

# 2556

## รายงานประจำปี

บริษัท อกริเพียว โฮลดิ้งส์ จำกัด (มหาชน)

AgriPure Holdings Public Company Limited

**Annual Report 2013**



## วิสัยทัศน์

บริษัทมีความมุ่งมั่นที่จะก้าวไปเป็นบริษัทที่แข็งแกร่งในอุตสาหกรรมเกษตร โดยมุ่งเน้นที่จะผลิตสินค้าที่มีคุณภาพสูงและการบริการที่ดีเยี่ยมเพื่อตอบสนองความต้องการของลูกค้าและองค์กรต่างๆ ที่เกี่ยวข้อง

## พันธกิจ

- นำเสนอสินค้าและบริการคุณภาพดี
- ตอบสนองความพึงพอใจของลูกค้าในด้านของคุณภาพ การขนส่งและการติดต่อสื่อสาร
- ยึดหลักการความรับผิดชอบต่อสังคมและสิ่งแวดล้อม

## ภารกิจ

- ตอบสนองความพึงพอใจของลูกค้าและองค์กรต่างๆ ที่เกี่ยวข้อง โดยมุ่งเน้นการพัฒนาขั้นตอนการผลิตอย่างต่อเนื่อง เพื่อที่จะนำเสนอผลิตภัณฑ์ข้าวโพดหวานที่มีคุณภาพดี และสามารถลดต้นทุนการผลิตรวมถึงการหาแหล่งวัตถุดิบคุณภาพเยี่ยมเพื่อนำเสนอต่อลูกค้า
- มุ่งมั่นให้บริการกับลูกค้าได้อย่างดีเยี่ยม โดยใช้หลักความรับผิดชอบต่อสังคม (CSR) เพื่อให้เกิดความพึงพอใจของพนักงานและเกิดการช่วยเหลือให้กับทุกสังคม



# CONTENTS

	Page
Overall Operating Business	2
Types of Products and Service	7
Industry and Competition	8
Risk factors	10
General Information of Subsidiaries and Associated Companies	11
Capital Structure	13
Dividend Policy	13
The Board of Directors of the Company	14
Profile of The Board of Directors	18
Corporate Governance	23



Scope for Board of Directors Duties	26
Corporate Social Responsibilities (CSR)	27
Additional Guidelines on Prevention of Engagement in Corruption	32
Internal control and risk management	35
Connected Transactions	37
The Policy on the Connected Transaction in the Future	41
Independent Auditor's Report	42
Statements of Financial Position	44
Statements of Comprehensive Income	47
Notes to Financial Statements	52
Summary on Financial Status and the Past Operating Performance	92

---

## Message from Chairman of Board of Directors

---

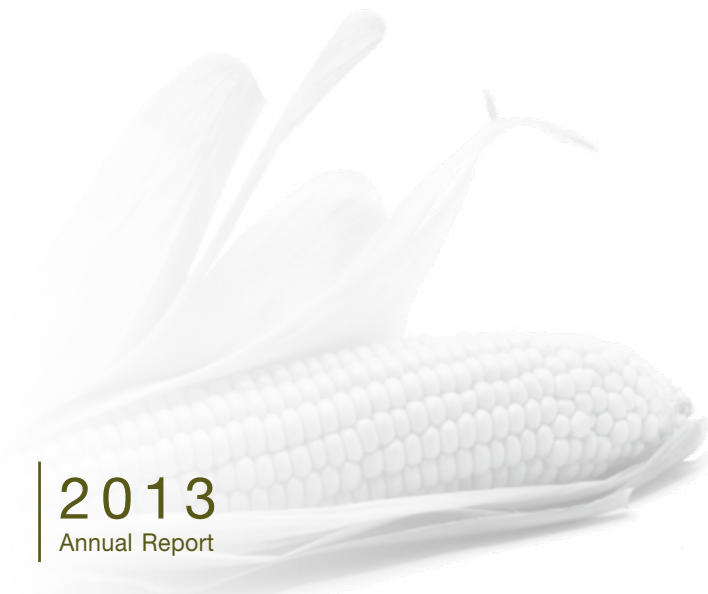
For business operations in year 2013, it has the negative consequences on the economy of Thailand which comes from not only uncertainty of Global Economy such as the debt crisis in Europe, US economy is still not recovering, the fluctuation of exchange rate, and natural disaster but also internal consequences from political which impact on the economy and export including the fluctuation of business operation such as raw material and labor cost.

Nonetheless, the company is still able to maintain the export volume from existing market and also expand the business to new customers by developing the production process in order to improve the product's quality under hygiene of international standards. It is strategy policy to expand the market and increase the quantity of canned sweet corn kernel.

I as Chairman of Board of Directors am much appreciated on you who have always supported company including shareholders, investors, business partners, management team, and all company staffs.



Mr. Suredpon Jungrungrangkit  
Chairman of Board of Directors



---

## Overall Operating Business

---

- The Company operates business as the Holding Company, which the Company operates business of agricultural and food industry through several subsidiaries. These companies produce and sell the processed agricultural products such as canned corn, vegetables, fruits and breeder corn seeds.
- The direct subsidiary of the Company consisted of
  1. River Kwai International Food Industry Company Limited, which the Company held 99.99% shares of the issued and paid up capital of River Kwai as of December 28, 2013 as per the copy list of shareholders.
- The indirect subsidiaries of the Company consisted of
  1. Sweet Corn Products Company Limited, which River Kwai held 75.00% shares of the issued and paid up capital of Sweet Corn Products, while Prulum's family held 8.05% shares of the issued and paid up capital of Sweet Corn Products, and the other 24 minority shareholders held 16.95% shares of the issued and paid up capital of Sweet Corn Products as of December 28, 2013 as per the copy list of shareholders.
  2. AgriFresh Company Limited, which River Kwai held 99.99% shares of the issued and paid up capital of AgriFresh as of December 28, 2013 as per the copy list of shareholders.
- The direct associate of the Company consisted of
  1. General Business Center Company Limited, which the Company held 47.67% shares of the issued and paid up capital of General Business Center as of December 28, 2013 as per the copy list of shareholders.

Thus, General Business Center Company Limited ceased commercially operated, and was in process of study effect of accounting liquidation.
- The company invested by the subsidiaries consisted of
  1. Siam Del Monte Company Limited, which River Kwai held 3.75% shares of the issued and paid up capital of Siam Del Monte as of June 30, 2009, the date of the shareholders' meeting of Siam Del Monte as per information of Department of Business Development.
- Business of the direct and indirect subsidiaries and the companies invested by the Company could be shown as follows:
  1. River Kwai International Food Industry Company Limited established on July 18, 1997 with the initial registered capital of Baht 65 million in order to produce and export the canned sweet corn and vacuum packed sweet corn. Thus, the management account of River Kwai as of December 31, 2013, River Kwai had the issued and paid up capital of Baht 455.40 million.

Business of producing and exporting the canned sweet corn and vacuum packed sweet corn started from procuring raw material of corn to process to the canned and vacuum packed sweet corn and export such products to the foreign market. However, for the domestic sale, River Kwai has the trading brand of "Tastee" and "River Kwai", which River Kwai widely distributes products through several supermarkets.
  2. Sweet Corn Products Company Limited (formerly named Thai Fruit Center Company Limited and Agrotech and Management Company Limited) established on February 21, 1989 with the initial registered capital of Baht 3 million in order to produce and sell the breed corn seeds. Thus, the management account of Sweet Corn Products as of December 31, 2013, Sweet Corn Products had the issued and paid up capital of Baht 5 million.

Business of producing and selling the breed corn seeds started from developing and producing seeds, encouraging plantation, selling seeds, and procuring raw material of sweet corn in order to use in business of River Kwai.

3. Agri Fresh Company Limited (formerly named Gold Reserve Company Limited) established on April 5, 2001 with the initial registered capital of Baht 1 million in order to process packed fresh vegetables and fruits. Thus, the management account of Agri Fresh as of December 31, 2013, Agri Fresh had the issued and paid up capital of Baht 48.25 million.

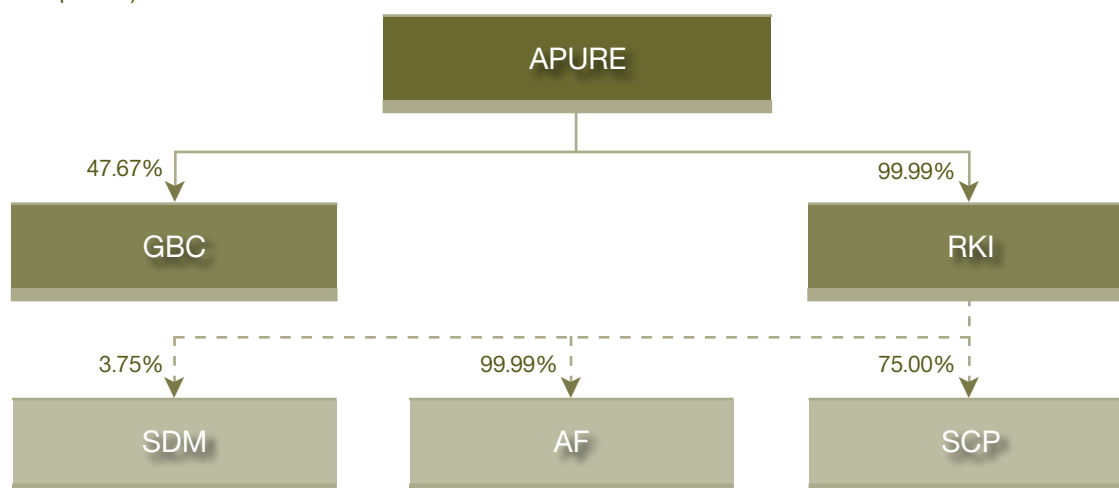
Business of processing fresh vegetables and fruits started from selecting, cutting, packing and exporting vegetables to the foreign markets.

4. Siam Del Monte Company Limited established on January 28, 2005 with the initial registered capital of Baht 150 million in order to produce packed and sealed vegetables and fruits. Thus, the audited financial statement of Siam Del Monte (accounting period of Siam Del Monte ended on March 31), Siam Del Monte had the issued and paid up capital of Baht 300 million.

Business of producing packed and sealed vegetables and fruits or packaging business “TETRA RECAR” used the new technology of packaging in paper box in order to produce process sweet corn, pineapple, assorted fruits, and the others, which was placed in the upper market and expand the product base beside canned sweet corn, which River Kwai originally operated.

Thus, as of June 30, 2009, the date of shareholders’ meeting of Siam Del Monte as per information of Department of Business Development, Siam Del Monte had (1) DEL MONTE ASIA (PTE) LTD. from Singapore by mainly holding 87.55% shares of the issued and paid up capital, and (2) Samroi-yod Corporation Limited (Pineapple producer) held 8.70% shares of the issued and paid up capital, which such shareholders supported Siam Del Monte to expand market share and distribution channels.

- Shareholding Structure of the Company, subsidiaries, and associates (Information as of December 31, 2013 in the reviewed financial statement of the Company and copy of lists of shareholders of the relevant companies).



Notes: <sup>1/</sup> GBC ceased commercially operated, and was in process of study effect of accounting liquidation.

Abbreviation:

APURE	=	AgriPure Holdings Public Company Limited
GBC	=	General Business Center Company Limited
RKI	=	River Kwai International Food Industry Company Limited
SDM	=	Siam Del Monte Company Limited
AF	=	AgriFresh Company Limited
SCP	=	Sweet Corn Products Company Limited

## The Key Information of the Company

### Key Milestones and Development

The Company has key milestones and development since 2007 as follows:

- 2007** On April 18, 2002, the annual ordinary shareholders' meeting had resolution to pursue these actions as follows:
1. Had resolution to decrease the registered capital of Baht 2,852.02 million (285,201,600 ordinary shares with the par value of Baht 10 per share) to Baht 2,800.73 million (280,072,719 ordinary shares with the par value of Baht 10 per share) by deducting the unissued 5,128,881 ordinary shares with the par value of Baht 10 per share, totally Baht 51.29 million. Thus, the Company registered the decreased registered capital with Ministry of Commerce on May 11, 2007.
  2. Had resolution to decrease the value of the issued and paid up capital from the registered capital of Baht 10 per share to Baht 0.70 per share. Therefore, the registered capital increased from Baht 2,800.73 million to Baht 196.05 million. Thus, the paid up capital decreased Baht 2,604.68 million, premium on the ordinary share of Baht 274 million, and legal reserve of Baht 0.32 million for eliminating discount on the ordinary shares of Baht 2,209.41 million, retained loss of Baht 669.59 million. Thus, the Company registered the decreased registered capital with Ministry of Commerce on July 19, 2007.
  3. Had resolution to increase the registered capital of Baht 196.05 million (280,072,719 ordinary shares with the par value of Baht 0.70 per share) to Baht 392.10 million (560,145,438 ordinary shares with the par value of Baht 0.70 per share) by issuing the newly issued ordinary shares of 280,072,719 share with the par value of Baht 0.70 per share, totally Baht 196.05 million. Thus, the Company registered the increased registered capital with Ministry of Commerce on July 26, 2007.
- 2009** On May 28, 2009, the extraordinary general shareholders' meeting No. 1/2009 had resolution to pursue these actions as follows:
1. Allotted the newly issued ordinary shares of 280,072,719 shares to the existing shareholder at the ratio of 1 old ordinary share to 1 new ordinary share at the offering price of Baht 0.70 per share, totally Baht 196.05 million. In case that there was remaining shares from the right offering and there was no shareholders exercising more than their right, it assigned the board of directors of the Company and/or the group of person to have authority to allot such remaining share to the private placement investor and/or the institutional investor and/or the special investor according to the notification of the Securities and Exchange Commission, which could allotted all in one time or several times at the price of not lower than Baht 0.85 per share during June 8 - 12, 2009. Thus, the existing shareholders exercised the right of 82,362,600 shares at the price of Baht 0.70 per share, totally Baht 57.65 million.
- Later, on September 18, 2009, the Company allotted the remaining 197,710,119 ordinary shares to the private placement investor at the price of Baht 0.85 per share, totally Baht 168.05 million. The Company received payment for the 95,000,000 ordinary shares with Baht 80.75 million as September 25, 2009. And the Company received payment for the ordinary shares on October 30, 2009 and registered the increased registered capital with Ministry of Commerce on November 12, 2009.



**2010** The Company has change the organization structure by continuously changing the old management. Thus, such action has been completed in 2011, the management structure at present is shown in no. 1.7 topic the Management.

**2012** The resolution of the board of directors of the Company on October 17, 2012 and No.9/2012 on November 19, 2012 has approved to propose to the extra ordinary shareholders' meeting No.1/2012 on December 26, 2012 for considering and approving the increase in registered capital of the Company by Baht 78,420,360.90, which increased the registered capital from Baht 392,101,806.60 to Baht 470,522,167.50 by issuing the newly issued ordinary shares of 112,029,087 shares at the par value of Baht 0.70 per share, and allotting all newly issued ordinary shares to the existing shareholders of the Company at the ratio of 5 existing shares to 1 new share at the price of Baht 2.03 per shares.

Results of the sale of shares: Number of shares subscribed 89,388,513 shares, amount of money received from the sale of shares 181,458,681.39 Baht.

## Revenue Structure

Revenue Structure from domestic and foreign sale could be shown as follows:

Unit: Million Baht

Sales to Foreign Market	By	2011	%	2012	%	2013	%
Processed sweet corn	RKI	507.01	53.86	599.61	53.53	614.35	56.05
Fresh vegetables and fruit	AF	213.72	22.70	196.20	17.51	214.43	19.56
Vacuum packed sweet corn	RKI	110.36	11.72	181.14	16.17	136.78	12.48
<b>Total</b>		831.09	88.28	976.95	87.21	965.56	88.09

Unit: Million Baht

Sales to Domestic Market	By	2011	%	2012	%	2013	%
Processed sweet corn	RKI	31.65	3.36	48.10	4.29	51.59	4.71
Breeder Seed	RKI,SCP	59.69	6.34	44.94	4.01	39.63	3.62
Others	RKI	10.51	1.12	21.89	1.95	4.51	0.41
Vacuum packed sweet corn	RKI	8.41	0.89	16.65	1.49	34.84	3.18
Fresh vegetables and fruit	AF	0.00	0.00	11.72	1.05	0.00	0.00
<b>Total</b>		110.26	11.72	143.30	12.79	130.57	11.91
<b>Grand Total Sale</b>		941.35	100.00	1,120.25	100.00	1,096.13	100.00

**Abbreviation:** APURE = AgriPure Holdings Public Company Limited  
 GBC = General Business Center Company Limited  
 RKI = River Kwai International Food Industry Company Limited  
 AF = Agrifresh Company Limited



---

## Types of Products and Service

---

The Company's core products can be classified into two categories as follows:

1. Sweet corn products: processed sweet corn using thermal process produced and distributed in cans and vacuum pack operated by River Kwai.

All products or services can be categorized by marketing geography as follows:

### **Exported Products**

- CANNED KERNEL SWEET CORN
- CREAM STYLE CORN
- SWEET CORN IN VACUUM PACK

### **Domestic Products**

Under the trademark TASTEE and RIVEW KWAI, namely

- CANNED KERNEL SWEET CORN
- CREAM STYLE CORN
- SWEET CORN IN VACUUM PACK
- SWEET CORN FRESH PACK
- SWEET CORN SEED

2. Fresh vegetables and fruits which can be categorized into residue-controlled product and organic products, operated by Agrifresh.

The Company has its own large garden which is the model for transfer of appropriate management to agriculturists. The Company also supports agriculturists to grow vegetables and fruits, and enters into agreements to buy produce from the agriculturists in the contract farming system in order to send fresh vegetables and fruits to Agrifresh factory for cut and packing as finished products for export. Area for growing baby corns, asparagus, chilies and okra, which are main products, are close to the factories in Kanchanaburi, Ratchaburi, Nakhonpatom, etc.

Moreover, Agrifresh has its own vegetable plots in Kanchanaburi with the area of around 500 Rai mainly for planting organic vegetables which are then cut and packed in different containers for export by plane with the main markets in Europe and Japan. The products can be categorized into three groups as follows:

- |                |   |
|----------------|---|
| <b>Group 1</b> | Conventional: chemical-controlled vegetables and fruits that are safe for consumption, packed in different sized containers such as baby corns, okra, asparagus, chilies, morning glory, lemongrass, mangoes, sweet tamarind, etc.                                  |
| <b>Group 2</b> | High Care or Ready to Eat: chemical-controlled vegetables that are safe for consumption, produced in aseptic system under controlled temperature such as Somtam set, Tomyam set, asparagus set, ginger set, Green Curry set and Sweet and Sour Stir Fried set, etc. |
| <b>Group 3</b> | Organic: fruits and vegetables grown without using any chemicals with control in accordance with organic standard approved by international organizations, such as baby corns, okra, etc.   |

**Operation area** is divided into two parts: Central and North.

- Central covering Kanchanaburi and neighboring provinces such as Ratchaburi, Nakhonpatom, Suphanburi, Nakhonsawan and Petchaburi as well as seasonal areas such as Chonburi, Rayong, Chanthaburi, Nakhonnayok, Samutprakarn, Samutsongkram, Samutsakorn, Pathumthani, Nakhonsawan and Trad.
  - North covering Chiang Rai and Chiang Mai
- The area which have been certified with quality standard totaled 3,200 Rai with group and individual member agriculturists of 900 and 1,600 plots.

