,881,034	-	251,616,708	-	-	-	-	472,323,364
As at December 31, 2013	156,825,622	60,101,383	-	211,607,657	-	-	-	-	428,534,662
Revaluation basis assets, net:									
As at December 31, 2012	219,045,337	145,825,238	975,866	558,255,578	10,071,369	14,225,311	201,719,743	(148,830)	1,149,969,612
As at December 31, 2013	219,045,337	123,706,178	3,120,653	550,146,280	12,022,163	13,545,043	225,187,268	(148,830)	1,146,624,092
Depreciation for the years ended December 31,									
2012									58,052,163
2013									72,928,121

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, 2012	52,017,556	230,577,669	9,099,273	1,244,170,192	23,205,077	110,212,173	217,648,266	1,886,930,206
Acquisition	-	757,560	2,659,633	30,162,972	5,900,000	4,998,372	99,255,871	143,734,408
Disposals	-	(106,025)	-	(58,162,121)	(6,870,078)	-	-	(65,138,224)
Transfer in (out)	-	1,275,951	-	73,701,670	-	-	(74,977,621)	-
Write - off	-	-	-	(1,302,000)	-	(7,301,532)	-	(8,603,532)
As at December 31, 2013	52,017,556	232,505,155	11,758,906	1,288,570,713	22,234,999	107,909,013	241,926,516	1,956,922,858
Accumulated depreciation:								
As at December 31, 2012	-	180,878,564	8,286,020	969,822,682	14,505,328	97,871,528	-	1,271,364,122
Depreciation for the year	-	19,176,435	514,846	33,296,269	3,342,528	5,060,633	-	61,390,711
Depreciation on disposals	-	(98,821)	-	(23,732,744)	(6,870,073)	-	-	(30,701,638)
Transfer in (out)	-	-	-	-	-	-	-	-
Write - off	-	-	-	(1,295,216)	-	(7,139,081)	-	(8,434,297)
As at December 31, 2013	-	199,956,178	8,800,866	978,090,991	10,977,783	95,793,080	-	1,293,618,898
Allowance for impairment loss:								
As at December 31, 2012	-	2,413,603	-	2,015,930	-	-	18,720,047	23,167,580
Increasing	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Write - off	-	-	-	(58,677)	-	-	-	(58,677)
As at December 31, 2013	-	2,413,603	-	1,957,253	-	-	18,720,047	23,108,903
Net book value:								
As at December 31, 2012	52,017,556	47,267,502	813,253	272,331,580	8,699,749	12,340,645	198,928,219	592,398,504
As at December 31, 2013	52,017,556	30,117,374	2,958,040	308,522,469	11,257,216	12,115,933	223,206,469	640,195,057
Incremental amount:								
As at December 31, 2012	153,769,444	75,295,223	-	290,596,565	-	-	-	519,661,232
Increasing (decreasing)	-	-	-	-	-	-	-	-
Disposals	-	(18,665)	-	(6,198,064)	-	-	-	(6,216,729)
Write - off	-	-	-	(307,878)	-	-	-	(307,878)
As at December 31, 2013	153,769,444	75,276,558	-	284,090,623	-	-	-	513,136,625
Accumulated depreciation of incremental amount:								
As at December 31, 2012	-	11,414,189	-	87,225,144	-	-	-	98,639,333
Depreciation for the year	-	3,764,390	-	28,821,629	-	-	-	32,586,019
Disposals	-	(3,404)	-	(2,257,954)	-	-	-	(2,261,358)
Write - off	-	-	-	(112,860)	-	-	-	(112,860)
As at December 31, 2013	-	15,175,175	-	113,675,959	-	-	-	128,851,134
Incremental value, net:								
As at December 31, 2012	153,769,444	63,881,034	-	203,371,421	-	-	-	421,021,899
As at December 31, 2013	153,769,444	60,101,383	-	170,414,664	-	-	-	384,285,491
Revaluation basis assets, net:								
As at December 31, 2012	205,787,000	111,148,536	813,253	475,703,001	8,699,749	12,340,645	198,928,219	1,013,420,403
As at December 31, 2013	205,787,000	90,218,757	2,958,040	478,937,133	11,257,216	12,115,933	223,206,469	1,024,480,548
Depreciation for the years ended December 31,								
2012								46,942,448
2013								61,390,711

As at December 31, 2013 and 2012 the Company and its subsidiaries have vehicles and machineries acquired under finance lease agreements, with net book value amounting to approximately Baht 14.23 million and Baht 12.88 million, respectively (the Company only: amounted to approximately Baht 14.80 million and Baht 11.54 million, respectively).