### Environmental Impact

-None-

### Benefits from Investment Promotion

-None-

## Industry and Competition

### Industry of Processed Sweet Corn

During 2011 - 2013, Thailand exported canned sweet corn with total value of Baht 5,701.21 million, Baht 5,684.35 million, and Baht 5,399.69 million, respectively (Information from the custom department), which River Kwai exported the processed sweet corn with Baht 617.38 million, Baht 780.75 million, and Baht 751.13 million or 10.82%,13.74% and 13.91% of total exporting value of processed sweet corn in 2011 - 2013, respectively, 10 major exporters to the country and the other in 2013 as following:

		Unit: Million Baht		
The importing country		2011	2012	2013
1.	Japan	860.36	1,087.40	940.63
2.	Taiwan	471.18	443.15	395.99
3.	Korea,R	412.58	525.66	386.62
4.	Russian Federation	531.24	229.28	314.45
5.	Philippines	173.27	203.36	270.14
6.	Australia	190.49	180.57	223.30
7.	United Kingdom	286.78	361.60	194.81
8.	Lebanon	141.18	111.16	194.73
9.	Norway	143.47	153.37	185.11
10.	Saudi Arabia	174.28	211.44	179.89
11.	อื่นๆ	2,316.38	2,177.36	2,114.02
รวม		5,701.21	5,684.35	5,399.69

**Abbreviation:** As statistics from the export of goods in Customs Code 20058000000 .

- Thailand had the factories to produce and process sweet corn around 7 - 8 factories. River Kwai was the one of processed sweet corn producer for exporting. However, the other domestic producers produced several types of vegetables and fruits, which such producers increase production of sweet corn in some season.

- The important exporting markets of processed sweet corn were Japan, Russia, Taiwan, Korea, and England, while major exporting markets of vacuum packed sweet corn were Japan, European Union, America, and Russia.
- For business of fresh vegetables and fruit, which was exported by air, tended to be luxury products for consumers in the foreign market, which the economy depreciated and purchasing power decreased, and also exchange rate of the trading partner such as England and European countries continuously depreciated; however, the Company still could meet up the target sale by emphasizing the Asia Market.
- The world market price of process sweet corn in the major region was determined by the large producer such as America, French, and Hungary, while the number of the producers in Thailand increased, which competition in this industry compete in pricing and quality of the product.
- Thailand has to face the primary dumping tax for canned sweet corn since 2006, which the importer of such products in the European union was collected the importing deposit. Therefore, the exporting on the canned sweet corn to the European tended to decrease.
- Domestic sweet corn industry has expanded and being more acceptable for consumer as such product could be kept for the long period.
- The producer of processed sweet corn could expand the exporting market to Japan, Russia, Taiwan, Australia, Philippines, and the middle east countries because such countries has high increasing demand, while the demand on frozen sweet corn in the United States, Canada, Australia, and Iran tended to increase.

## Competition

- The Company produces good quality products, but not higher price than the competitor from the other countries, even though Thailand has competitive advantage from lower transportation cost for the foreign customers in Asia.
- The Company produces products for exporting under the brand of “TASTEE” and “RIVER KWAI”, which the Company emphasizes on maintaining the good relationship with the large customers as well as after sale services in order to satisfy to the customers. The group of the foreign customers could be divided into 3 groups, which are (1) Agent and Importer for shops and supermarket (2) Supermarket and industrial factories, which demand on sweet corn, and have the policy to purchase product directly from the producers, and (3) the customers group who has their own brand.
- For the domestic customers, the Company distributes products under the brand of “TASTEE” and “River Kwai”, which the domestic distributing agent will distribute the products to the large and small shop including the convenience store.
- The Company uses raw material near the factory, which the Company could control harvesting on good and fresh raw materials.
- The Company has various products such as corn seeds, vacuum packed corn, creamed corn, which is specialized formula of the Company, products graded Fancy, which has to use the fresh raw materials, softness of corn, and smell of corn for deciding on quality.
- However, the canned sweet corn is commodity product, therefore, the price is determined by the world market mechanism, which the Company could not set up the selling price by plus the fixed gross margin. As the result, the Company must adjust the selling price of the Company with the market price at the appropriate level, which could compete with the domestic and foreign competitors. In the meantime, the Company emphasizes on producing the quality product which has value added, so the Company could sell the product at the higher price than the other domestic producers.

## Risk Factors

### Risk in Business

#### Risk of exchange rate changes

Company's main revenue comes from exporting goods to sell abroad, or 88.09 percent. Of total sales in the year 2013 with revenues to U.S. dollars, euros and pounds are mainly Fluctuations in the exchange rate economy. Affect the performance of the company.

However, the Company. Has been to prevent such risk. The adoption of financial instruments used. Forward Contract including the reported addition, the company is tracking the movement of international currency markets closely, and try to adjust the currency. With existing customers and new customers to appropriate.

#### Raw materials price and supply fluctuations risk

Sweet corn and Fresh Produce, the company's main raw materials, are influenced by weather and seasons, which can affect their volume and quality, as well as the demand of the industry competitors and fresh markets. Thus, the company bears the fluctuation of supply and raw material price that can affect directly on production costs.

Risk management can be implemented by members who plant sweet corn in the domestic are more than 7,000 families, but the company has never bought more than 20% of the value of all raw materials.

#### Average sweet corn price and yearly percent change

Year	Average Price (baht/kg)	% change
2009	4.80	1.69%
2010	4.92	2.50%
2011	5.31	7.93%
2012	5.54	4.33%
2013	5.33	-3.79%

**Remark:** The price in 2013 ranged from a low of 5.00 baht/kg to 5.80 baht/kg

In 2013, the company faced with the increasing of production cost which is due to the price of oil for transportation and empty-can packaging, major costs of production. In addition, wages are also higher in line with the inflation rate and the minimum wages rate announced by the government.

However, the company has the yearly, quarterly and monthly production plan in order to manage the above cost.

#### Risk from volatility of the Economy

The Company's income is mainly from export of goods at 88.09% of the total sales in 2013. Because of volatile economic condition, the purchase order of customers abroad is affected.

However, the Company manages risks by entering into agreements in advance with a term of six to twelve months.

#### Risk in Other Cases

##### Risk from not Receiving Return in the Form of Dividend

In the fiscal year 2012, the Company's operating results include a net profit of Baht 8.34 million. The Company had a high accumulated loss, with Baht 85.90 million in 2013. This caused the Company not to be able to pay dividends to the shareholders in accordance with the law. The shareholders risk not getting dividends in accordance with the dividend policy for a certain period until the Company can clear all its accumulated loss.



---

## General information and other important information

---

### 1.1 General information

Agripure Holdings Public Company Limited, registration No. 0107537002079 (formerly BorMorJor. 454) is a holding company with River Kwai International Food Industry Company Limited. as the core company, in which the company holds 99.99% of the paid-up capital, operating the agricultural industry business.

Location of the head office: The Chaipattana Foundation Building, 2<sup>nd</sup> Floor, No. 70, Moo 6,  
Paholyothin Road, Khlong Nueng, Khlong Luang, Pathumthani 12120

Tel : 02-516-0941-45 Fax - Admin : 02-516-0946

www.apureholdings.com or Email : irs@apureholdings.com

- Awarded with DISCLOSURE REPORT AWARD 2003 from the Office of the Securities and Exchange Commission (SEC) on 19 November 2003
- Ranked in 2<sup>nd</sup> Quartile from the “Thai Institute of Directors” for evaluation on Management under the Good Corporate Governance for the year 2005.

### General Information of Subsidiaries and Associated Companies

#### **Company’s Name: River Kwai International Food Industry Company Limited.**

Corporate Registration	No. 0105540066897 (formerly 966/2540)
Head Office located at	No. 99 Moo 1 Tanamtuen-Khaopoon Road, Kaengsian, Muang, Kanchanaburi 71000 Tel. 034-653323-4 Fax. 034-653390-1 E-mail: info@rkifood.com
Type of Business	Produce and distribute canned sweet corn
Registered Capital	455,400,000 Baht
Paid-up Capital	455,400,000 Baht
Shareholding proportion	99.99% (Held by Agripure Holdings PCL)

#### **Company’s Name: Agrifresh Company Limited.**

Corporate Registration	No. 0105544033837 (formerly 522/2544)
Head Office located at	No. 99 Moo 1 Tanamtuen-Khaopoon Road, Kaengsian, Muang, Kanchanaburi 71000 Tel. 034-653323-4 Fax. 034-653390-1
Type of Business	Distributor of fresh vegetables and fruits
Registered Capital	48,250,000 Baht
Paid-up Capital	48,250,000 Baht
Shareholding proportion	100% (Held by River Kwai International Food Industry Company Limited.)

**Company's Name: Sweet Corn Products Co., Ltd.**

Corporate Registration	No. 0105532015588 (formerly 1556/2532)
Head Office located at	No. 128/10 Moo 8 Prueksa Kanchanaburi Village 7 Kaengsian, Muang, Kanchanaburi 71000 Tel. 034-520-798-9 Fax. 034-520-800
Type of Business	Develop sweet corn varieties for the business of River Kwai International Food Industry Company Limited. and for sales in general
Registered Capital	5,000,000 Baht
Paid-up Capital	5,000,000 Baht
Shareholding proportion	75% (Held by River Kwai International Food Industry Company Limited.)

**Company's Name: General Business Center Company Limited.**

Corporate Registration	No. 0105522010818 (formerly 1089/2522)
Head Office located at	No. 52 Thaniya Plaza Building 21 <sup>st</sup> Floor, Silom Road, Bangkok Tel. 02-516-0941-45 Fax. 02-516-0946
Type of Business	Agricultural Business
Registered Capital	3,750,000 Baht
Paid-up Capital	3,750,000 Baht
Shareholding proportion	48% (Agripure Holdings Public Company Limited)

Other entity

**Securities registration services****Thailand Securities Depository Co., Ltd.**

62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand  
Tel: (66 2) 229 2800 Fax: (66 2) 359 1259 TSD CALL CENTER : (66 2) 229 2888  
Website: <http://www.tsd.co.th> E-mail: [TSDCallCenter@set.or.th](mailto:TSDCallCenter@set.or.th)

**Auditors**

Miss Vimolsri	Jongudomsombat	Certified Public Accountant Registration No. 3899
Miss Kannikar	Viphanurat	Certified Public Accountant Registration No. 7305
Mr. Jirote	Sirirorote	Certified Public Accountant Registration No. 5113
Miss Nonglak	Pattanabanditg	Certified Public Accountant Registration No. 4713
Karin Audit Co., Ltd.		
138 Boonmitr 6 <sup>th</sup> Floor B1, Silom Road, Bang Rak, Bangkok 10500		
Tel. 02-634-2484-6 Fax: 02-634-2668 E-mail : <a href="mailto:audit@karinaudit.co.th">audit@karinaudit.co.th</a> <a href="http://www.karinaudit.co.th">www.karinaudit.co.th</a>		

## Capital Structure

### Securities of the Company

In the audited consolidated financial statement of the Company as of December 31, 2013, the Company had registered capital of Baht 470,522,167.50, which was divided into 672,174,525 ordinary shares at the par value of Baht 0.70 per share and had paid up capital of Baht 454,673,765.70, which was divided into 649,533,951 ordinary shares at the par value of Baht 0.70 per share.

### Major Shareholders

On January 31, 2014, the list of major shareholders of AgriPure Holdings Public Company Limited was as follows:

No	Name	No. of Ordinary Shares (Shares)	Shareholding Proportion of Issued and Paid up Capital (%)
1.	Jungrungruangkit's Family by Mr. Suredpon Jungrungruangkit <sup>1/</sup>	208,119,320	32.05
	Mr. Komol Jungrungruangkit <sup>2/</sup>	44,199,320	6.80
	Mr. Suredpon Jungrungruangkit <sup>3/</sup>	164,000,000	25.25
2.	Mr. Thaveechat Jurangkul	32,599,920	5.02
3.	Thai NVDR Co., Ltd.	17,213,856	2.65
4.	Mr. Nutapat Rungsan	11,449,900	1.76
5.	Mr. Somlert Pipopthanet	9,405,000	1.45
6.	Mr. Akul Thepsaskul	7,401,600	1.14
7.	Mr. Arunai Chansiriviriyakul	6,501,800	1.00
8.	Mr. Prasert Deesawatmongkol	5,210,000	0.80
9.	Mr. Chet Mhluemsom	5,000,000	0.77
10.	Mr. Kritsanapung Thunthimongkolsook	4,660,000	0.72
11.	Mrs. Kanokwan Deesawatmongkol	4,200,000	0.65
12.	Mrs. Natrika Korpinthanon	4,000,000	0.62
13.	Mr. Jirawut Kuvanon	4,000,000	0.62
14.	Mr. Cherdchai Lelanaphaparn	3,983,100	0.61
	<b>Total Top 14 Shareholders</b>	<b>323,824,496</b>	<b>49.85</b>
	Other minor shareholders of approximately 3,801 persons	325,709,455	50.15
	<b>Total</b>	<b>649,533,951</b>	<b>100.00</b>

#### Remarks:

<sup>1/</sup> Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535 as of January 31, 2013,

<sup>2/</sup> Mr. Komol Jungrungruangkit is Mr. Suredpon Jungrungruangkit's father and the person who acts in concert of Mr. Suredpon Jungrungruangkit's.

<sup>3/</sup> Mr. Suredpon Jungrungruangkit is Mr. Komol Jungrungruangkit's legal age son.

### Dividend Policy

Company's policy has been paid dividend not exceeding 50 percent of net profit, but the company would be paid it to shareholders after deficit down.

## The Board of Directors of the Company

As of January 31, 2014, the Board of Directors, as stated in the Company's affidavit, consisted of:

No.	Name	Position	Shareholding Proportion of Issued and Paid up Capital (%) <sup>1/</sup>
1.	Mr. Suredpon Jungrungruangkit <sup>2/ 3/</sup>	Chairman	32.05 <sup>4/</sup>
2.	Mr. Suphasetd Lelanaphaparn	Vice Chairman	0.61 <sup>5/</sup>
3.	Mrs. Kittima Imprasert <sup>2/ 3/</sup>	Director	-
4.	Mrs. Saowanee Chitsuntisuk <sup>3/</sup>	Director	-
5.	Mr. Pongsatat Kanchanapisoot	Director	-
6.	Miss Sineemas Sotpiparpnukul <sup>2/</sup>	Director and Chief Executive Officer	-
7.	Prof. Dr. Thammasak Phongpichayamart	Independent director and Chairman of the audit committee	-
8.	Mr. Norawit Suparinayok	Independent director and Audit committee member	-
9.	Mr. Sakda Sinives	Independent director and Audit committee member	-

### Remarks:

<sup>1/</sup> Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535

<sup>2/</sup> Authorized directors were Mr. Suredpon Jungrungruangkit or Miss Sineemas Sotpiparpnukul, or Mrs. Kittima Imprasert. The joint signature of any two out of total three authorized directors with the Company seal affixed represented the authorized Company signatory.

<sup>3/</sup> The representative director of Mr. Suredpon Jungrungruangkit and Mr. Komol Jungrungruangkit

<sup>4/</sup> % Shareholding included that of Mr. Komol Jungrungruangkit, who is Mr. Suredpon Jungrungruangkit's father and the person who act and/or co-act in concert of Mr. Suredpon Jungrungruangkit.

<sup>5/</sup> % Shareholding included Mr. Cherdchai Lelanaphaparn, who is Mr. Suphasetd Lelanaphaparn's father, and Mr. Suphasetd Lelanaphaparn is Mr. Cherdchai Lelanaphaparn's legal age son.

### Company Directors December 31, 2013

List of Directors	Position	Number of BOD Meeting	Number of BOD Meeting Attended
Mr. Suredpon Jungrugruangkit	Chairman	4	4
Mr. Suphasetd Lelanaphaparn	Vice President	4	4
Mrs. Kittima Imprasert	Director	4	4
Mrs. Saowanee Chitsuntisuk	Director	4	4
Mr. Pongsatat Kanchanapisoot	Director	-	-
Miss Sineemas Sotpiparpnukul	Chief Executive Officer	4	4
Prof. Dr. Thammasak Pongpichayamart	Independent Director and Chairman of the Audit Committee member	4	4
Mr. Norawit Suparinayok	Independent Director and Audit Committee member	4	4
Mr. Sakda Sinives	Independent Director and Audit Committee member	4	4

Mr. Pongsatat Kanchanapisoot took office on 13 November 2013, replacing Miss Thiemjai Sasisart



#### Board of Directors of the Subsidiary

List of Directors		Position	Number of BOD Meeting	Number of BOD Meeting Attended
Mr. Suredpon	Jungrugruangkit	Director (authorized signatory)	4	4
Miss Sineemas	Sotpiparpnukul	Director (authorized signatory)	4	4
Mr. Prachak	Buason	Director (authorized signatory)	4	4
Mrs. Wilai	Na Lamphoon	Director (authorized signatory)	4	4
Miss Chompunut	Mitsongkro	Director (authorized signatory)	4	4
Miss Thiemjai	Sasisart	Director	4	3
Miss Kulchulee	Satchawetha	Director	4	4

#### Balance of power for non-executive Directors.

The Board of Company consist of 9 Directors as follows:

- 3 Executive Directors
- 6 Non-executive Directors
- 3 Independent Directors

#### Audit Committee

The Company's Board of Directors and Audit Committee of three Directors, namely.

List of Audit Committee		Position	Number of Audit Committee Meeting	Number of Audit Committee Meeting Attended
Prof.Dr. Thammasak Pongpichayamart		Chairman of the Audit Committee member	4	4
Mr. Sakda	Sinives	Audit Committee member	4	4
Mr. Norawit	Suparinayok	Audit Committee member	4	4

#### Definition and Qualification of Independent Director

Independent Director mean a qualified person who is independent followed with company management and core policy established by Board of Director and complied with The Capital Marketing Supervisory rules as in following clauses

1. Hold share not more than 1(one) percentage of whole shareholder voting rights of limited company, main company, subsidiary, joint company, major shareholder or any other related person.
2. Never been a company director, employee, officer, consultant or any position that receive monthly benefit rate from company. Not involve with company policy or management in main company, subsidiary, joint company, same level of joint company, major shareholder or any other related who have right to control the company limited unless the person had been complete the term for already 2(two) years as a minimum. This excluded independent person who had taken government title or consultant to government organization which may be the major shareholder or an organization that have right to control the registered company.

3. Not a blood related or legal related in accordance to be parent, spouse, fraternity, child, child in law of any management, major shareholder, any authorized person, or prospect who seem to be nominated for main company or subsidiary controlling and authorized person.
4. Not related and never have business related to the main, subsidiary, joint company applicator nor major shareholder, or authorized person of the registered company in according to pose an obstacle for his own independent discretion. Never been a significant shareholder or any authorized person who involved the business of main, subsidiary, or joint company, major shareholder, or authorized person of the company unless the person had been completed the term for already 2(two) years as a minimum.
5. Not and never been company auditor of the main, subsidiary, co joint company, major shareholder, or authorized person of the registered company. Not a significant shareholder or an authorized person of the audit firm which the main, subsidiary, joint company, shareholder or authorized controlling person are registered or listed unless the person had been completed the term for already 2(two) years as a minimum.
6. Not and never been any professional service provider included any legal or financial consultancy who obtain payment higher than two million annual from main, subsidiary, joint company, or any authorized person. Not a significant shareholder or an authorized person of the registered company, nor that audit firm unless had been completed the term for already 2 years as a minimum
7. Not a nominated person by the Board member of registered company, major shareholder. Not a major shareholder himself or any shareholder who has significant related to major shareholder.
8. Not an entrepreneurship the same business which compete the registered company business, subsidiary, joint company. Not a significant shareholder, management, involve board decision. Not a permanent employee or consultant that obtain salary or regular payment from competitive organization or hold more than 1 percent out of whole share right of overall which directly compete to the registered company and subsidiary.
9. No other manner could pose any obstacle for the independent discretion for registered company business.

This charter have been reviewed and agreed in the Board of Director ordinary meeting no. 4/2556 held on November 13, 2013

## Nominate of Directors and Management

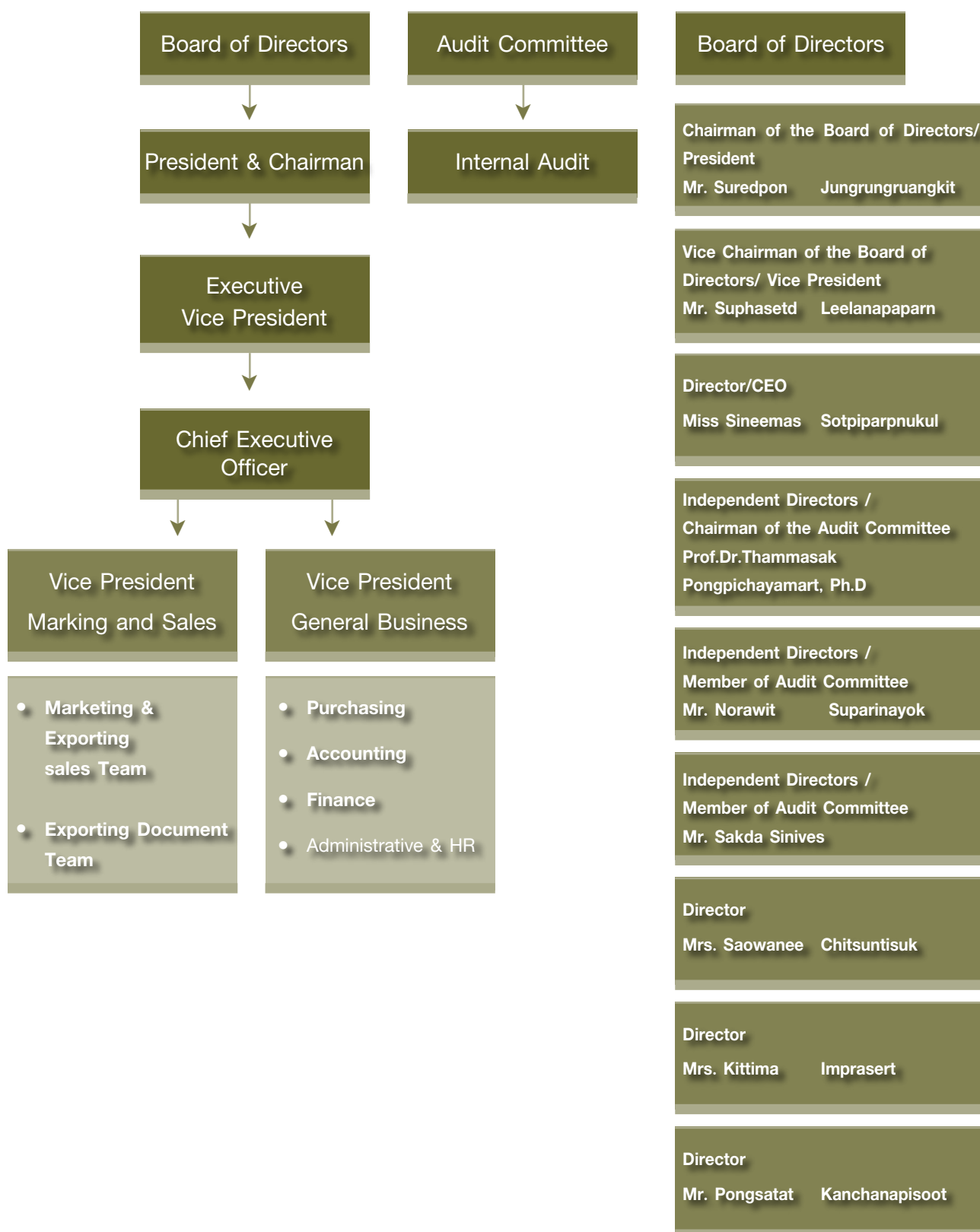
### Nominate of Directors

In every ordinary general meeting of shareholders, at least one-third of the Board of Directors must vacate office. The director vacating the office may be reappointed as directors subject to the consent of the meeting of shareholders. If a new director nominated in accordance with the resolution of the Board of Directors Meeting, such director shall be approved by the meeting of shareholders. One share equals one vote. The shareholders may vote for one or more directors but shall use all votes. The persons with the most vote will be elected as directors in the same number as to be appointed on such occasion.

### Procurement of Top-Level Management

The Company chooses personnel in all levels appropriately to ensure that the Company secures management with professionalism, considered by the Board of Directors.

## Organization Chart & Board of Directors



## Profile of The Board of Directors



**Mr. Suredpon Jungrunruangkit**

Chairman/ President

**Thai National ID Card** : 3100400608034  
**Date of Birth** : 24 February 1983  
**Age** : 30  
**Address** : 22 Soi Supamong 3, Hnongbon, Pravate, Bangkok 10110  
**Shareholding Proportion of Issued**  
**Jungrunruangkit's Family** 32.05%  
**Top Education** : MBA. General Business  
 University of Texas, San Antonio.  
**Work Experience** :  
 2011 - Present Chairman  
 Agripure Holdings Public Company Limited.  
 2005 - Present Construction Manager  
 Summit Pine Hurst Golf Club Limited



**Mr. Suphasetd Leelanaphaparn**

Director / Vice President

**Thai National ID Card** : 3102101145051  
**Date of Birth** : 25 March 1977  
**Age** : 36  
**Address** : 59/353 Moo19 Salathamamasop, thaveewattana Bangkok  
**Shareholding Proportion of Issued**  
**Leelanaphaparn's Family** 0.61%  
**Top Education** : MBA. Finance Golden Gate University USA.  
**Work Experience** :  
 2011 - Present Vice President  
 Agripure Holdings Public Company Limited  
 2008 - Present Director/ General Business  
 - Thailand poly Athilin coating International Limited.  
 - Partnership PE coating Supply





### Miss Sineemas Sotpiparpnukul

Director / Chief Executive Officer

**Thai National ID Card** : 3100902132486

**Date of Birth** : 4 June 1983

**Age** : 30

**Address** : 1327-1329 Sukhumvit Rd., Phrakonong, Wattana, Bangkok.

**Shareholding Proportion of Issued -**

**Top Education** : Master of Business Administration  
University of Texas at San Antonio  
Fordham University New York, USA.,  
Post-Graduated Certificate

**Work Experience** :

2011 - Present Director/Chief Executive Officer  
Agripure Holdings Public Company Limited

2010 - August 2011 IR  
BTS Group Holdings Limited.

2006 - 2007 Accountants and Sales  
Partnership Thong Aek Bangkok



### Prof. Dr. Thammasuk Pongpichayamart

Independent Director-Chairman of the Audit Committee

**Thai National ID Card** : 3100601019133

**Date of Birth** : 4 April 1950

**Age** : 63

**Address** : 91/126 Pattawikorn 2 Ramintra kor mor. 7  
Kannayao, Bangkok 10230

**Shareholding Proportion of Issued -**

**Top Education** : - Ph.D., H.A.U., India  
- Bachelor Wor.Por.Aor. 40 Executive Education programs  
- University of Warwick and The University of  
Oxford Visiting Prof. (NCSU., USA. and M.U. Australia.  
- Master's Kasetsart University

**Work Experience** :

Present Chairman Audit Committee member  
Agripure Holdings Public Company Limited

2009 - Present Committee Commission on Higher Education  
(Kor.Kor.Aor)

2008 - Present Dean of the Institute of Agricultural Technology,  
Walailak University



## Mr. Norawit Suparinayok

Independent Director-Member of Audit Committee

**Thai National ID Card** : 3100901997181  
**Date of Birth** : 22 December 1982  
**Age** : 31  
**Address** : 102/308 Moo 6, Bangrakwattana,  
 Bang Bua Thong Nonthaburi  
**Shareholding Proportion of Issued** -  
**Top Education** : Master of Science Finance majors  
 And financial derivatives.  
 University of Illinois at Urbana-Champaign, U.S.A.  
**Work Experience** :  
 2012 - Present Audit Committee member  
 Agripure Holdings Public Company Limited  
 2017 - Present Senior Dealer Foreign Trade  
 Department of Financial Management  
 Bangkok Bank Public Company Limited.  
 2006 - 2007 Global Markets Operation Officer  
 Deutsche Bank AG Bangkok, Thailand.



## Mr. Sakda Sinives

Independent Director-Member of Audit Committee

**Thai National ID Card** : 3130100400543  
**Date of Birth** : 1 December 1954  
**Age** : 59  
**Address** : 62/3 Moo 3 Soi Watdowruang, Bangpool, Prathumtani.  
**Shareholding Proportion of Issued** -  
**Top Education** : Bachelor's Degree  
**Promotion of Agriculture Graduate**  
 Sukhothai Thammathirat Open University.  
 Master of Science Rural Development.  
 Central Luzon State University, Philippines  
**Work Experience** :  
 2011 - Present Audit Committee member  
 Agripure Holdings Public Company Limited  
 2008 - Present Level QA Specialist, the quality of agricultural products  
 Department of Agricultural Extension

**Mrs. Saowanee Chitsuntisuk**

Director

**Thai National ID Card** : 3100603110936  
**Date of Birth** : 16 March 1960  
**Age** : 53  
**Address** : 3 Soi Chokchai 4 Soi 78 separate 15 Chokchai 4 RD,  
 Ladprao Bangkok, Thailand.

**Shareholding Proportion of Issued -****Top Education** : Bachelor of Accounting Ramkhamhaeng University

**Work Experience** :  
 2011 - Present Director  
 Agripure Holdings Public Company Limited  
 1985 - Present President of Accounting and Finance  
 Summit Footwear Limited

**Mrs. Kittima Impraser**

Director

**Thai National ID Card** : 5140699002168  
**Date of Birth** : 27 August 1973  
**Age** : 40  
**Address** : 101/107 Moo 7 Klong Nueng, Klong Luang Prathumtani 12120

**Shareholding Proportion of Issued -****Top Education** : Bachelor of Accounting  
St. John's University

**Work Experience** :  
 2011 - Present Director  
 Agripure Holdings Public Company Limited  
 2001 - Present Director and Accounting manager  
 Summit Pine Hurst Golf Club Limited

**Mr. Pongsatat Kanchanapisoot**

Independent Director

**Thai National ID Card** : 3119900576164  
**Date of Birth** : 20 January 1983  
**Age** : 30  
**Address** : 153 Amnuaysongkram RD., Dusit, Bangkok, Thailand.

**Shareholding Proportion of Issued -****Top Education** : Master of Science in Finance, 2009.  
University of Illinois at Urbana-Champaign, U.S.A.

**Work Experience** :  
 August 2008 - Present Economist, Petroleum Economics  
 PTT Exploration and Production PCL, Thailand.  
 January 2009 - August 2013 Senior Analyst, Risk Monitoring and Analysis Team  
 Bank of Thailand, Bangkok, Thailand.

## The Management

As of January 31, 2014, the executive and supervising directors of the Company consisted of:

No.	Name	Position	Shareholding Proportion of Issued and Paid up Capital (%) <sup>1/</sup>
1.	Mr. Suredpon Junggrungruangkit <sup>2/</sup>	Chairman	32.05 <sup>3/</sup>
2.	Miss Sineemas Sotpiparpnukul <sup>2/</sup>	Chief executive officer	-

### Notes:

<sup>1/</sup> Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535.

<sup>2/</sup> Authorized directors were Mr. Suredpon Junggrungruangkit or Miss Sineemas Sotpiparpnukul, or Mrs. Kittima Imprasert. The joint signature of any two out of total three authorized directors with the Company seal affixed represented the authorized Company signatory.

<sup>3/</sup> Shareholding proportion included that of Mr. Komol Junggrungruangkit, who is Mr. Suredpon Junggrungruangkit's father and the person who acts and/or co-act for Mr. Suredpon Junggrungruangkit.

<sup>4/</sup> The Company had two managements according to the organization of the Company

## Remuneration of Directors and Executives

### (a) Remuneration in value

List Directors	Position	Remuneration (Baht)			
		Board of Company	Board of Audit Committee	Board of Nomination	Total
Mr. Suredpon Junggrungruangkit	Director / Chairman	120,000.-		-	120,000.-
Mr. Suphasetd Leelanaparn	Director / Vice President	80,000.-		-	80,000.-
Miss Sineemas Sotpiparpnukul	Director / Chief executive officer	80,000.-		-	80,000.-
Prof.Dr. Thammasak Pongpichayamart, Ph.D	Independent Director / Chairman of the Audit Committee		120,000.-	-	120,000.-
Mr. Norawit Suparinayok	Independent Director / Member of Audit Committee		80,000.-	-	80,000.-
Mr. Sakda Sinives	Independent Director / Member of Audit Committee		80,000.-	-	80,000.-
Mrs. Saowanee Chitsuntisuk	Director	80,000.-		-	80,000.-
Mrs. Kittima Imprasert	Director	80,000.-		-	80,000.-
Miss Thiemjai Sasisart	Director	60,000.-		-	60,000.-
Total					780,000.00

### (b) Management Remuneration

With respect to the total management remuneration of the Company and its subsidiaries in 2013, the Company paid remuneration consisting of salary and bonus, to 6 executives, totaling Baht 9.04 Million.

### (2) Other remuneration of Management

#### Provident Fund

The Company has made available to the provident fund with Company contribution of 5% of the salary. In 2013, the Company paid provident fund contribution for 2 executives, totaling Baht 0.31 Million.



---

## Corporate Governance

---

### Corporate Governance Policy

The Board of Directors complies with good executive principles for directors. The registered company and subsidiaries have prepared a plan to support the Board of Directors in complying with the good executive principles for directors of registered companies in accordance with the guidelines of the Exchange by developing knowledge and understanding in the roles and duties of directors. The Board of Directors focuses on internal control and internal audit system and governance of the management to ensure efficient implementation of corporate governance policy for a long term benefits of shareholders under the law and business ethics.

The company is confident that the good corporate governance system and procedures will contribute to success in operating for the best benefits of all stakeholders, including shareholders, employees, partners, creditor banks and customers, adhering to six cores as follows:

- (1) Accountability
- (2) Responsibility
- (3) Fairness and Integrity
- (4) Transparency
- (5) Creation of Long-term Value to all Stakeholders
- (6) Promotion of Best Practices

At the same time, the company's Board of Directors and executives use its best effort in ensuring strict compliance with policies and guidelines for consistency with the spirit of the policy on good corporate governance at all times. You can access the company's good corporate governance policy at website : [www.apureholdings.com](http://www.apureholdings.com)

### Right of Shareholders

The meeting of shareholders shall take in to consideration the rights of all shareholders equally. The Company assigned Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send the notice of meeting and supporting documents for the agenda to the shareholders seven business days prior to the meeting and publish the same on the Company's website in advance prior to sending by post. Each agenda shall contain the opinion of the Board of Directors. The shareholders who cannot attend the meeting may fill in the proxy form authorizing the company's independent director to be their proxy and vote of their behalf. The Company has hereby attached the profile of independent directors. The shareholders are welcome to give opinion and ask questions and the Company will ensure convenience and fairness to all equally.

On 29 April 2013, the Ordinary General Meeting of Shareholders 2013 was held at 2:30 p.m. at Grand Ratchada Room (5<sup>th</sup> Floor), Tharathip Building, Chaophraya Park Hotel, No. 247 Ratchadapisek Road, Dindaeng, Bangkok 10400. There were 99 shareholders and proxies attending the meeting, holding the total of 332,913,484 shares, or 51.25% of the Company's paid up capital, which constitutes a quorum. The Chairman opened the meeting and informed the attendance about the voting method of this meeting and provided details on the agenda. All shareholders have equal rights to vote in the agenda of the meetings and may ask questions and provide opinions and suggestions. The Company prepares minutes of the meetings for traceability and sent the minutes of the Ordinary General Meeting of Shareholders 2013 to the Stock Exchange of Thailand within 14 days from the date of the meeting.

On 26 December 2012, the Extraordinary Meeting of Shareholders No. 1/2012 was held at 2:30 p.m. at Tharathep Room, Tharathep Building, Chaophraya Park Hotel, No. 247 Ratchadapisek Road, Dindaeng, Bangkok 10400. There were 109 shareholders and proxies attending the meeting, holding the total of 287,248,813 shares, or 51.28% of the Company's paid up capital, which constitutes a quorum. The Chairman opened the meeting and informed the attendance about the voting method of this meeting and provided details on the agenda. All shareholders have equal rights to vote in the agenda of the meetings and may ask questions and provide opinions and suggestions. The Company prepares minutes of the meetings for traceability and sent the minutes of the Extraordinary Meeting of Shareholders 2012 to the Stock Exchange of Thailand within 14 days from the date of the meeting.