As at December 31, 2013 and 2012 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 70.12 million and Baht 113.87 million, respectively (the Company only: amounted to approximately Baht 63.06 million and Baht 107.71 million, respectively).

Increment per assets appraisal

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

For appraisal of land, building and machineries are as follows:

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, Nakornpranom 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, 2013 and 2012 would have been changed to the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Decrease in profit for the years				
(In Million Baht)	39.43	40.04	32.59	33.16
Decrease in earnings per share				
attributable to equity holders	0.28	0.29*	0.23	0.24*
of the parent (Baht per share)				

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

*The company has restated the weighted average number of ordinary shares used in computation of the basic earnings per share for the year ended December 31, 2012 to reflect the change in per value of the ordinary shares as mentioned in notes 20 and 25 to the financial statements.

The Change of revaluation surplus during the years are as follows:

In Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Beginning balance, before effect				
of change in accounting policy	(470,641)	(514,285)	(421,022)	(457,866)
Increase deferred tax liability	94,137	102,881	84,204	91,573
Beginning balance, after effect				
of change in accounting policy	(376,504)	(411,404)	(336,818)	(366,293)
Decrease (Increase) during the years:				
- Depreciation	39,432	40,043	32,586	33,165
- Transferred directly to retained earnings (deficit)				
due to derecognized assets	4,356	3,602	4,150	3,679
- Deferred tax expenses (income)	(8,756)	(8,745)	(7,347)	(7,369)
Total decrease (Increase) during the years	35,032	34,900	29,389	29,475
Ending balance	(341,472)	(376,504)	(307,429)	(336,818)

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.

In August, 2013, Agri Sol co., Ltd. had sold the rest of land to outsider at Baht 33.21 million.

The changes of revaluation surplus during the years are as follows:

In Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Beginning balance, before effect				
of change in accounting policy	(1,972)	(3,730)	-	-
Increase deferred tax liability	449	449	-	-
Beginning balance, after effect				
of change in accounting policy	(1,523)	(3,281)	-	-
Decrease (Increase) during the years:				
- Depreciation	-	-	-	-
- Transferred directly to retained earnings (deficit)				
due to derecognized assets	1,972	1,758	-	-
- Deferred tax expenses (income)	(449)	-	-	-
Total decrease (Increase) during the years	1,523	1,758	-	-
Ending balance	-	(1,523)	-	-

14. LAND NOT USED IN OPERATION, NET

Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land not used in operation, cost	20,303,170	24,447,713	-	-
Deduction of difference amounts per lands appraisal	2,244,825	4,003,215	-	-
Net	22,547,995	28,450,928	-	-
<u>Add</u> : Acquisitions	-	-	-	5,784,773
<u>Less</u> : Disposals	(22,547,995)	(5,902,933)	-	(5,784,773)
Land not used in operation, net	-	22,547,995	-	-

15. INTANGIBLE ASSETS, NET

Baht

	Consolidated financial statements		
	Computer software	Computer software under development	Total
<u>Cost</u>			
As at December 31, 2012	333,750	15,789,821	16,123,571
Increase	699,950	13,838,466	14,538,416
Decrease	-	-	-
Transfer in (out)	-	-	-
As at December 31, 2013	1,033,700	29,628,287	30,661,987
<u>Accumulated amortization</u>			
As at December 31, 2012	1,459	-	1,459
Increase	272,702	-	272,702
Decrease	-	-	-
As at December 31, 2013	274,161	-	274,161
<u>Net book value</u>			
As at December 31, 2012	332,291	15,789,821	16,122,112
As at December 31, 2013	759,539	29,628,287	30,387,826

Baht

	Separate financial statements		
	Computer software	Computer software under development	Total
Cost			
As at December 31, 2012	-	15,789,821	15,789,821
Increase	699,950	13,838,466	14,538,416
Decrease	-	-	-
Transfer in (out)	-	-	-
As at December 31, 2013	699,950	29,628,287	30,328,237
Accumulated amortization			
As at December 31, 2012	-	-	-
Increase	205,952	-	205,952
Decrease	-	-	-
As at December 31, 2013	205,952	-	205,952
Net book value			
As at December 31, 2012	-	15,789,821	15,789,821
As at December 31, 2013	493,998	29,628,287	30,122,285