### **Equality of Shareholders**

All shareholders, whether executive or non-executive, including foreign shareholders, are treated equally and fairly by the Company. The Company creates confidence in all shareholders that the Board of Directors and the Management will ensure suitable use of the shareholders funds, which is an important factor in creating confidence to invest in the Company. The Board of Directors employs preventive measures for use of insider information by directors and executives for their own or other's benefits, which constitutes taking advantage of shareholders as well as sale of securities while the securities are listed. In this regard, the management of the Company and related person must report the shareholding in accordance with the rules and regulations prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

### **Conflicts of Interest**

The Company monitors and prevents conflicts of interest which may occur among the management, Board of Directors or shareholders, which includes prevention of improper use of the Company's property and improper transaction with connected persons. The Company employs the policy which requires internal control, which includes preparation of financial report, proper use of the Company's property and prevention of improper transactions between the Company and its connected persons. Internal and external auditors are assigned to conduct audits and report directly to the Board of Directors.

### **Business Ethics**

The Company has issued the code of conduct regarding policy of good governance for the Board of Directors, the management and employees so that related persons may held it as guidelines for the performance of duties in accordance with the Company's mission with honesty, integrity and fairness and for treatment of the Company and all stakeholders. Monitoring measures and disciplinary actions are also specified and implemented

### **Rights of the Stakeholders**

The Company values the rights of the stakeholders, including shareholders, employees, partners, investors, creditors, banks granting loans, the community in which the Company is located, and customers. The Company strictly complies with its policy on good corporate governance and code of conduct to be in line with the spirit of the policy on good corporate governance at all times. The guidelines on treatment of stakeholders can be summarized as follows:

Stakeholders	Guidelines and Strategy for Treatment of Stakeholders
Customers	Produce high quality products and provide excellent service to satisfy the needs of related customers and organizations.
Employees	Develop knowledge of and fairly treat employees in accordance with the human rights principles, and provide security.
Partners	Comply with honest and fair trade principles.
Business Partners	Pay appropriate and fair return.
Community	Operate the business fairly, support activities for the society and surrounding community.
Shareholders	Operate the business in accordance with good corporate governance principles for the highest benefits and return.
Co-investors	Treat co-investors fairly.
Creditors	Treat creditors with equality, fairness, transparency in accordance with the conditions and agreements.
Government Agencies	Support activities of government agencies and provide academic contribution.
Mass media	Disclose information transparently, accurately and promptly.
Civil society and academics	Listen to other's opinion, jointly operate a sustainable business together with developing the community and society.
Competitors	Treat competitors fairly in accordance with fair trade principles.

### Disclosure of Information and Transparency

The Company focuses on disclosure of information as it affects the decision of investors and stakeholders. In this regard, it is necessary to establish control and measures for disclosure of information, both financial and non-financial in accordance with the law with sufficient content and liability in a timely manner, both in Thai and in English. Information is disclosed through the SET COMMUNITY PORTAL of the Exchange. The Company strictly adheres to the law, rules, and regulations specified by the Office of the Securities and Exchange Commission and other government agencies and monitor any amendments to ensure that the laws, rules and regulations complied by the Company are accurate. This guarantees the confidence of the shareholders in the transparency of our business operation. The Company observes the following in disclosing its information:

1. Disclose financial and non-financial information accurately and completely in a timely manner.
2. Prepare a report on responsibility of the Board of Directors toward financial reports and present the same in the annual report.
3. Cause the directors and the management to prepare and submit their respective report on their own shareholding and shareholding of their spouse and minor child in accordance with the form specified in the regulation on report of shareholding, and send a copy to the Company on the same day the report is sent to the Office of the SEC and the Exchange within the following time limit:
  - First report on shareholding (Form 59-1) within 30 days from the closing date of the public offering or the date of appointment as an executive.
  - Report on change in shareholding (Form 59-2) each time there is a sale, purchase or transfer of securities, within three business days from the date of such sale, purchase or transfer.
  - The directors and executives shall send a report on interest to the Company's secretary and the secretary shall send a copy of such report to the Chairman and the Chairman of the Audit Committee within seven days from the date on which the report is received.

## Board of Directors responsibility

Board of Directors are top authorized to desire business guidelines and controlling policy. Board of Director is a represent and good instance in company management. All directors shall demonstrate the outstanding of leadership skill to supervise management team to achieve business target as core value effectively by increasing the investment value for shareholders, and stakeholders. Board of Directors will altogether with management team to define company Vision, Mission, Roll, Strategy, Financial target, Recklessness, Business plan, Budget, and also supervise management team in according to execute follow the plan for the best result. Meanwhile, Board of Directors take fully responsible for company on ethics and legal concerned to company business and stakeholders by utmost performing with their professional skill, knowledge, expertise, vigilance and independent opinion.

Board of Directors establish Corporate Governance Policy in written document and review it annually.

Board of Director shall be vigilant considerate conflicts of interest related to conflict of interest and provide clear solution to achieve company and shareholder benefit at highest efficiency. Related person to the conflict and conflict of interest have no right to involve in consideration process. Board of Director shall supervise the correct considerate solution, processing, and declaration. The independent discreet execution to obtain shareholders confident for the most effective management shall be performed.

Board of Directors reveal appropriated person and appoint them as new directors or replacement in the shareholder meeting or in among directors or can organize committee particularly.

Board of Directors are fully dedicate their time and attention to company business and always ready to participate company meeting. The absence more than 3 times continuously without a reasonable cause is considered as not a Board member anymore.

---

## Scope for Board of Directors Duties

---

- Board of Directors has responsibility of performing their duties compliance with the law, purpose, company rules, and resolutions concluded from shareholder meeting.
- Board of Directors are forbidden to enroll as shareholder or any invest as a part to any other juristic person that hold the same business type or being a competitor with the company, unless the shareholder assignment in the meeting.
- Board of Directors shall immediately inform to company if any direct or indirect conflict of interest concern by any agreement with company, shareholders or any debenture up or down.
- Board of Directors conduct meeting minimum once in three months. The meeting shall be conducted at main branch office, nearest province or any other place assigned by Chairman of the Board.

Board of Directors enhanced company Code of Conduct and Business Ethic practice in written document to share with Directors, Management, and employees to ensure their understanding of company ethical standard that used in the business processing. Board of Director persuade and trace for the execution result in all level seriously.

- Board of Directors established the Financial Controlling system and report to align with rules and policy set. Independent person from mention system shall be assigned to conduct the audit minimum once a year.
- Board of Directors establish Risk Management Policy cover over all and performed and report for result and progress to Board of Directors by management team. This performance shall be evaluated at least once a year, and at each risky rate change which concluded the pre alert and any other odd.

- Board of Directors who involve in the case will have no right to vote or participate the meeting.
- Two Directors sign and seal with company stamp.

### Duty for Board of Directors Company & Subsidiary

Board of Directors are directly responsible to make decision for important policy and strategy, ensure the management driven the business by announce policy and strategy to obtain utmost benefit to shareholders unless it regulated by law that need an approval from shareholder meeting resolution before execution.

### Scope of Authority of the Chief Executive Officer (CEO)

The scope of authority of the CEO of the Company and River Kwai is as follows:

The CEO has the duty to operate the business in accordance with the authorization granted by the Company and its subsidiaries with respect to approval of budget for investment and operating expenses, purchase of fixed assets and other operation in accordance with the limit specified in the power of attorney, subject to consent of the Board of Directors of the Company and its subsidiaries with participation by independent directors in the consideration. However, such authorization does not include that in which the attorney can approve transactions which the attorney may hold interest in or which may result in other type of conflicts of interest with the Company or subsidiaries.

---

## Corporate Social Responsibilities (CSR)

---

### Overall Policy

The Company's Board of Directors has the policy to operate the business of the subsidiaries with responsibility to society, the environment and stakeholders in accordance with the "8 principles" prepared by the Stock Exchange of Thailand, as follows:

### Vision

The Company is committed to becoming a strong company in the agricultural industry, with focus on manufacturing products of high-quality and excellent service to satisfy the needs of customers and relevant organizations.

### Duty

- Provide high quality goods and services;
- Satisfy the needs of customers in terms of quality, transport and communication;
- Adhere to responsibility to society and the environment.

### Mission

- Satisfy the need of customers and relevant organizations, by focusing on continuous development of the manufacturing process in order to provide good-quality sweet corn products and reduce manufacturing cost, and seeking source of excellent raw materials for customers.
- Commit to providing excellent services to customers, adhering to corporate social responsibility principles in order to create employee satisfaction and provide assistance to society.



## Operation of Business of the Company

The Company's business comprises two main categories, as follows:

1. Processed corn products, manufactured and sold using preservation method by heat sterilization, packed in cans and vacuum packs, operated by River Kwai
2. Fresh vegetables and fruit, comprising of residue-controlled products and organic products, operated by Agrifresh

The Company has determined its corporate social responsibility policy to be in line with its good corporate governance policy of the Company and its Board of Directors, as follows:

## Fair Business Operation Policy

The Company implements a fair business operation policy for fairness to its consumers, raw material suppliers and employees by

1. Providing quality, safe and legal products to consumers;
2. Paying fair price for raw materials to the supplier;
3. Ensuring appropriate and legal income and benefits to the employees and focusing on continuous development of employees' quality of life.

## Anti-Corruption Policy

The Company does not tolerate any kind of corruption. The employees shall perform their duties with honesty and integrity toward the Company and shall not accept any gift/property for personal benefits arising from their position in the Company.

The Company implements training plans and instill ethics in accordance with the nature of work, provides channel for lodging complaints and implements measures to protect the whistleblowers.

The main business of the Company is to be a manufacturer of good products made from vegetables and fruits for export and domestic sale. The Company constantly develops its marketing strategies and production using new technology. Therefore, the Company needs to maintain its professionalism, liquidity and independence. In order to maintain such quality, the employees shall comply with the following:

1. Perform their duties with responsibility for the best interest of the Company such as
  - (a) Devote their full time and attention to the Company's work;
  - (b) Refrain from performing work in other organization or establishment or being a principle in any partnership, company or person concurrently with performance of the Company's work;
  - (c) Try to improve the efficiency of work consistently.
2. Perform their duties in integrity and fairness, avoiding any action which may cause suspicion regarding integrity and fairness:
  - (a) Do not exercise their authority or let others exercise their authority, directly or indirectly, for their own or others' benefits;
  - (b) Ensure that they or their families do not give or accept items, money or other benefits from other persons whose duty or business is related to the Company, except in customary occasion or festival. In this regard, such item or money, or otherwise shall not be of unreasonable value. Furthermore, information or news which is material to the change of share price of Agripure which has not been disclosed to the public shall not be used for their own benefits. Employees shall not accept entertainment in unreasonable amount from other persons whose business is related to the Company's work.

- (c) Keep the Company's secrets confidential by preventing any confidential documents or information from being disclosed to or obtained by unrelated person, which may cause damage to the Company. This includes not granting confidential documents or information to third parties unless a consent has been given by the Company.
- (d) Take caution in providing opinions to third parties regarding matters which may affect the Company's reputation and operation.
- (e) Use and maintain the Company's property for the best benefits and do not use the same for their own benefits. Do not use the Company's location, invention or symbol for their own benefit. Maintain the cleanliness and order of the workplace and factory.

## Social Equality Policy

All employees of the Company is equal in terms of wage and other benefits subject to consideration condition of the Company such as promotion, training and education opportunities.

The Company does not discriminate against race, religion, gender and disability and such are not taken into consideration when considering an employee's behavior.

## Female Rights Policy

The Company provides equal wage and remuneration for the same nature of work regardless of gender. Female employees receive the following additional rights:

No termination for reason of pregnancy;

Maternity leave of not exceeding 90 days, 45 of which are paid leave;

A pregnant employee must inform the Company of their pregnancy so that the Company may change their role temporarily as appropriate.

## Labour Responsibility Policy

The Company is committed to improving the standard of labour of the Company, including quality of life of the employees which includes better working environment, security, health and fair treatment in accordance with the law, as follows:

1. Support and encourage compliance with applicable laws;
2. The Company will not act or support any act which is in violation of the laws and encourage consistent improvement;
3. The Company will communicate to all levels of employees all relevant policies, work regulations and laws.

## Policy on Respect of Freedom of Association and Negotiation Rights

All employees of the Company are equal in terms of the following:

1. Employees are entitled to participate in or establish a labour union they chose and are entitled to participate in negotiations.
2. The Company accepts the activities of the unions, including activities of other organizations which such unit participates in the establishment or is a member.
3. There is no discrimination against employee representatives, who may perform their duties as the employee representative in the Company's premise.
4. The Company will facilitate the meeting of associations of relevant business as appropriate and reasonable.

## Corporate Social Responsibility Policy

The Company acknowledges the importance of supporting activities for the benefits of surrounding society and community. Apart from providing service to satisfy the needs of customers, the Company also values the best benefits for the whole society.

The Company is committed to holding the following social and communal activities:

1. Give donation in religious ceremonies regularly;
2. Support activities of relevant government and private agencies;
3. Donate money and provide assistance to schools and foundations as appropriate;
4. Campaign about global warming;
5. Campaign about forestation projects in honor of HM King;
6. Support, encourage and participate in sports within and outside the organization;
7. Participate in activities which are beneficial to society.

## Environment Policy

The Company operates the business of producing canned sweet corn and sweet corn in vacuum pack for export. The Company is responsible to the environment and society and is committed to developing and operating effective environment management system, as follows:

1. Conduct activities under the environmental law;
2. Use energy and natural resources most efficiently;
3. Avoid and reduce activities which create pollution from production process;
4. Reuse resources;
5. Instill and create awareness of all employees in the importance of the environment and preventing acts which have impact of the environment.

## Policy of Prevention and Solution of Substance Abuse in the Establishment

The government has the policy to combat and solve narcosis problems so that laborers throughout the nation and their families have good health and quality of life and in order to prevent and solve substance abuse problems in the establishment which affect the economy and society of the nation.

The Company wishes to conduct projects to combat substance abuse in establishment by implementing the policy on prevention and solution of substance abuse in establishment, as follows:

1. All levels of supervisors shall act as good role models and provide consultancy, advice and assistance for employees with substance problems as well as provide treatment and rehabilitation so that the employee has better lifestyle and health.
2. All employees have the role and part in campaigning against and solving substance abuse problem of the Company by together monitor the premise within and outside the Company to spot any illegal act or persons with suspicious behaviors and promptly inform the officer, administrative officer or the police.
3. All employees shall give cooperation during the Company's random search for substance. If any substance is found, a warning is given and the employee will be sent for treatment.
4. The Company is pleased to cooperate with the public sector in providing news and information on behaviors of those involved in substance abuse.

## Occupational Safety, Health and Environment

The Company values the lives and health of all employees. Therefore, it is appropriate to implement activities concerning occupational safety, health and environment together with normal duties of employees, as follows:

1. Promote improvement of safety of the working condition and environment;
2. Promote and support safety activities which will create awareness of employees regarding occupational safety, which is a mission that all levels of employees are responsible for. All levels of supervisors shall act as good role models and leads in the training, teaching and encouraging employees to perform work safely.
3. Cause appraisal on compliance with relevant policies.

### Safety Motto

Good working system, with standards. Attentive executives, disciplined employees. No accidents.

Since 2011, the Company has implemented the corporate social responsibility policy as the tools for determining necessary strategies in all processes of the business operation. The Company values its stakeholders, the economy, society and the environment with ethics, morality, integrity, transparency and fairness. It is fully aware of impact to the economy, society and the environment and is always prepared to make corrections in order to reduce such impact. The Company constantly increases its competitiveness, which will truly be beneficial to the sustainability of the business, stakeholders, the economy, society and the environment.

The Company's stakeholders are not the shareholders only but include employees, communities and societies in which the Company and its factories and subsidiaries are located, the government, or any person related to the business and who may have impact on or be affected by the business. Therefore, the Company has enabled to following channels for receiving information from stakeholders:

1. Meetings;
2. Survey of satisfaction and suggestions;
3. Accepting complaints;
4. Discussion forum;
5. Visits;
6. Whistleblowers

### Summary of Guidelines and Strategies for Treatment of Stakeholders

Stakeholders	Guidelines and Strategy for Treatment of Stakeholders
Customers	Produce high quality products and provide excellent service to satisfy the needs of related customers and organizations.
Employees	Develop knowledge of and fairly treat employees in accordance with the human rights principles, and provide security.
Partners	Comply with honest and fair trade principles.
Business Partners	Pay appropriate and fair return.
Community	Operate the business fairly, support activities for the society and surrounding community.
Shareholders	Operate the business in accordance with good corporate governance principles for the highest benefits and return.
Co-investors	Treat co-investors fairly.

Stakeholders	Guidelines and Strategy for Treatment of Stakeholders
Creditors	Treat creditors with equality, fairness, transparency in accordance with the conditions and agreements.
Government Agencies	Support activities of government agencies and provide academic contribution.
Mass media	Disclose information transparently, accurately and promptly.
Civil society and academics	Listen to other's opinion, jointly operate a sustainable business together with developing the community and society.
Competitors	Treat competitors fairly in accordance with fair trade principles.

## Development of Community and Society

The Company contributes in promoting the strength of the community and society surround the factory and engagement with different sectors such as the government, local administrative organizations, civil society, and other relevant private organizations, with the following details:

1. Survey and inspect the community and society surrounding the factories, close or far away, to determine any negative impact from the operation of the factories in order to consider any change or adjustment to the operation to prevent the impact and damage to surrounding community.
2. Donate money and hold religious activities on different occasions such as Thod Kathin Ceremony at Wat Tha Nam Tuen, Tambon Kaengsian, Amphoe Muang, Kanchanaburi Province;
3. Support activities on children's day at Kaengsian Municipality, Wat Tha Nam Tuen School, Ban Thung Kang Yang School, Bang Lum Pheng School, Wat Sri Upalaram School and Ban Phu Liab School, etc.
4. Support activities of Dan Makhamtia Police Station in Amphoe Dan Makhamtia, Kanchanaburi Province in holding Bao V Concert against Drugs;
5. Support golf tournament for charity of the 9th Infantry Division, Surasi Camp, Tambon Ladya, Amphoe Muang, Kanchanaburi Province
6. Support activities on Occupational Safety Day and Labour Day in Kanchanaburi.

## Additional Guidelines on Prevention of Engagement in Corruption

In working together, it is necessary to have work regulations in order for occupational order and safety, with no obstacles or confusion. Therefore, the Company has implemented the following work regulations which shall be strictly observed by all employees.

### 1. Work rules and regulations

Work regulations consist of work disciplines, safety disciplines, and other behavioral disciplines.

#### Work disciplines

- 1.1 Employees shall strictly observe the Company's rules and regulations.
- 1.2 Employees shall not abandon their duties, be absent from work without reason, regularly take leave or frequently come to work late, sleep during working hours, fool around, or leave the workplace during working hours without approval from the supervisor.
- 1.3 Employees in the level lower than section head shall record their time every time they arrive and leave work. No employee shall record the time for another employee or make strikes, deletion, addition to their own or others' clock card, which is considered a misconduct.



- 1.4 Employees who clock in for another employee will be subject to disciplinary action together with the card owner.
  - 1.5 Employees who frequently come to work late will be considered irresponsible and unsuitable for work.
  - 1.6 Employee shall be interested in learning and complying with all orders or regulations and notifications of the Company and may not use ignorance as an excuse.
  - 1.7 Employees pay attention to the work they do and report to the supervisor upon occurrence of any event which may cause damage to the property, products or reputation of the Company.
  - 1.8 Employees must dress politely or in accordance with the uniform specified by the Company.
  - 1.9 Employees must present their employee card and/or allow the Company's security officer to search them or their property prior to entering-leaving the Company upon request.
  - 1.10 Employees shall not lie down or sleep during normal working hours or during the hours assigned to work on normal working days or other days within the workplace.
  - 1.11 Supervisory-level employees must monitor and oversee performance of their subordinates as well as their working hours.
  - 1.12 Employees shall dedicate their time to the Company apart from normal working hours due to necessity and reasons with respect to their responsible work and help assist in special task until its success.
  - 1.13 Employees shall strictly follow the personal hygiene requirements (good manufacturing practice).
  - 1.14 Employees shall maintain the tools and equipment in good and organized conditions in accordance with the necessity or their duties and shall not neglect such maintenance which may cause untimely deterioration of machinery and equipment.
  - 1.15 The rules, regulations, and orders applicable specifically to any division or unit shall be deemed an integral part of these work regulations.
  - 1.16 Any matters not specified in these regulations shall be in accordance with the labour protection law or custom.
- Behavioral Disciplines
- 1.17 Employees shall not use the Company's time to operate their private business or use the time outside normal working hours to operate a business with other persons who manages the business or benefits of the Company unless a prior approval has been given by the Company or a person designated by the Company, as the case may be.
  - 1.18 Employees shall not intentionally or negligently take action which causes damage to the Company's property, reputation or otherwise.
  - 1.19 Employees shall not do private works during working hours.
  - 1.20 Employees shall not commit a misconduct against the Company.
  - 1.21 Employees shall not request, accept or agree to receive money, property or any other benefits from other persons for their own or others' benefits in the way which cause unfairness in the duty or responsibility.
  - 1.22 Employees shall not create noise or loudness without reason, in a way which causes disturbance, fright, interruption or disorder to other persons.
  - 1.23 Employees shall maintain the Company's reputation by refraining from all types of gambling, consuming alcohol during or before working hours and bringing illegal objects in to the premises.

- 1.24 Employees shall observe and comply with the orders of their subordinates without displaying any rude, aggressive or stubborn manner toward the supervisor.
- 1.25 Employees shall not use the Company's appliances or other property for their own or others' benefits without permission from the Company.
- 1.26 Employees shall keep the Company's secrets confidential. Any activities not permitted by the supervisor to be disclose are considered secret. Violation thereof is considered gross misconduct.
- 1.27 Employees shall facilitates those who contact the Company.
- 1.28 Employees shall work with integrity toward the Company and shall not accept gifts for their own benefits arising from their position.
- 1.29 Employees shall not post, delete, strike off, alter, or change the content or move the documents, orders, or regulations of the Company without permission.
- 1.30 Employees shall cooperate with the Company in the investigation of any matter as required by the Company with honesty and shall not help, support, influence, connive or ignore misconduct of another employee or third parties.
- 1.31 Employees shall protect the Company's interest and shall not take any action which is conflicted with the Company's interest, whether directly or indirectly.
- 1.32 Employees shall not convince, encourage, support, induce, imitate, act impolitely or take any action which cause disunity and disagreement and shall not start a rumor or spread abusive news about other employees or in order to create enmity against the Company.
- 1.33 Employees shall not take photographs in the Company's premises without prior approval of authorized persons.
- 1.34 Employees shall not report, notify or present false information or documents to the supervisors.
- 1.35 Employees shall not interfere with or take any action which interferes with the work of the person authorized by the Company.
- 1.36 Employees shall not use the Company's premises to hold activities or meetings not related to the Company's work or activities without permission from the Company.
- 1.37 Employees shall not act in violation of the disciplines or customs of the Company.
- 1.38 Employees shall perform their duties with honesty, diligence and full ability without sabotaging or intentionally causing damage to the Company and other employees.
- 1.39 Employees shall not behave badly, offensively, unruly or irresponsibly or otherwise, which is considered against the order or good moral of the public.
- 1.40 Do not gamble or engage in a gambling or share, provide loan or sell or offer for sell any object for themselves or others or raise funds within the Company's premises. Do not cause fights and bad reputation to the Company.
- 1.41 Do not become insolvent.
- 1.42 Do not change, forge, edit, cut or destroy documents of the Company or relevant documents between the employees and the Company.
- 1.43 Do not take tools, appliances, equipment or other property of the Company for their own or others' improper benefits.

- 1.44 Employees shall not ruin, damage, or misplace tools, appliances, equipment or any other property of the Company.
- 1.45 Employees shall keep the workplace or factories clean and orderly.

**Safety disciplines**

- 1.46 Employees shall remain in their responsible position and do not enter an area unrelated to them unless permission is granted. Do not perform work beyond their duties and responsibilities without permission from the supervisor.
- 1.47 Do not fight, injure one another or the supervisors or other persons. Do not threaten or use bad language against other persons within the Company's premises or a location under the Company's responsibility, or during an activity or event of the Company, including actions outside of such locations in the way which ruins the Company's reputation or image.
- 1.48 Do not bring weapons, explosives or substance into the Company's premises. Do not allow unauthorized persons in the Company's premises.
- 1.49 Employees shall strictly comply with the occupational safety and hygiene rules as specified in the human resource management regulations.
- 1.50 Employees shall cooperate in preventing and providing assistance in case of fire, theft or other disasters which cause loss of the Company's property.
- 1.51 Employees shall only smoke in the designated area.

---

## Internal control and risk management.

---

Internal control and risk management of the company.

**Purpose**

Internal Audit mission is an independent work to develop and increase company efficiency and effectiveness by the reliable and punctual financial report and comply with company policy, rule, related law which are good factor to influence company management target achievement respectively.

**Potency Scope**

Internal audit director and auditor have potency as following items

- Unlimited access right through all activities, data, asset, and individual.
- Full right and independently contact and report to Audit Committee.
- Right to allocate resources, frequency defining, subject selection, scope the work, and sourcing for new technology and bring it in use as necessary to ensure the audit target achievement.
- Right to request necessary help from audit firm included service from both internal and external experts.

So that, all level of employees shall be all out cooperated, and present auditor completed information to support the company auditing target.

**Rolls**

Internal auditing roll have been separated independently from all other working rolls in the company and directly report to Audit Committee. Internal audit team roll is one of Audit Committee appliance to keep track the good management and company overall business.

Internal audit included inspection, analysis, sufficiency evaluation, effectiveness of internal system, and quality assessment of assigned task which concluded bellowing list

- Evaluation the effectiveness of assigned task in auditee unit.
- Review whether internal working system comply with company policy, rule, related law to ensure that with its systems, business could be bring to the purpose and align defined policy.
- Review financial report and data reliability.
- Evaluate asset security and maintain system from any lost and corruption.
- Analyze and evaluate the target achievement by appropriated resource management system.
- Report an important matter affect to working procedure, company activity controlling, and suggest recommended procedure which most possibly can develop system.

## **Responsibility**

Internal audit Director and auditor have responsibilities as following items

- Develop annual appropriated and flexible audit plan and present to Audit Committee for review and approval.
- Implement an audit follow approved plan.
- Maintain expert knowledge, skills, and experiences for the audit target achievement.
- Provide consultancy for management to achieve defined purposes.
- Evaluated new designed activity and working procedure as to be the suitable pattern and align with company policy.
- Provide audit report present quarterly audit result to Audit Committee and management team.
- Consider the auditor scope of work whether appropriated to company risky, and also evaluated the compliance of 'auditing with internal evaluation system to avoid the duplication and effectiveness.

This charter have passed the first reviewing and announced its execution and effective date from November 13, 2013 onward.

The Board assessed the internal control system from the report on assessment result of the Audit Committee. It can be concluded that from the assessment of the Company's internal control in five respects namely: internal control, risk assessment, work performance control, IT and communication system and monitoring system. The Board finds that the Company has adequate internal control system with respect to transaction with major shareholders, directors, executives or persons related those persons (under clause 10.1-10.4 and clause 12.1-12.4 of the assessment form). The Board also finds that the Company has adequate control in other respects.

With respect to internal control for the aspects above, the independent directors or audit directors have no additional remarks.

The Company's auditor is Miss Kannika Wipanutrat, Karin Audit Company Limited who audited the financial statements for each quarter and for the year 2013, did not provided opinions on the auditor's report regarding any defect in the internal control system.

The Audit Committee supervises the Company's operation, with the Company's secretary as the coordinator and the audit officers as the responsible offers for monitoring and overseeing the operation of the Company and subsidiaries to ensure that the property of the Company and the subsidiaries are protected from improper or unauthorized use by directors or the management. They reports directly to the Audit Committee.

The internal audit officer who is assigned by the business is Miss Janejira Thepsuthin, whose profile is attached hereto.

In this regard, the Board of Directors has the duty to appoint, remove and change the internal auditor.

## Connected Transactions

Related business means business or person with controlling power or which is controlled, directly or indirectly, who acts through a holding company, subsidiary or affiliated company. Related business also includes associated companies and persons who are substantially influential to the business, directly or indirectly, key management who are directors or employees of the business, or close family members of such persons who may influence or be influenced to comply with such person or business related to the persons mentioned above.

- (1) Agri Fresh Company Limited, which is the subsidiary and indirectly held by the Company, agreed to proceed the connected transaction with Mr.Suredpon Jungrungruangkit. The Company borrowed Baht 10 million from Mr.Suredpon Jungrungruangkit. The details of the connected transaction is as follows:

Items	Details
Type of Transaction	Receive financial support
The Date of Transaction	July 1, 2012
Borrower	AgriFresh Company Limited
Lender	Mr. Suredpon Jungrungruangkit
Relationship	Mr. Suredpon is entitled to the chairman of the board of directors of the Company and hold 21.07% of the paid up capital
Total Credit Line	Baht 10,000,000
Actual Borrowing Amount	Baht 10,000,000 (information as of November 21, 2012)
Term of Loan	12 months
Interest Rate	6.25% per year
Value of Compensation	Interest expense must be paid by Baht 625,000.
The Opinion of the Audit Committee	The borrowing would be rationale as the interest rate was appropriate, which has not been more than the interest rate of the leading bank. It was lower than the market rate, and was the minimum interest rate that the subsidiary borrowed money from the leading bank. Therefore, the Company received benefit from such interest rate from this borrowing.
The Opinion of the Board of Directors of the Company	Same opinion with the audit committee

However, on August 22, 2013 the loan payment was completed.

- (2) River Kwai International Food Industry Company Limited, the subsidiary of the Company has the connected transaction with the related person, Mr. Komol Jungrungruangkit. The board of directors of the Company had resolution to receive financial support from Mr. Komol by 2 transaction. The details of the connected transaction of three items are as follows;



Items	Details		
Type of Transaction	Receive financial support		
Borrower	River Kwai International Food Industry Company Limited (hereafter named “RKI”)		
Lender	Mr. Komol Jungrungrangkit		
Relationship	Mr. Komol is the father of Mr. Suredpon Jungrungrangkit		
	Transaction 1	Transaction 2	
The Date of Transaction	August 14, 2013	October 1, 2013	
Total Credit Line (Baht)	47,000,000	110,000,000	
Actual Borrowing Amount (Baht)	47,000,000	110,000,000	
Term of Loan (Months)	12	12	
Interest Rate (% per annum)	6.25	6.25	
Value of Compensation (Baht) (Interest expense must be paid)	2,937,500	6,875,000	
Total Value of Compensation (Baht)	9,812,500		
The Opinion of the Audit Committee	The borrowing would be rationale as the interest rate was appropriate, which has not been more than the interest rate of the leading bank. It was lower than the market rate, and was the minimum interest rate that the subsidiary borrowed money from the leading bank. Therefore, the Company received benefit from such interest rate from this borrowing.		
The Opinion of the Board of Directors of the Company	Same opinion with the audit committee		

- (3) River Kwai International Food Industry Company Limited, the subsidiary of the Company has the connected transaction with Mr. Komol by hiring him as the consultant. The details of the connected transaction is as follows;

Items	Details
Type of Transaction	Receive service from the connected person
The Date of Transaction	January 1, 2013
Hirer	RKI
Consultant	Mr. Komol Jungrungrangkit
Nature of Transaction	Mr. Komol is consultant to RKI regarding managing on factory and general administration
Relationship	Mr. Komol is the father of Mr. Suredpon Jungrungrangkit
Term	1 year (from January 1 - December 31, 2013)
Value of Compensation	Baht 50,000 per month (totally Baht 600,000)
The Opinion of the Audit Committee	Mr. Komol has capability in management and is specialized in industrial factory. It deemed to appointed Mr. Komol as the consultant to RKI
The Opinion of the Board of Directors of the Company	Same opinion with the audit committee

- (4) The Company had the connected transaction with the person clause 258 of Mr. Komol, which the Company rented the office from the Ruamjaipattana Foundation. The details of the connected transaction is as follows;

Items	Details
Type of Transaction	To rent the office of the building of the Ruamjaipattana Foundation located at 70 Moo 6, Phahonyotin Road, Tabul Kongnung Ampur Konglong, Pathumtani
The Date of Transaction	September 1, 2011
Leasee	AgriPure Holdings Public Company Limited
Leaser	The Ruamjaipattana Foundation
Nature of Transaction	Leasee and Leaser agreed on the rental agreement of the office including air condition and facilities in the building of the Ruamjaipattana Foundation, with the total area 180 square meter at monthly rent of Baht 27,000 (Average Baht 150 per square meter)
Relationship	Mr. Komol is the founder and the chairman of the Ruamjaipattana Foundation.
Term of Lease	3 years
Value of Compensation	Baht 972,000 (Average Baht 324,000 per year)

- (5) The subsidiary of the Company had the connected transaction with the person clause 258 of Mr. Komol, which the Company rented the vehicles from Mr. Komol and the companies held more than 30% shares by Mr. Komol (either directly or indirectly) of the paid up capital of such companies. The details of the connected transaction is as follows;

Items	Details
Type of Transaction	Normal supporting business
The Date of Transaction	January 1, 2012
Leasee	RKI
Leaser	(1) Summit Pinehurst Golf Club Company Limited ("SPGC") (2) Summit Footwear Company Limited ("SF") (3) Summit Starhome Company Limited ("SSH") (4) Summit Housing Company Limited ("SH") (5) Mr. Komol Jungrungrangkit
Nature of Transaction	Mr. Komol and the person in clause 258 of Mr. Komol granted RKI to lease the following vehicles. (1) SPGC Hiab Number 1 car (2) SF Crane Number 1 car (3) SSH Trailer Number 1 car (4) SH 10 wheels Truck Number 1 car (5) Mr. Komol Tractor Number 1 car Backhoe Number 1 car Forklift Number 1 car Farming Truck Number 2 cars
Relationship	1. Mr. Komol is the father of Mr. Suredpon Jungrungrangkit 2. Mr. Komol held shares more than 30% of the paid up capital of SPGC, SF, SSH, and SH (either directly or indirectly)
Term of Lease	Started from January 1, 2012 onwards. If any party intends to cancel the agreement, such party must inform the other party at least 15 days. Thus, the lease agreement between Mr. Komol and SH expired on June 30, 2012.

Items	Details			
Value of Compensation	(1)	SPGC Hiab Rental Fee Baht	75,000	per month per car
	(2)	SF Crane Rental Fee Baht	150,000	per month per car
	(3)	SSH Trailer Rental Fee Baht	75,000	per month per car
	(4)	SH 10 wheels Truck Rental FeeBaht	75,000	per month per car
	(5)	Mr. Komol Tractor Rental Fee Baht	45,000	per month per car
		Backhoe Rental Fee Baht	135,000	per month per car
		Forklift Rental Fee Baht	16,000	per month per car
		Farming Truck Rental Fee Baht	18,000	per month per car

Thus, the Company and the group of the connected person expects to have the connected transactions with the Company after Mr. Suredpon has more shareholding such as financial support to the Company, lease vehicle, and rent the office. However, Mr. Suredpon will consider the most benefit of the Company as it has the transaction with the third party (Arm's Length Basis), and perform according to the laws, notification, regulation or procedure of the relevant office, which shall be in force with the Company at that time, including principle of good corporate governance. Thus the audit committee of the Company has duty to consider necessity and rationale of the connected transaction in order to enhance transparency of the Company.

Within the next 12 months, the Company will have the significant transaction between the Company and Mr. Suredpon Jungrungrangkit, the person in clause 258 or the related person with Mr. Suredpon Jungrungrangkit as follows:

Items	Details
Type of Transaction	Receive financial support
The Date of Transaction	On October 17, 2012, the board of directors of the Company has resolution to propose the shareholders' meeting to approve the connected transaction, which the extraordinary general meeting no.1/2012 shall be held in December 26, 2012.
Borrower	The Company and the subsidiary of the Company
Lender	Mr. Komol Jungrungrangkit ("Mr. Komol")
Nature of Transaction	The Company requested for the short term and long term financial support of not more than Baht 400,000,000 from Mr. Komol. Such credit line includes the short term credit line for promissory note and loan agreement in no. (1) and (2). Thus, the outstanding balance of loan in no. (1) and (2) of the Company as of December 31, 2013 was Baht 157 million. Therefore, to agree on the financial support, the Company could additionally borrow money of Baht 243 million from Mr. Komol.
Relationship	Mr. Komol is the father of Mr. Suredpon Jungrungrangkit
Total Credit Line	Baht 400,000,000
Term of Loan	5 years
Interest Rate	Not more than MLR of Bangkok Bank Public Company Limited - 0.5%
Value of Compensation	Interest expense must be paid around Baht 130 million.
The Opinion of the Audit Committee	The borrowing would be rationale as the interest rate was appropriate, which has not been more than the interest rate of the leading bank. It was lower than the market rate, and was the minimum interest rate that the subsidiary borrowed money from the leading bank. Therefore, the Company received benefit from such interest rate from this borrowing.

Items	Details
The Opinion of the Board of Directors of the Company	Same opinion with the audit committee
Approval on the Transaction	The Extraordinary General Meeting of Shareholders No. 1/2555 on December 26, 2012 approved the connected transaction regarding financial support of Baht 400 million from Mr. Komol Jungprungreangkit.