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

As at December 31, 2013 and 2012 bank overdrafts and short - term loans from financial institutions were as follows:

Baht

	Interest rate (% p.a.)	Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
Bank overdrafts	MOR	-	-	-	-
Short - term loans	MLR, MRR - 1.25, MOR - 0.50	595,837,247	168,952,004	595,837,247	168,952,004
Total		595,837,247	168,952,004	595,837,247	168,952,004

17. OTHER PAYABLES

Other payables, as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Accrued expenses	210,076,099	252,858,994	82,012,506	110,668,430
Payable - treasury shares	7,891,025	-	7,891,025	-
Advance received	-	323,111	-	323,111
Total	217,967,124	253,182,105	89,903,531	110,991,541

18. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Liabilities under finance lease agreements	10,905,596	11,196,661	10,020,278	9,552,499
Less : deferred interest	(1,118,832)	(946,102)	(1,048,783)	(780,250)
deferred VAT	(57,919)	(107,562)	-	-
	9,728,845	10,142,997	8,971,495	8,772,249
Less : current portion due within one year	(4,824,647)	(4,217,279)	(4,398,466)	(3,603,881)
Liabilities under finance lease agreements, net of current portion	4,904,198	5,925,718	4,573,029	5,168,368

Consolidated financial statements (Baht)

	2013				2012			
	Principal	Deferred interest	Deferred VAT	Total	Principal	Deferred interest	Deferred VAT	Total
1 - 5 years	4,902,198	594,780	24,822	5,521,800	5,925,718	445,361	57,918	6,428,997
Over 5 years	-	-	-	-	-	-	-	-
Total	4,902,198	594,780	24,822	5,521,800	5,925,718	445,361	57,918	6,428,997

Separate financial statements (Baht)

	2013				2012			
	Principal	Deferred interest	Deferred VAT	Total	Principal	Deferred interest	Deferred VAT	Total
1 - 5 years	4,573,029	571,350	-	5,144,379	5,168,368	375,311	-	5,543,679
Over 5 years	-	-	-	-	-	-	-	-
Total	4,573,029	571,350	-	5,144,379	5,168,368	375,311	-	5,543,679

19. EMPLOYEE BENEFIT OBLIGATION

- Movement in the present value of the employee benefit obligation for the years ended December 31, 2013 and 2012 as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Employee benefit obligation at beginning of year	49.61	34.98	42.41	28.73
Benefits paid	(4.46)	(0.84)	(3.25)	(0.19)
Current service cost and interest	4.96	3.04	3.97	2.00
Actuarial losses	-	12.43	-	11.87
Employee benefit obligation at end of year	50.11	49.61	43.13	42.41

- Expenses recognised in the income statement for the years ended December 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current service costs	3.43	1.97	2.70	1.24
Interest cost	1.53	1.07	1.27	0.76
Total	4.96	3.04	3.97	2.00

- The changes of actuarial gains (losses) on defined employee benefit plans, which presented in other components of equity, for the year ended December 31, 2013 and 2012 as follows :

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Beginning balance before effect				
of change in accounting policy	-	12,426	-	11,872
Decrease (increase) deferred the year	-	-	-	-
Deferred tax expenses (income)	-	(2,485)	-	(2,374)
<u>Less</u> retained earning	-	(9,941)	-	(9,498)
Ending balance	-	-	-	-

- Principal actuarial assumptions as at December 31, 2013 and 2012

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

* Based on the weighted average by age group of employees

** Reference from TMO08 : Thai Mortality Ordinary Table 2008

20. SHARE CAPITAL

20.1 Share capital and issued and fully paid - up share capital

At the 2013 Annual General Meeting of Shareholders held on March 29, 2013, the shareholders have approved as follows:

- Approved the reduction of the Company's registered share capital in the amount of Baht 42.00 million, from Baht 182.00 million (91,000,000 ordinary shares at Baht 2 each) to Baht 140.00 million (70,000,000 ordinary shares at Baht 2 each) due to there is no increased share allotment by means of General Mandates (approved from the 2012 Annual General Meeting of shareholders) within the date required by law. This had been registered with the Ministry of Commerce on April 4, 2013.