- The Policy on the Connected Transaction in the Future

To proceed the connected transaction between the Company and the person in clause 258 or the related person at the present and the future, the Company will perform according to notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Re: criteria, procedure, disclosure on acquisition or disposal on the assets of the listed company, and Re: criteria, procedure, and disclosure on the connected transaction of the listed company. The Company will consider the most benefit of the Company as it has the transaction with the third party (Arm's Length Basis) in order to have transparency, eliminate conflict of interest, and maximize the benefit of the Company and all shareholders. Moreover, the committee including the independent director and the audit committee would give the opinion whether it is rationale. And in case the management has been connected, such management would not have voting right on such agenda. If such transaction is large according to regulation of the Stock Exchange of Thailand, the Company will propose to the board of directors for consideration, and the Company will propose the resolution of the board of directors to the shareholders for consideration. And the Company will appoint the financial advisor to give the opinion on the fair price and rationale of such transaction, and inform the interest persons who have not the right to approve the agenda in the invitation letter.

# REPORT OF CERTIFIED PUBLIC ACCOUNTANT

## To The Shareholders of Agripure Holdings Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Agripure Holdings Public Company Limited and its subsidiaries and of Agripure Holdings Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2013, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

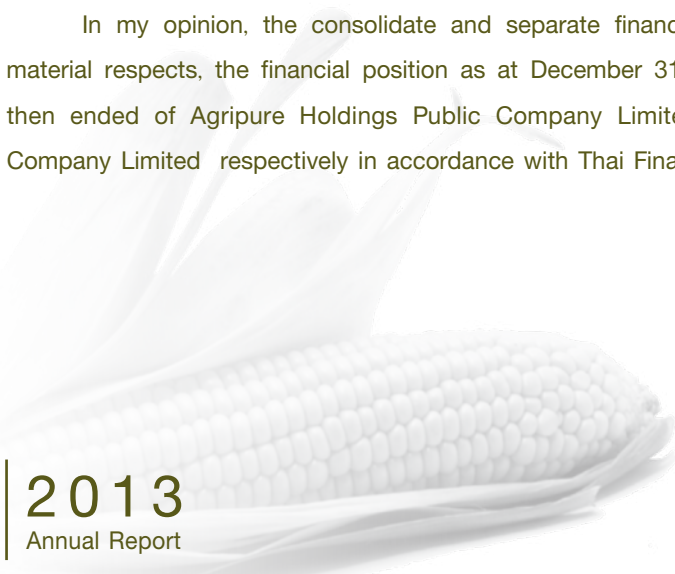
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the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

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 consolidate and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2013, and performance and cash flows for the year then ended of Agripure Holdings Public Company Limited and its subsidiaries and Agripure Holding Public Company Limited respectively in accordance with Thai Financial Reporting Standards.



**Emphasis of Matter**

Without qualifying my opinion, I draw attention to the matters discussed in the notes to the financial statements in notes 5 describing the effect of the Company and its subsidiaries' adoption from January 1, 2013 of certain new accounting policies. The statement of financial position as at December 31, 2012, which are included as comparative information, are components of the audited consolidated and separate financial statements as at and for the year ended December 31, 2012. Furthermore, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2012 which are included as comparative information, have also been adjusted as described in notes 5.



(Ms.Kannika Wiphanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok, Thailand

February 27, 2014



## STATEMENTS OF FINANCIAL POSITION

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### ASSETS

	Note	Baht					
		Consolidated Financial Statements			Separate Financial Statements		
		As at December 31, 2013	As at December 31, 2012 "RESTATED"	As at January 1, 2012 "RESTATED"	As at December 31, 2013	As at December 31, 2012 "AUDITED"	As at January 1, 2012 "AUDITED"
Current Assets							
Cash and cash equivalents		66,927,609	163,597,426	72,745,673	10,370,224	105,692,885	8,908,374
Temporary investments - net	7	20,214,579	12,432,387	49,513	31,918	88,387	49,513
Trade accounts receivable and other accounts receivable - net	8	102,363,063	122,933,925	74,953,808	20,354,235	24,082,507	6,916,885
Accounts receivable - farmer - net	9	6,063,000	5,889,033	5,495,233	-	-	-
Inventories - net	10	152,593,343	238,379,778	138,504,809	-	-	-
Plantation cost - net		321,125	618,320	4,995,454	-	-	-
Other current assets - net	11	19,666,623	17,096,176	12,945,519	2,977	999,448	793,144
Total current assets		368,149,342	560,947,045	309,690,009	30,759,354	130,863,227	16,667,916
Non-Current assets							
Investments in subsidiaries company - net	12	-	-	-	455,399,930	265,999,930	265,999,930
Investments in associates company - net		12	-	-	-	-	-
Long term investment to other - net	13	23,060,081	22,952,776	22,445,274	23,060,081	22,952,776	22,445,274
Property, plant and equipment - net	14	553,333,574	432,055,383	265,102,053	2,512,330	3,870,003	3,452,558
Intangible assets - net	15	1,269,776	711,830	2,179,454	-	-	-
Pledged deposits at financial institutions	16	2,033,994	2,030,000	2,344,000	-	-	-
Deferred tax assets	17	2,467,020	4,196,578	1,447,966	-	-	-
Other non-current assets - net		2,672,621	2,516,531	2,773,186	81,000	181,000	186,000
Total non-current assets		584,837,066	464,463,098	296,291,933	481,053,341	293,003,709	292,083,762
Total assets		952,986,408	1,025,410,143	605,981,942	511,812,695	423,866,936	308,751,678

Notes to financial statements are an integral part of these statements.

**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**LIABILITIES**

	Note	Baht					
		Consolidated Financial Statements			Separate Financial Statements		
		As at December 31, 2013	As at December 31, 2012 "RESTATED"	As at January 1, 2012 "RESTATED"	As at December 31, 2013	As at December 31, 2012 "AUDITED"	As at January 1, 2012 "AUDITED"
Current liabilities							
Bank overdrafts and short-term loans from financial institutions	18	102,518,000	300,409,133	54,454,845	-	100,000,000	8,842
Trade accounts payable and other accounts payable	19	65,071,968	91,076,780	74,652,154	145,846	1,061,507	419,446
Short-term loan from director	6	157,000,000	202,000,000	100,000,000	-	-	-
Liabilities under finance lease - current portion	20	1,210,739	1,396,740	1,756,817	-	-	404,494
Accrued income tax		1,493,257	716,364	2,182,106	-	-	-
Other current liabilities		2,823,686	2,848,739	1,555,872	1,834,421	1,734,833	602,523
Total current liabilities		330,117,650	598,447,756	234,601,794	1,980,267	102,796,340	1,435,305
Non-Current Liabilities							
Liabilities under finance lease - net	20	214,212	1,418,182	3,202,483	-	-	466,436
Deferred tax liabilities	17	-	-	1,896,271	-	-	-
Provision for employees' benefits	21	3,096,090	2,688,782	3,824,295	619,621	550,406	-
Total non-current liabilities		3,310,302	4,106,964	8,923,049	619,621	550,406	466,436
Total liabilities		333,427,952	602,554,720	243,524,843	2,599,888	103,346,746	1,901,741

Notes to financial statements are an integral part of these statements.

## STATEMENTS OF FINANCIAL POSITION (CONT.)

AGRIPIRE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### SHAREHOLDER'S EQUITY

	Note	Baht					
		Consolidated Financial Statements			Separate Financial Statements		
		As at December 31, 2013	As at December 31, 2012 "RESTATED"	As at January 1, 2012 "RESTATED"	As at December 31, 2013	As at December 31, 2012 "AUDITED"	As at January 1, 2012 "AUDITED"
Share capital	22						
Authorized share capital							
560,145,438 ordinary shares, Baht 0.70 par value			392,101,807	392,101,807		392,101,807	392,101,807
672,174,525 ordinary shares, Baht 0.70 par value		470,522,168			470,522,168		
Issued and paid-up share capital							
560,145,438 ordinary shares, Baht 0.70 par value			392,101,807	392,101,807		392,101,807	392,101,807
649,533,951 ordinary shares, Baht 0.70 par value		454,673,766			454,673,766		
Premium on ordinary shares	22	140,411,198	22,574,642	22,574,642	140,411,198	22,574,642	22,574,642
Deficits		(45,952,327)	(63,243,285)	(123,656,308)	(85,895,891)	(94,236,462)	(107,867,841)
Other components of equity							
Revaluation of surplus on land		56,054,838	56,054,838	56,054,838	-	-	-
Unrealized gain on securities - available for sales		23,734	80,203	41,329	23,734	80,203	41,329
Total equity attributable to equity holders of the Company		56,078,572	56,135,041	56,096,167	23,734	80,203	41,329
Total equity of parent company		605,211,209	407,568,205	347,116,308	509,212,807	320,520,190	306,849,937
Non controlling interests		14,347,247	15,287,218	15,340,791	-	-	-
Total shareholders' equity		619,558,456	422,855,423	362,457,099	509,212,807	320,520,190	306,849,937
Total liabilities and shareholders' equity		952,986,408	1,025,410,143	605,981,942	511,812,695	423,866,936	308,751,678

Notes to financial statements are an integral part of these statements.

# STATEMENTS OF COMPREHENSIVE INCOME

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2013	2012	2013	2012
Revenues from sales	30	1,096,130,921	1,120,251,678	-	-
Cost of sales	30	969,683,996	957,755,081	-	-
Gross profit		126,446,925	162,496,597	-	-
Other income		14,859,181	15,515,040	32,811,919	35,518,332
Profit before expenses		141,306,106	178,011,637	32,811,919	35,518,332
Selling expenses		25,992,966	24,110,566	-	-
Administrative expenses		66,825,124	70,165,432	15,925,615	16,398,599
Management benefit expenses	6.2	9,560,000	8,270,036	7,020,000	5,380,000
Other Expenses		-	13,195	-	424
Total expenses		102,378,090	102,559,229	22,945,615	21,779,023
Profit (loss) before finance cost and income tax expenses		38,928,016	75,452,408	9,866,304	13,739,309
Finance cost		15,753,465	16,009,965	1,525,733	107,930
Profit (loss) before income tax expenses		23,174,551	59,442,443	8,340,571	13,631,379
(Income) tax expenses	26	4,323,564	(2,792,007)	-	-
Profit (loss) for the years		18,850,987	62,234,450	8,340,571	13,631,379
<b>Other comprehensive income</b>					
Unrealized gain on securities - available for sales		(56,469)	38,874	(56,469)	38,874
Total comprehensive income (loss) for the years		18,794,518	62,273,324	8,284,102	13,670,253
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		17,290,958	60,413,023	8,340,571	13,631,379
Equity attributable to non-controlling interests		1,560,029	1,821,427	-	-
		18,850,987	62,234,450	8,340,571	13,631,379
<b>Total comprehensive income(loss) attributable to:</b>					
Equity holders of the Company		17,234,489	60,451,897	8,284,102	13,670,253
Equity attributable to non-controlling interests		1,560,029	1,821,427	-	-
		18,794,518	62,273,324	8,284,102	13,670,253
Basic profit (loss) per share (Baht per share)	25	0.03	0.11	0.01	0.02
Weighted average number of ordinary shares (Shares)		640,227,750	560,145,438	640,227,750	560,145,438

Notes to financial statements are an integral part of these statements.

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

AGRIPIRE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	Consolidated Financial Statements (Baht)									
		Equity holders of the Company					Equity attributable to shareholders of the Company				
		Issued and paid-up share capital	Premium on ordinary shares	Deficits	Equity attributable to shareholders of the Company			Total equity attributable to shareholders of the company	Total Equity holders of the company	Equity attributable to Non-Controlling Interests	Total shareholders' equity
					Revaluation of surplus on land	Unrealized gain on securities - available for sales	Other comprehensive income				
<b>Balance as at January 1, 2012 - as previously reported</b>		392,101,807	22,574,642	(124,556,511)	57,765,338	41,329	57,806,667	347,926,605	14,978,799	362,905,404	
Cumulative effect of the change in accounting policy	5	-	-	900,203	(1,710,500)	-	(1,710,500)	(810,297)	361,992	(448,305)	
<b>Balance as at January 1, 2012 - restated</b>		392,101,807	22,574,642	(123,656,308)	56,054,838	41,329	56,096,167	347,116,308	15,340,791	362,457,099	
Unrealized gain on securities - available for sales		-	-	-	-	38,874	38,874	38,874	-	38,874	
Net income (expenses) recognized directly in shareholders' equity		392,101,807	22,574,642	(123,656,308)	56,054,838	80,203	56,135,041	347,155,182	15,340,791	362,495,973	
Total comprehensive income (loss) for the year		-	-	60,413,023	-	-	-	60,413,023	1,821,427	62,234,450	
Dividend paid	24	-	-	-	-	-	-	-	(1,875,000)	(1,875,000)	
<b>Ending balance as at December 31, 2012</b>		392,101,807	22,574,642	(63,243,285)	56,054,838	80,203	56,135,041	407,568,205	15,287,218	422,855,423	
<b>Balance as at January 1, 2013 - as previously reported</b>		392,101,807	22,574,642	(68,857,580)	57,765,338	80,203	57,845,541	403,664,410	14,994,435	418,658,845	
Cumulative effect of the change in accounting policy	5	-	-	5,614,295	(1,710,500)	-	(1,710,500)	3,903,795	292,783	4,196,578	
<b>Balance as at January 1, 2013 - restated</b>		392,101,807	22,574,642	(63,243,285)	56,054,838	80,203	56,135,041	407,568,205	15,287,218	422,855,423	
Issued and paid-up share capital	22	62,571,959	-	-	-	-	-	62,571,959	-	62,571,959	
Premium on ordinary shares	22	-	117,836,556	-	-	-	-	117,836,556	-	117,836,556	
Unrealized gain on securities - available for sales		-	-	-	-	(56,469)	(56,469)	(56,469)	-	(56,469)	
Net income (expenses) recognized directly in shareholders' equity		454,673,766	140,411,198	(63,243,285)	56,054,838	23,734	56,078,572	587,920,251	15,287,218	603,207,469	
Total comprehensive income (loss) for the year		-	-	17,290,958	-	-	-	17,290,958	1,560,029	18,850,987	
Dividend paid	24	-	-	-	-	-	-	-	(2,500,000)	(2,500,000)	
<b>Ending balance as at December 31, 2013</b>		454,673,766	140,411,198	(45,952,327)	56,054,838	23,734	56,078,572	605,211,209	14,347,247	619,558,456	

Notes to financial statements are an integral part of these statements.

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Separate Financial Statements (Baht)				
	Issued and paid-up share capital	Premium on ordinary shares	Deficits	Equity attributable to shareholders of the Company	
				Other comprehensive income	Total shareholders' equity
<b>Beginning balance as at January 1, 2012</b>					
Unrealized gain on securities - available for sales	392,101,807	22,574,642	(107,867,841)	41,329	306,849,937
	-	-	-	38,874	38,874
Net income (expenses) recognized directly in shareholders' equity	392,101,807	22,574,642	(107,867,841)	80,203	306,888,811
Total comprehensive income (loss) for the year	-	-	13,631,379	-	13,631,379
<b>Ending balance as at December 31, 2012</b>	392,101,807	22,574,642	(94,236,462)	80,203	320,520,190
<b>Beginning balance as at January 1, 2013</b>					
Issued and paid-up share capital	392,101,807	22,574,642	(94,236,462)	80,203	320,520,190
Premium on ordinary shares	62,571,959	-	-	-	62,571,959
Unrealized gain on securities - available for sales	-	117,836,556	-	-	117,836,556
	-	-	-	(56,469)	(56,469)
Net income (expenses) recognized directly in shareholders' equity	454,673,766	140,411,198	(94,236,462)	23,734	500,872,236
Total comprehensive income (loss) for the year	-	-	8,340,571	-	8,340,571
<b>Ending balance as at December 31, 2013</b>	454,673,766	140,411,198	(85,895,891)	23,734	509,212,807

Notes to financial statements are an integral part of these statements.



# STATEMENTS OF CASH FLOWS

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
Cash flow from operating activities				
Profit (loss) before income tax expense	23,174,551	59,442,443	8,340,571	13,631,379
Adjustments to reconcile net profit (loss) for cash received from (used in) operations				
Doubtful debts (reversal)	(186,206)	(349,008)	-	-
Loss on declining in value of inventory/written off of inventory (reversal)	7,489,624	5,435,591	-	-
Loss on writing of plantation cost	-	5,055,199	-	-
Reversal of impairment loss on long-term investment to other	(107,305)	(759,502)	(107,305)	(759,502)
Depreciation and amortization	19,414,754	20,775,794	1,357,673	1,183,912
(Profit) Loss on sale/written-off of fixed asset	(536,925)	(10,164)	-	424
Loss on withholding tax no refund	1,985,365	-	1,985,365	-
Unrealized gain on exchange rate	(1,612,835)	(548,469)	-	-
Revisions of provisions for employee benefits	-	(2,051,384)	-	-
Provisions for employee benefits	407,309	1,167,983	69,215	550,406
Interest income	(1,174,160)	(442,760)	(164,381)	(47,624)
Dividends received	(67,500)	(162,000)	(67,500)	(162,000)
Financial costs	15,740,914	16,009,965	1,513,183	107,929
Profit (loss) from operations before changes in operating assets and liabilities	64,527,586	103,563,688	12,926,821	14,504,924
Changes in operating assets (increase) decrease				
Trade accounts receivable - related parties	1,466,882	(1,031,440)	-	(17,165,623)
Trade accounts receivable - other parties	17,423,114	(36,873,936)	-	-
Accounts receivable - farmer	(376,802)	(507,946)	-	-
Accounts receivable - other	3,503,405	(9,019,418)	3,728,272	-
Inventories	78,296,811	(105,310,560)	-	-
Plantation cost	297,194	(678,065)	-	-
Other current assets	(2,252,770)	(4,150,657)	996,472	(206,304)
Other non-current assets	(3,345,040)	256,654	(1,885,366)	5,000
Changes in operating liabilities increase (decrease)				
Trade accounts payable - related parties	(1,921,456)	519,493	-	-
Trade accounts payable and other account payable - other parties	(19,504,904)	8,272,879	(915,661)	642,061
Other current liabilities	(25,052)	1,292,866	99,588	1,132,310
Other non-current liabilities	1,203,584	-	-	-
Paid for provision for employees' benefits	-	(252,112)	-	-
Income tax paid	(1,817,113)	(3,318,618)	-	-
Net cash provided by (used in) operating activities	137,475,439	(47,237,172)	14,950,126	(1,087,632)

Notes to financial statements are an integral part of these statements.

# STATEMENTS OF CASH FLOWS (CONT.)

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
Cash flow from investing activities				
Pledged deposits at financial institutions decrease (increase)	(3,994)	314,000	-	-
Cash received from interest income	856,483	442,761	164,381	47,625
Cash received dividend	67,500	162,000	67,500	162,000
Cash paid from increase in share capital of the subsidiary	-	-	(189,400,000)	-
Cash paid for purchase of fixed assets	(136,302,421)	(185,824,567)	-	(1,601,781)
Cash paid for purchase of intangible assets	(1,135,687)	(93,031)	-	-
Cash received from disposal of fixed assets	636,936	142,716	-	-
Cash received from decilning in value of long-term invesment	-	252,000	-	252,000
Cash payable - temporary investments	(7,838,661)	(12,344,000)	-	-
Net cash used in investing activities	(143,719,844)	(196,948,121)	(189,168,119)	(1,140,156)
Cash flow from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(197,891,134)	245,954,288	(100,000,000)	99,991,159
Cash (paid) received short-term loans from directors related	(45,000,000)	102,000,000	-	-
Cash payable repayment of obligation under finance lease	(1,389,971)	(2,664,531)	-	(870,930)
Cash received for from increase in share capital	180,408,515	-	180,408,515	-
Dividend paid to non-controlling interest	(2,500,000)	(1,875,000)	-	-
Cash payment for financial costs	(24,052,822)	(8,377,711)	(1,513,183)	(107,930)
Net cash provided by (used in) financing activities	(90,425,412)	335,037,046	78,895,332	99,012,299
Increase (decrease) in cash and cash equivalent- net	(96,669,817)	90,851,753	(95,322,661)	96,784,511
Cash and cash equivalent at the beginning of the years	163,597,426	72,745,673	105,692,885	8,908,374
Cash and cash equivalent at the end of the years	66,927,609	163,597,426	10,370,224	105,692,885
<b>Cash and cash equivalents comprise :</b>				
Cash on hand	1,152,435	773,999	100,000	100,000
Current accounts	8,882,535	18,276,249	(82,846)	-
Saving accounts	56,892,639	144,547,178	10,353,070	105,592,885
Total	66,927,609	163,597,426	10,370,224	105,692,885

Supplemental disclosures of cash flows information:

1. For the purpose of preparing the statements of cash flows, cash and cash equivalents items include cash in hand and cash at short-term investment in promissory notes which are due within 3 months.
2. In the year 2013, the subsidiaries recognised the borrowing cost included in asset-construction in progress amount of Baht 3.91 million.

Notes to financial statements are an integral part of these statements.

## Notes to Financial Statements

### AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

December 31, 2013

#### 1. General information

Agripure Holdings Public Company Limited (“the Company”) is incorporated in Thailand, registered as a public company and listed on the Stock Exchange of Thailand. Its head office is The Ruamjaipattana Foundation Building No. 70 Moo 6 Klong 1 District, Klongluang, Pathumtanee. Since September 1, 2011. (Old office is located on 1010 Shinawatra tower 3, 15th floor, Viphavadi Rangsit Road, Chatuchak, Bangkok.)

The Company is the holding company and operated via the subsidiary companies in Thailand which the main businesses are manufacturing and distribution of agro products i.e. canned sweet corn, fresh vegetable and fruit and commercial seed.

#### 2. Principles of financial statement

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies (“the Group”). Subsidiaries, which are those entities in which the Group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Related party transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. The accounting policy of the subsidiary which different from accounting policy of the Company group will be amended to comply with the policy used by the Company group. Moreover, the financial statements of the subsidiaries are prepared for the same reporting period as the Company and using consistent significant policies.

Name	Type of Business	Country of Registration	Percentage of holdings	
			December 31, 2013	December 31, 2012
<b>Direct holdings</b>				
River Kwai International Food Industry Co., Ltd.	Manufacturing and distribution of canned sweet corns, fresh vegetable and fruit products.	Thailand	99.99	99.99
<b>Indirect holdings through River Kwai International Food Industry Co., Ltd.</b>				
Sweet Corn Products Co., Ltd.	Breeding and distribution of corn seeds	Thailand	75.00	75.00
Agrifresh Co., Ltd.	Manufacturing and distribution of fresh vegetable and fruit products	Thailand	99.99	99.99

### 3. Basis of financial statements preparation and significant accounting policies

#### 3.1 Basis of financial statements preparation

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements.

#### 3.2 Adoption of new accounting standards

3.2.1 The FAP has issued the following new and revised TFRS relevant and effective for accounting periods beginning on or after January 1, 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
FAP Announcement 34/2013	Accounting guidance for Transfers of financial Assets.

The adoption of these new and revised TFRS and FAP Announcements has resulted in changes in the Company’s accounting policies. The effects of these changes are disclosed in note 5.

In addition to the above new and revised TFRS, as at December 31, 2013 the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after January 1, 2014 and have not been adopted in the preparation of these financial statements.

3.2.2 Those new and revised TFRS that are applicable, which become effective for annual financial periods beginning on or after January 1, in the year indicated in the following table, are as follows:

<u>TFRS</u>	<u>Topic</u>	<u>Year effective</u>
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014

TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 4	Insurance Contracts	2016
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement 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 Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 29	Service Concession Arrangements - Disclosure	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate s and Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application

### 3.3 Basis of measurement

The financial statements have been prepared on the historical cost.

### 3.4 Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand or million unless otherwise stated.

### 3.5 Significant accounting policies

The Company used significant accounting policies in the preparation of the financial statements are as follows:

#### Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

#### Trade accounts Receivable

Trade accounts receivable are carried in the statements of financial position at the amount expected to be collectible. Allowance for doubtful receivables are estimated by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at statements of financial position date. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

#### Inventories

Inventories are stated at the lower of weighted average cost or net realizable value. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

The Group estimates the net realisable value by using the selling price in the ordinary course of business less selling expenses.

Plantation cost is expense with respect to agriculture of vegetable and fruit which mainly composed of seeds fee, fertilizer fee, labor fee, depreciation and other expenses incurred in the period of those agricultures. Plantation cost is reflected at cost. It will be allocated to cost of vegetables and fruits each period constituting harvesting in order to produce as inventory.

The Group makes the allowance for diminutions in the value of obsolete, defective or slow-moving inventories.

#### Investments

##### Investments in subsidiary and associate

Investments in subsidiary and associate are reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

Investments in subsidiaries and associated companies under the consolidated financial statements are stated in Balance sheet by equity method.

##### Investments in marketable equity securities

Investments in marketable equity securities that the Group holds as available-for-sales securities are fair valued annually at the statements of financial position date. Fair value is determined by reference to the Stock Exchange of Thailand's quoted bid price. The unrealized gains and losses of available-for-sale investments are recognized in equity.

##### Investments in non-marketable equity securities



Investments in non-marketable equity securities are classified as general investments are carried at cost, less impairment. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statements of comprehensive income. When disposing of part of the Group's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holding of the investment.

#### Property, plant and equipment

Land is stated at revalued amount. The revalued amount means the fair value as at the date of reappraised less accumulated impairment losses (as if).

Plant and equipment are stated in the statements of financial position at historical cost less accumulated depreciation and accumulated impairment losses (as if).

Revalued asset is basically preceded by independent appraiser every 3 - 5 years so that the carrying amount as at the date in the statements of financial position will not be materially different from fair value. During this period if there are any other factors which materially affect the value of property, the Group will arrange the revaluation by an independent appraiser in that year.

The differences arising from revaluation are recorded as follows: -

- The Group recorded the assets carrying amount is increased as a result of the revaluation; as "Surplus from revaluation of assets" under the shareholders' equity in the statements of financial position. However, if those assets had previously devalued and the Group had recognized as expenses in the comprehensive income statements, this revaluation increase will be recognized as income to the extent that it reverses a revaluation decrease previously recognized as an expense.
- The Group records the assets carrying amount is decreased as a result of the revaluation as expense in the comprehensive income statement. However, if those assets had previously revalued and still have the remaining "Surplus from revaluation of assets" under the shareholders' equity in the balance sheets, a revaluation decrease is to be charged directly against the related "Surplus from revaluation of assets" to the extent that the decrease does not exceed the amount held in the revaluation surplus. Any excess amount is to be recognized as expenses in the comprehensive income statement.

The Group's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows:

Buildings	10 - 33 years
Land and buildings improvement	3 - 20 years
Machineries and factory equipments	5 - 20 years
Fixtures and fittings	10 years
Office equipments	3 and 10 years
Motor vehicles	5 years
Others	10 years

Expenditure incurred for addition, renewal or betterment, which results in a substantial increase in an asset's current replacement value, is capitalized. Repair and maintenance costs are recognized as an expense when incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

#### Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives such as computer software, are stated at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives (3 years).

#### Impairment of assets

The carrying amounts of the Group's assets and also intangible assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The Group will recognize impairment losses in the statement of comprehensive income, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognized as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

#### Corporate Income Tax

Corporate income tax for four subsidiaries is calculated based on net income of the non-promoted activity after adding back certain expenses and allowances which are forbidden expenses in tax computation at 20 percent of net profit before income tax. (For the year 2012: Income tax rate by 23 percent of net income before tax)

#### Finance Lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation to pay future rent, excluding the interest element. Finance charges are recorded to the current period operations by the effective interest rate basis.

#### Operating Lease

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

#### 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.

### Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments of the Group's operations and divided into domestic and foreign.

### Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised 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 not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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 or substantively enacted at the reporting date. In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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 realised.

### Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

#### Employee benefits

##### Short-term employee benefits

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

##### Post-employment benefits

##### Defined contribution plans

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

##### Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by the Company and subsidiaries actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognized immediately in profit or loss.

#### Revenue and Expense recognition

Sales are recognized on the delivery of goods or on customer acceptance. Sales are shown net of sales taxes and discounts.

Interest income is recognized on time proportion basis.

Dividend Income is recognized when obtain the right to receive the dividend.

Other income and expensed is recognized on an accrual basis.

#### Foreign currency transactions

The Group translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income as incurred.

#### Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Accounting policy relating to the recording of foreign currency assets and liabilities. Currently, the Company measures the values of those forward exchange contracts using the mark to market method based on quoted the market rates of exchanges at the statement of financial position date.

The differences arising from measurement are treated as income or expense in the statement of income while the foreign currency assets and liabilities are translated to Thai Bath at the exchange rates ruling at the statement of financial position date.

#### Finance costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly

attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

#### Financial instruments

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, investment in equity securities, trade and other receivables, trade and other payables, and loan receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

#### 4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

##### Finance leases/ Operating leases

The Company and subsidiaries have entered into lease agreements for the rental of motor vehicles. The Company and subsidiaries have determined, based on an evaluation of the terms and conditions of the arrangements, that the lesser retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

##### Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

##### Impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

##### Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

##### Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

##### Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished

goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical

#### Employees benefits

Note 21 Discount rate, salary increase rate, employee turnover rate and mortality rate

## 5. Cumulative effect of the change in accounting policies

The Company adopted of TAS 12 Income Taxes to the financial statements. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments from the change in accounting policy and prior years' adjustments affecting the statements of financial position as at December 31, 2012 and January 1, 2012 and the statements of comprehensive income for the year ended December 31, 2012 are summarised below.

	Baht			
	As at December 31, 2012		As at January 1, 2012	
	Consolidated	Separate	Consolidated	Separate
<b>Statements of financial position</b>				
Increase in deferred tax assets	9,153,684	-	2,885,049	-
Increase in deferred tax liabilities	(4,957,106)	-	(3,333,355)	-
Increase in equity attributable to non-controlling interests by a subsidies	292,783	-	361,992	-
Decrease in revaluation of surplus on land	(1,710,500)	-	(1,710,500)	-
Decrease in unappropriated retained earnings	5,614,295	-	900,203	-

	Baht	
	Consolidated	Separate
<b>Statement of comprehensive income for the year ended December 31, 2012</b>		
Increase (Decrease) in income tax	(4,644,883)	-
Increase (Decrease) equity attributable to non-controlling interests	(69,209)	-
Increase (Decrease) in equity holders of the Company	4,714,090	-
Increase in basic earnings per share (Baht)	0.01	-

## 6. Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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



## 6.1 Nature of relationship

Company	Relationship
<b>Subsidiaries</b>	
River Kwai International Food Industry Co., Ltd.	Direct owned by the Company
Sweet Corn Product Co., Ltd.	Indirect owned through a subsidiary
Agrifresh Co., Ltd.	Indirect owned through a subsidiary
<b>Associated company</b>	
General Business Center Co., Ltd.	Direct owned by the Company and Common directors
<b>Related Companies</b>	
Siam Del Monté Co., Ltd.	Indirect owned through a subsidiary
Sweet Seeds Co., Ltd.	Held by a director of a subsidiary *
Thaiseeds Research and Development Co., Ltd.	Held by a director of a subsidiary *
The Ruamjaipattana Foundation	Common directors
Chiangrai Frozen Food Co., Ltd.	Director's family is the shareholder and director
Summit Pinenurst Golt Club Co., Ltd.	Shareholder of the Company being such company's director and Common directors being such company 's director and shareholder
Summit Footwere Co., Ltd.	
Summit Starhume Co., Ltd.	
Summit Housing Co., Ltd.	
<b>Directors related</b>	
Mr. Suredpon Jungrungrangkit	Shareholder and Director of the Company (Approved in Meeting on May 6, 2011)
Mr. Komol Jungrungrangkit	Shareholder of the Company
Dr.Taweesak Pulam	Director of a subsidiary *
Miss.Thiemjai Sasisart	Director

### Pricing policies

Trading transaction	Pricing policies
Revenue from sales	Negotiate pricing and condition
Revenue from management fee	Bath of 2.7 - 3 Million per month.
Rental income	As identified in contract
Purchase of goods	Negotiate pricing and condition
Purchase of seed	As identified in contract
Seed royalty expense	As identified in contract
Rental expense	As identified in contract
Vehicle rent expense	As identified in contract
Advisory fee	Approved in Meeting of company
Management fee to director payable	As identified in contract
Director benefit expenses	Approved in Meeting of Shareholders
Short-term loan from director	As interest rate 6.25 - 6.625% per annum in agreement

\* Such director was a such subsidiary's director sine year 1992 to the second quarter of year 2011, And the second quarter of year 2012, such person has being a such subsidiary's director and has entered into management agreement (see to note 6.4 (C))

## 6.2 Income and expenses transactions with related parties

Significant transactions in statements of comprehensive income for the years ended December 31, 2013 and 2012 are as follows:

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
<b>Revenue from sales</b>				
Siam Del Monté Co., Ltd.	719,600	1,403,839	-	-
Thaiseeds Research and Development Co., Ltd.	1,756,737	7,164,361	-	-
Chiangrai Frozen Food Co., Ltd.	-	1,135,126	-	-
<b>Revenue from management fee</b>				
River Kwai International Food Industry Co., Ltd.	-	-	32,400,000	33,500,000
<b>Other income</b>				
Siam Del Monté Co., Ltd.	65,420	61,840	-	-
Chiangrai Frozen Food Co., Ltd.	-	7,840	-	-
<b>Purchase of goods</b>				
Siam Del Monté Co., Ltd.	9,786,275	15,161,763	-	-
Chiangrai Frozen Food Co., Ltd.	-	8,186,938	-	-
Thaiseeds Research and Development Co., Ltd.	1,200,000	-	-	-
<b>Seed royalty expense and purchase of seed</b>				
Sweet Seeds Co., Ltd.	4,589,952	5,763,823	-	-
Thaiseeds Research and Development Co., Ltd.	2,067,243	1,381,539	-	-
<b>Management fee to director payable</b>				
Dr. Taweesak Pulam	5,959,566	1,500,000	-	-
<b>Management benefit expenses</b>				
Director benefit and Management expenses	9,560,000	8,270,036	7,020,000	5,380,000
<b>Office rental</b>				
The Ruamjaipattana Foundation	324,000	324,000	324,000	324,00
<b>Vehicle rent expense</b>				
Summit Pinenurst Golf Club Co., Ltd.	900,000	900,000	-	-
Summit Footwere Co., Ltd.	1,800,000	1,800,000	-	-
Summit Starhome Co., Ltd.	900,000	900,000	-	-
Summit Housing Co., Ltd.	-	450,000	-	-
Mr. Komol Jungrungruangkit	2,568,000	2,568,000	-	-
<b>Consulting fee</b>				
Mr. Komol Jungrungruangkit	600,000	1,800,000	-	-
Ms. Thieemjai Sastsart	600,000	600,000	600,000	600,000
<b>Interest expenses - Short-term loan from director</b>				
Mr. Suredpon Jungrungruangkit	400,685	612,603	-	-
Mr. Komol Jungrungruangkit	10,541,747	9,053,630	-	-
<b>Expenses - employee benefit</b>				
Director and Director Management	39,563	38,133	3,446	4,245

### 6.3 Assets and liabilities with related parties

Significant outstanding balances in statements of financial position as at December 31, 2013 and 2012 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
<b>Trade accounts receivable</b>				
Siam Del Monté Co., Ltd.	218,453	91,000	-	-
Thaiseeds Research and Development Co., Ltd.	9,859	1,600,000	-	-
Chiangrai Frozen Food Co., Ltd.	-	4,194	-	-
Total	228,312	1,695,194	-	-
<b>Other receivable - Management fee</b>				
River Kwai International Food Industry Co., Ltd.	-	-	20,223,000	22,470,000
<b>Trade accounts payable</b>				
Siam Del Monté Co., Ltd.	-	1,997,637	-	-
Sweet Seeds Co., Ltd.	148,944	90,763	-	-
Thaiseeds Research and Development Co., Ltd.	50,000	32,000	-	-
Total	198,944	2,120,400	-	-
<b>Accounts payable other</b>				
Summit Pinenurst Golf Club Co., Ltd.	722,250	722,250	-	-
Summit Footwore Co., Ltd.	1,444,500	1,444,500	-	-
Summit Starhome Co., Ltd.	722,250	722,250	-	-
Summit Housing Co., Ltd.	-	240,750	-	-
Mr. Komol Jungrungruangkit	2,060,820	1,926,000	-	-
Dr. Taweesak Pulam	4,459,566	-	-	-
Total	9,409,386	5,055,750	-	-
<b>Short-term loan from director</b>				
Mr. Suredpon Jungrungruangkit	-	10,000,000	-	-
Mr. Komol Jungrungruangkit	157,000,000	192,000,000	-	-
Total	157,000,000	202,000,000	-	-
<b>Accrued Interest-Short-term loan from director</b>				
Mr. Suredpon Jungrungruangkit	-	53,082	-	-
Mr. Komol Jungrungruangkit	3,422,287	7,539,041	-	-
Total	3,422,287	7,592,123	-	-
<b>Accrued consultant fee</b>				
Mr. Komol Jungrungruangkit	450,000	1,350,000	-	-
<b>Provision for employees' benefits</b>				
Director and Director Management	409,531	369,968	7,691	4,245

Movements during the year of short-term loan from director are as follow:-

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
*Mr. Suredpon Jungrungruangkit				
Beginning balance in the years	10,000,000	10,000,000	-	-
Addition during in the years	-	-	-	-
Deduction during in the years	(10,000,000)	-	-	-
Ending balance in the years	-	10,000,000	-	-
**Mr. Komol Jungrungruangkit				
Beginning balance in the years	192,000,000	90,000,000	-	-
Addition during in the years	-	102,000,000	-	-
Deduction during in the years	(35,000,000)	-	-	-
Ending balance in the years	157,000,000	192,000,000	-	-

\* As at December 31, 2013 and 2012, Short-term loan from director 2 agreements without collateral, due within June 26, 2014, interest charged at the rate of 6.25% per annum and interest payment within 10<sup>th</sup> of month. As present to the payment of lone included interest in full.