- After capital reduction as stated in the above paragraph, approved the increase in the Company's registered share capital and the allotment of increased ordinary shares by means of General Mandate and offered to existing shareholders on an RO basis (Right Offering). The Company will increase the registered capital for the amount of Baht 42.00 million, from Baht 140.00 million (70,000,000 ordinary shares at Baht 2 each) to Baht 182.00 million (91,000,000 ordinary shares at Baht 2 each). This had been registered with the Ministry of Commerce on April 9, 2013.

- Approved to decrease the par value of the ordinary share from Baht 2 per share to Baht 1 per share resulting increase 91,000,000 ordinary shares, from 91,000,000 ordinary share at Baht 2 each to 182,000,000 ordinary shares at Baht 1 each. This had been registered with the Ministry of Commerce on April 10, 2013.

20.2 Treasury shares and appropriated retained earnings for treasury shares

On August 13, 2013, the Board of Directors has approved to undertake a treasury stock program for financial management purposes with the maximum amount of not exceeding Baht 200 million for the repurchase of not exceeding 14,000,000 shares at the par value of Baht 1 per share or equivalent to not exceeding 10% of the total of paid - up shares. The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand. The repurchase period covers the duration of 6 months, starting from August 28, 2013 to February 27, 2014.

The period of the resale of share is 6 months after the completion date of share repurchase and not later than 3 years from this time which the Board of Directors will consider fixing the schedule of the share resale later on.

On December 25 and 26, 2013, the Company had purchased back 0.27 million ordinary shares (par value of Baht 1 each), or 5.64% of the total number of issued and fully shares, for a total of Baht 7.89 million (excluded cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduced its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 December 2013, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounting to Baht 7.89 million.

21. DIVIDEND PAID

At the Annual General Meeting of Shareholders held on March 29, 2013, the shareholders had approved to pay the dividend amounted to Baht 140.00 million at Baht 2 each (70,000,000 ordinary shares). 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 138.70 million.

At the Board of Directors Meetings held on August 13, 2013 and November 9, 2012, the Board of Directors had approved to pay the interim dividend amounted to Baht 70.00 million at Baht 0.50 each (140,000,000 ordinary shares) and at Baht 1.00 each (70,000,000 ordinary shares), respectively. 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.

22. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside to a legal reserve at least

5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The legal reserve is not available for dividend payment.

23. 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, 2013 and 2012 as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Provident fund contribution	3,907,911	3,422,530	2,880,751	2,539,669

Baht

24. TAX EXPENSE

Tax expense for the years periods ended December 31, 2013 and 2012, consisted of :

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current tax expense	81,920	127,627	43,787	107,951
Deferred tax expenses (income)				
of temporary differences	21,870	96,795	24,977	47,611
Effects of changes in the applicable tax rates	-	-	-	-
Tax expense reported in statement of income	103,790	224,422	68,764	155,562

Thousand Baht

Income tax relating to each component of other comprehensive income for the years ended December 31, 2013 and 2012, consisted of :

	Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax expenses (income) relating to:				
- Increase of revaluation in land plant				
and equipment - net	(9,207)	(8,745)	(7,347)	(7,369)
- Actuarial gains (losses)				
on defined employee				
benefit plans	-	(2,485)	-	(2,374)
Deferred tax expenses (income)				
reported in other comprehensive income	(9,207)	(11,230)	(7,347)	(9,743)

Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2013 and 2012 as follows:

	Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit before tax	519,202	999,188	347,132	709,137
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied				
by applicable tax rate	103,840	229,813	69,426	163,102
Tax effect of :				
- Tax exempted revenue	-	-	-	-
- Adjustments recognized in the periods				
for current tax of prior periods	-	-	-	-
- Non - deductible expenses	1,600	836	783	565
- Added deductible expenses	(1,650)	(1,213)	(1,445)	(1,213)
Effects of adjustment deferred tax	-	(5,014)	-	(6,892)
Tax expense reported in				
comprehensive income statement	103,790	224,422	68,764	155,562

The components of deferred tax assets and liabilities are as follows:

Thousand Baht

	Consolidated financial statements		
	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
		(Restated)	(Restated)
Deferred tax assets			
Allowance for doubtful accounts	803	906	1,179
Allowance for contingent loss due to a subsidiary may not be able to pay for the purchased goods	-	5,279	48,879
Allowance for diminution in value of inventories	6,307	751	1,290
Allowance for impairment of investments	600	20,597	20,597
Accumulated depreciation resulting from change in the estimated useful lives of assets	-	-	-
Allowance for impairment loss	6,709	6,721	6,721
Employee benefit obligation	10,250	9,921	7,021
Unused tax benefits on loss carry forward	185	-	48,880
Total	24,854	44,175	134,567
Deferred tax liabilities			
Revaluation in land plant and equipment	85,379	94,136	102,881
Revaluation in land not used in operation	-	449	449
Accumulated depreciation resulting from change in the estimated useful lives of assets	9,856	7,307	3,389
Total	95,235	101,892	106,719

The components of deferred tax assets and liabilities are as follows:

Thousand Baht

	Separate financial statements		
	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
		(Restated)	(Restated)
Deferred tax assets			
Allowance for doubtful accounts	795	897	1,030
Allowance for contingent loss due to a subsidiary may not be able to pay for the purchased goods	-	5,279	48,879
Allowance for diminution in value of inventories	3,290	580	1,071
Allowance for impairment of investments	600	20,597	20,597
Accumulated depreciation resulting from change in the estimated useful lives of assets	-	-	-
Loss on accumulated impairment	4,622	4,634	4,634
Employee benefit obligation	8,625	8,483	5,752
Unused tax benefits on loss carry forward	-	-	784
Total	17,932	40,470	82,747
Deferred tax liabilities			
Revaluation in land plant and equipment	76,857	84,204	91,573
Accumulated depreciation resulting from change in the estimated useful lives of assets	5,648	3,209	249
Total	82,505	87,413	91,822

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% as from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decrease in tax rates for 2012 - 2014 were enacted through a royal decree. The Company reflected the changes in tax rates in its deferred tax calculation, as presented above.

25. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

The weighted average number of ordinary shares after the change in par value of the ordinary shares on April 10, 2013 as mentioned in note 20.1 to the financial statements is calculated as follows:

Consolidated and separate financial statements (In Shares)		
	2013	2012
		(Restated)
Number of ordinary shares	70,000,000	70,000,000
- as previously reported		
Add adjusted number of		
ordinary shares from	70,000,000	70,000,000
the change in par value		
Number of ordinary shares		
- as restated	140,000,000	140,000,000
Less treasury shares	4,575	-
Number of ordinary shares	139,995,425	140,000,000

26. FINANCIAL INFORMATION BY SEGMENT

The Company's and its subsidiaries' operations involve the manufacturing and distribution of canned agriculture products, fruit juices and non - alcohol beverage which are carried on in both Thailand and foreign countries. Financial information of the Company and its subsidiaries for the years ended December 31, 2013 and 2012 and as at December 31, 2013 and 2012, broken down by geographic segment, are as follows:

Business segment information

Thousand Baht

Consolidated financial statements				
For the year ended December 31, 2013				
Segment				
	Agriculture products	Others	Eliminated	Total
Revenues from sales	5,876,342	688,206	(1,476,979)	5,087,569
Cost of sales	4,502,142	618,284	(1,484,074)	3,636,352
Gross profit	1,374,200	69,922	7,095	1,451,217
Other incomes				117,593
Shares of profit (loss) of associate				(1,804)
Selling expenses				784,284
Administrative expenses				379,163
Finance costs				16,967
Tax expenses (income)				103,791
Profit (loss) for the year				282,801

Geographic segment information

Thousand Baht

Consolidated financial statements				
For the year ended December 31, 2013				
	Sales - domestic	Sales - export	Eliminated	Total
Revenues from sales	5,720,736	843,812	(1,476,979)	5,087,569
Segment operating profit	1,206,457	237,665	7,095	1,451,217

Business segment information

Thousand Baht

Consolidated financial statements				
For the year ended December 31, 2013				
Segment				
	Agriculture products	Others	Eliminated	Total
Revenues from sales	6,903,711	652,042	(1,398,508)	6,157,245
Cost of sales	5,230,130	593,708	(1,333,297)	4,490,541
Gross profit	1,673,581	58,334	(65,211)	1,666,704
Other incomes				128,470
Selling expenses				700,044
Administrative expenses				305,559
Finance costs				16,040
Tax expenses (income)				224,422
Profit (loss) for the year				549,109

Geographic segment information

Thousand Baht

Consolidated financial statements				
For the year ended December 31, 2013				
	Sales - domestic	Sales - export	Eliminated	Total
Revenues from sales	6,661,210	894,543	(1,398,508)	6,157,245
Segment operating profit	1,494,890	237,025	(65,211)	1,666,704

Information about major customers

For the year ended December 31, 2013, the Company and its subsidiaries' revenues from domestic sales amounted Baht 1,503.17 million from a customer.

	Consolidated financial statements					
	As of December 31,					
	Domestic		Foreign		Total	
	2013	2012	2013	2012	2013	2012
Trade receivables, net	492.53	604.53	87.95	57.69	580.48	662.22
Property, plant and equipment, net					1,146.62	1,149.97
Other assets					949.31	932.03
Total assets					2,676.41	2,744.22

27. 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 and some machineries 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.

28. COMMITMENTS AND CONTINGENT LIABILITIES

28.1 Commitments

a) As at December 31, 2013 and 2012, the Company had commitments of approximately USD - million and USD 0.02 million in relation to purchase of raw materials, respectively.

b) As at December 31, 2013, the Company and its subsidiaries have commitments and contingent liabilities from unused letter of credit of amount to Baht 2.14 million.

c) As at December 31, 2013, 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		Separate	
	financial statements		financial statements	
	Later than one		Later than one	
	Not later than	year and not later	Not later than	year and not later
	one year	than five years	one year	than five years
Lands	4.38	0.20	4.38	0.20
Head office buildings	12.01	2.70	7.25	1.81
Warehouses	5.95	-	0.83	-
Machineries	6.61	14.20	4.48	9.42
Office equipment	1.33	1.04	1.05	0.70
Vehicles	6.28	2.78	4.33	1.80
Service fees	7.79	-	10.17	-

Rental expenses and service fees under the above leases for the year ended December 31, 2013 amounted to Baht 27.73 million (the Company only : amounted to Baht 31.97 million).

d) As at December 31, 2013, the Company has the commitment from purchase of machineries amounted to Baht 104.85 million.

e) As at December 31, 2013, the Company has the commitment from purchase of computer software under development amounted to Bath 10.87 million

28.2 Bank guarantees

As at December 31, 2013 and 2012 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.

28.3 Guarantee

As at December 31, 2013 and 2012, the Company had guaranteed Baht 100 million, of loans obtained by a subsidiary from financial institutions, and its subsidiary had guaranteed loans of the Company amount to Baht - million and Baht 280 million, respectively. 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 1.75 percent per in year 2013 and 0.25 percent per in year 2012 annum of the guarantee amount.

28.4 Litigation

28.4.1 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.

28.4.2 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, 2013 and 2012, the Company has recorded accrued interest expenses for such payable in amount of Baht 3.20 million and Baht 7.46 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		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Beginning balance	112,185,632	139,822,300	112,185,632	139,822,300
Additional during the year	-	-	-	-
Deduction during the year	(33,878,452)	(27,636,668)	(33,878,452)	(27,636,668)
	78,307,180	112,185,632	78,307,180	112,185,632
Less : Current portion due within one year	(43,765,608)	(33,878,452)	(43,765,608)	(33,878,452)
Trade payables under a compromise agreement, net of current portion	34,541,572	78,307,180	34,541,572	78,307,180

29. FINANCIAL INSTRUMENTS

29.1 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, 2013 and 2012, 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, 2013 (Baht per foreign currency unit)
US dollar	333,674	2,874,940	32.95/32.58
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
Separate financial statements			
Foreign currency	Financial assets	Financial liabilities	Asset / liability exchange rate as at December 31, 2013 (Baht per foreign currency unit)
US dollar	318,374	2,874,797	32.95/32.58
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 of December 31, 2013, the Company and its subsidiaries have not the outstanding foreign currency purchase and sales agreements.

29.2 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.

30. 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, 2013, the Group's debt to equity ratio was 1.56 : 1 (as at December 31, 2012: 1.71 : 1) and the Company's was 1.33 : 1 (as at December 31, 2012: 1.46 : 1).

31. PROMOTIONAL PRIVILEGES

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.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 12, 2014.



Malee Sampran Public Company Limited.
401/1 Moo 8, Phaholyothin Rd., Lumlookka, Pathumthani 12130, Thailand
Tel: +662 992 5800-15, Fax: +662 992 5799
www.malee.co.th