\*\* As at at December 31, 2013 and 2012, there are short-term loan from related party in form of 2 and 6 promissory notes, respectively; without collateral, due within one year, interest charged at the rate of 6.50 and 6.625% per annum, respectively. And interest payment by quarterly. Loan amount of Baht 120 million and 200 million, respectively.

The above loans have been approved by the General Shareholders' Meeting No.1/2012 held on December 26, 2012.

## 6.4 Commitments with related parties

### Commitments

a) Thai seeds Research and Development Co., Ltd. (grantor) has entered into an agreement with Sweet Corn Product Co., Ltd. (grantee) to breed and distribute seed. The Grantor is the owner of field corn, which are researched and developed by the grantor. The grantee intends to be assigned as the breeder and distributor in those field corns. According to the agreement, the grantee agrees to pay for technology license Since January 1, 2011, as follows:

- Additional fee of product sale of Bath 7 per kg.
- Purchase of species father seed and mother species for use in the production of Baht 200 per kg.

As at January 1, 2013, the Companies has entered into a renew agreement which is effective on January 1, 2013 to December 31, 2013. The agreement to pay for technology license as the following:

- Additional fee of product sale by 10% of revenue, and the repayment date at the 5<sup>th</sup> of each month.
- Purchase of species father seed and mother species for use in the production of Baht 200 per kg.

- b) Sweet Seeds Co., Ltd. (grantor) has entered into the agreement in order to grant Sweet Corn Product Co., Ltd. (grantee) to breed and distribute seed. The Grantor is the owner of sweet corn, which are researched and developed by the grantor. The grantee intends to be assigned as the breeder and distributor in those sweet corns. According to the agreement, the grantee agrees to pay for technology license as follows:

- Annual Fee of Baht 250,000 per product.
- Additional fee of product sale of Baht 62.50 per kg

This is valid for six months effective on January 1, 2011 to June 30, 2011.

Later the two Companies have entered a new agreement to extend the term agreement commencing in the same term and condition which is effective on July 1, 2011 to December 31, 2011.

As at November 28, 2011 two Companies have entered an agreement attached to the original contract Sweet Corn Product Co., Ltd. The seeds produced in the year 2010 remain the pale Sweet Corn Product Co., Ltd. (Grantee) has agreed to sell seed corn produced in the year 2010 The seeds can remain. The following conditions must be followed.

- The outstanding balances. Seed at the end of 2011, within December 30, 2011.
- Agreed to pay a license fee to license the technology as the following :
  - Annual Fee of Baht 250,000 per product. Payments within January 1, 2012.
  - Additional fee of product sale of Baht 75 per kg. Payments the end of per month with the sale of seeds.
- During the expanding period as attached of agreement, it Sweet Seeds Co., Ltd. (Grantor) need to use seeds and the grantee has it, the grantee accept for sale to the grantor at the pricing by cost plus 25 percentage.

And when the termination of this agreement, and has no missing the term and condition of the old agreement, (dated Jan 1, 2010) so this agreement could be terminate by June 30, 2012. However, such two Companies renew agreement by under the same condition, effective since July 1, 2012 to December 31, 2012.

As at January 1, 2013, two Companies have entered into a renew agreement which is effective on January 1, 2013 to December 31, 2013. The agreement to pay for technology license as the following:

- Annual Fee of Baht 250,000 per product.
- Additional fee of product sale of Baht 75 per kg Payments the end of per month with the sale of seeds.
- Purchase of species father seed and mother species for use in the production of Baht 1,000 per kg.

As at January 1, 2014, two Companies have entered into a renew agreement which is effective on January 1, 2014 to December 31, 2014. The agreement to pay for technology license as the following:

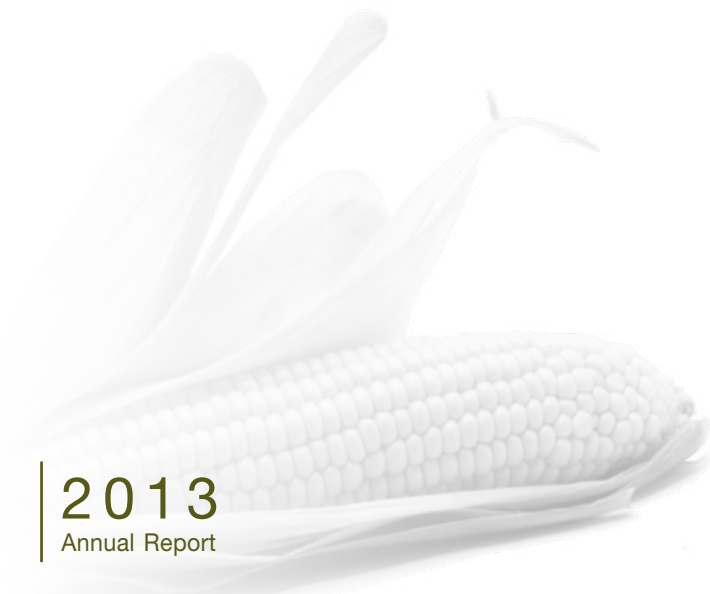
- Annual Fee
    1. If, sale volume by 1,000 KG and not over than 2,500 KG annual fee charged of Baht 100,000 per product.
    2. If, sale volume by over 2,500 KG, annual fee charged of Baht 250,000 per product.
  - Additional fee of product sale of Baht 75 per kg. and the repayment date at the 5th of each month.
  - Purchase of species father seed and mother species for use in the production of Baht 1,000 per kg.
- c) On March 20, 2012, a subsidiary (Sweet Corn Product Co., Ltd.) has entered into management agreement with a person (a former director of such subsidiary and on 2012 has being such subsidiary's director note 6.1)\*, starting from April 1, 2012. A significant agreements are as follow:
1. A subsidiary consent to pay for minimum compensation amount of Baht 2 million per annum, a payment divide by every 3 month.
  2. The excess of Baht of 10 million of gross profit, sharing by 50% each. (starting from year 2013)
  3. A subsidiary consent to pay for breed seed fee and use in company group amount of Baht 250,000 per annum.
  4. A subsidiary consent to pay for breed seed fee amount of Baht 75 per kg.
- A contract parties will re-considerate about continuance if net profit less than Baht 5 million per year.
- \* above former director of such subsidiary has being such subsidiary's director on April 25, 2012.
- d) On March 29, 2012, the subsidiary Company has entered into an agreement for a period of one year, effective date since March 29, 2012 to March 28, 2013, rental fee amount of Baht 20,000 per annum.
- And on March 9, 2013, the subsidiary Company has entered into the new agreement effective date since March 29, 2013 to March 28, 2014, rental fee amount of Baht 20,000 per annum.
- e) On September 1, 2011, the Company has agreement for the lease of some property with Ruamjaipattana Foundation use for office. This agreement for period of 3 years which effective September on 1, 2011 until August 31, 2014 at rental charge of Baht 27,000 per month.
- f) On January 1, 2012, the Company has entered into management agreement with a subsidiary (River Kwai International Food Industry Co., Ltd.) to provide an advice and consultation for managing a subsidiary, management fee is amount of Baht 2,500,000 per month.
- And on May 16, 2012, the Company has entered into the new agreement charged fee by Baht of 3.00 million per month. which effective June 2012
- And on January 1, 2013, the Company has entered into the new agreement charged fee by Baht of 2.70 million per month. which effective January 2013
- g) On January 1, 2012 Agrifresh Co., Ltd has entered into land rental agreement with River Kwai International Food Industry Co., Ltd for the cultivation of agricultural crops, a contract which effective January on 1, 2012 onwards by the rental rate Baht of 37,500 per year.



- h) On January 1, 2012, A subsidiary (River Kwai International Food Industry Co., Ltd.) has entered into 3 vehicle rental agreement with a related companies, rental fee Baht of 75,000 to Baht of 150,000 and cancellation notify by the written at last 15 days in advance.
- i) On January 1, 2012, A subsidiary (River Kwai International Food Industry Co., Ltd.) has entered into 4 vehicle rental agreement with Mr. Komol Jungrungrangkit (Shareholder of the Company), rental fee Baht of 16,000 to Baht of 135,000 and cancellation notify by the written at last 15 days in advance.
- j) On January 1, 2012, the Company has entered into a lawyer consultation agreement with a director, starting from January 1, 2012 to December 31, 2012, charging service fee by Baht of 50,000 per month, and due payment by the ended date of month.  
And on January 2, 2013 the Company has entered into the an agreement for a period of one year, effective date since January 1, 2013 to December 31, 2013, charging service fee by Bath of 50,000 per month.

#### Guarantee

- a) As at at December 31, 2013 and 2012, the Company has obligation in respect of guarantee for credit line of River Kwai International Food Industry Co., Ltd. with a local commercial bank in amount Baht of 79 million.
  - b) As at at December 31, 2013 and 2012, the Company has obligation in respect of guarantee for bank overdraft of Sweet Corn Product Co., Ltd. with a local commercial bank in credit line Baht of 2.2 million.
  - c) As at December 31, 2013 and 2012, the Company and River Kwai International Food Co., Ltd. has reduced check guarantee limit for sale of Sweet Corn Product Co., Ltd, limited to one commercial bank credit Bath of 10 million, secured by land which is owned by River Kwai International Food Co., Ltd. Restrictions and guarantees on behalf of the Company and River Kwai International Food Co., Ltd. Limit.
  - d) As at December 31, 2013 and 2012, the subsidiary has short-term loans from financial institutions amount of Baht 70 million, guarantee by bank deposits of Mr. Komol Jungrungrangkit. (shareholder of the Company)
  - e) As at December 31, 2013 and 2012, the subsidiary has credit line from a local commercial bank Baht of 552.70 million and 254.50 million, respectively. Guarantee by bank deposits of Mr. Komol Jungrungrangkit (shareholder of the Company)
- Guarantees above the Group do not charge a fee between them



## 7. Temporary investments - net

consist of :

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Available for sales securities				
Marketable securities at cost				
PAE (Thailand) Public Company Limited	32,184	32,184	32,184	32,184
Unrealized gain on available for sales securities	23,734	80,203	23,734	80,203
Total	55,198	112,387	55,918	112,387
Less Accumulated impairment loss	(24,000)	(24,000)	(24,000)	(24,000)
Net	31,918	88,387	31,918	88,387
Fixed deposit -Over three months (not over 1 year)	20,182,661	12,344,000	-	-
Total	20,214,579	12,432,387	31,918	88,387

Fixed deposit with financial institution by 6 months and 10 months amount of Bath 10.18 million and 10.00 million, respectively, with the interest rate charged by 1.75% - 3.25% per annum, and has no any pledged.

## 8. Trade - accounts receivable and other - accounts receivable - net

Trade - account receivable and other - accounts receivable consist of :

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Trade accounts receivable - Related parties	228,312	1,695,194	-	-
Trade accounts receivable - Other companies	119,272,964	135,262,581	-	-
Less allowance for doubtful debts	(25,737,568)	(26,126,610)	-	-
Trade accounts receivable - net	93,763,708	110,831,165	-	-
Other accounts receivable	8,599,355	12,102,760	20,354,235	24,082,507
Total	102,363,063	122,933,925	20,354,235	24,082,507

Accounts receivable can be aged as follow:

Trade - account receivable and other - accounts receivable consist of :

	Baht	
	Consolidated	
	Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Within credit term	61,276,088	59,966,411
Overdue		
Less than 3 months	29,088,027	46,307,108
3 - 6 months	3,746,653	2,596,585
6 - 12 months	228,295	2,603,652
Over 12 months	25,162,213	25,484,019
Total	119,501,276	136,957,775
Less allowance for doubtful debts	(25,737,568)	(26,126,610)
Net	93,763,708	110,831,165

The movement of allowance for doubtful debts for Consolidated Financial Statements are as follow:

	Baht	
	Consolidated Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Beginning balance, As at January 1,	(26,126,610)	(26,589,764)
Increase during of the years	(413,458)	(1,678,346)
Reversal during of the years	802,500	2,141,500
Ending balance, As at December 31,	(25,737,568)	(26,126,610)

As at December 31, 2013 and 2012 the subsidiary Company group has reversed the allowance of the doubtful accounts in amount of Baht 0.80 million and amount of Baht 2.14 million due to the company has received.

Other - accounts receivable consist of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Accrued management fee-related parties	-	-	20,223,000	22,470,000
Prepaid- expenses	1,064,791	2,964,554	131,235	1,612,507
Other accounts receivable	658,401	728,246	-	-
Advance - Farmer	6,876,163	8,409,960	-	-
Net	8,599,355	12,102,760	20,354,235	24,082,507

## 9. Accounts receivable - farmer - net

Accounts receivable -farmer can be aged as follows:

	Baht	
	Consolidated Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Within credit term	3,867,460	4,829,335
Overdue		
Less than 1 year	2,163,799	970,181
Over 1 year	2,577,870	2,432,810
Total	8,609,129	8,232,326
Less allowance for doubtful debts	(2,546,129)	(2,343,293)
Net	6,063,000	5,889,033

The movement of allowance for doubtful debts for Consolidated Financial Statements are as follow:

	Baht	
	Consolidated Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Beginning balance, As at January 1,	(2,343,293)	(2,229,147)
Increase during the years	(202,836)	(114,146)
Ending balance, As at December 31,	(2,546,129)	(2,343,293)

## 10. Inventories - net

Inventories consist of:

	Baht	
	Consolidated Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Finished goods	10,849,830	10,424,230
Work in process	23,171,728	20,101,042
Semi-products	82,580,033	164,485,980
Raw material	5,048,963	4,266,745
Packaging	24,249,622	33,724,445
Spare part and supplies	10,000,462	9,533,441
Total	155,900,638	242,535,883
Less allowance for declining in value	(3,307,295)	(4,156,105)
Net	152,593,343	238,379,778

The movements of allowance for declining in value for Consolidated Financial Statements are as follow:

	Baht	
	Consolidated Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Beginning balance, As at January 1,	(4,156,105)	(5,837,544)
Increase during of the years	(7,371,416)	(5,204,515)
Decrease during of the years	8,220,226	6,885,954
Ending balance, As at December 31,	(3,307,295)	(4,156,105)

As at December 31, 2013 and 2012, a decrease in allowance for inventory devaluation in the amount of Baht 8.22 million and 6.89 million was due to the subsidiary has destroy the product.

## 11. Other current assets - net

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Current portion of loans to employees	174,913	64,400	-	-
Revenue Department receivable	6,765,202	4,935,593	-	-
Prepaid expenses	1,847,969	2,714,271	-	941,244
Custom duty tax refundable	7,435,383	6,261,311	-	-
Advance payments	680,736	2,308,814	1,800	-
Others	8,549,761	6,599,128	1,177	58,204
<b>Total</b>	<b>25,453,964</b>	<b>22,883,517</b>	<b>2,977</b>	<b>999,448</b>
<u>Less</u> allowance for doubtful debts	(5,787,341)	(5,787,341)	-	-
<b>Net</b>	<b>19,666,623</b>	<b>17,096,176</b>	<b>2,977</b>	<b>999,448</b>

The movement of allowance for doubtful debts for the years ended December 31, 2013 and 2012 are as follow:

	Baht	
	Consolidated Financial Statements	
	As at December 31, 2013	As at December 31, 2012
Beginning balance, As at January 1,	(5,787,341)	(5,907,913)
Increase during the years	-	-
Amortization during the years	-	120,572
Ending balance, As at December 31,	(5,787,341)	(5,787,341)

## 12. Investment in subsidiaries and associate - net

Investment in a subsidiary and associate as at December 31, 2013 and 2012 are as follows:

	Issued and paid-up capital (Baht)	Percentage of shareholding (%)	Baht					
			Equity Method		Cost Method		Dividend	
			As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012	For the years ended December 31,	
							2013	2012
<b>Subsidiary</b>								
River Kwai International Food Industry Co., Ltd.	455,400,000	99.99	-	-	455,399,930	265,999,930	-	-
<b>Associate</b>								
*General Business Center Co., Ltd.	3,750,000	48.00	-	-	7,450,000	7,450,000	-	-
<u>Less</u> allowance for impairment					(7,450,000)	(7,450,000)	-	-
<b>Net</b>					-	-	-	-
<b>Total investments in subsidiaries and associate</b>					455,399,930	265,999,930	-	-

The movement of allowance for investment in subsidiaries and associate are as follow:

	Baht	
	Separate	
	Financial Statements	
	2013	2012
Beginning balance, As at January 1,	273,449,930	273,449,930
Capital increase	189,400,000	-
Ending balance, As at December 31,	462,849,930	273,449,930
Less allowance for impairment	(7,450,000)	(7,450,000)
Net	455,399,930	265,999,930

At the Board of Director Meeting No. 9/2012 on December 18, 2012 and No. 1/2013 on February 27, 2013 and No. 3/2013 on August 13, 2013 has Approved the capital increase and invest in subsidiary (River kwai International Food Industry Co., Ltd) (note 23) and has percentage of holdings be the same.

\* Such associate company has stopped operation, currently under discussion the effects from the liquidation.

### 13. Long term investment to other- net

	Issued and paid-up capital (Million Baht)	Percentage of shareholding (%)	Baht					
			Consolidated		Separate		Dividend	
			financial statements		financial statements		For the years ended	
			As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012	December 31, 2013	December 31, 2012
Gold Master Co., Ltd.	150	4.50	31,050,000	31,050,000	31,050,000	31,050,000	67,500	67,500
GMS Power Public Co., Ltd.	1,719	0.70	12,000,000	12,000,000	12,000,000	12,000,000	-	-
Agro Town Co., Ltd.	30	1.30	3,138,000	3,138,000	3,138,000	3,138,000	-	94,500
*Siam Del Monté Co., Ltd.	300	3.75	11,250,000	11,250,000	-	-	-	-
Total			57,438,000	57,438,000	46,188,000	46,188,000	67,500	162,000
Less accumulated impairment loss :								
Gold Master Co., Ltd.			(20,440,603)	(20,891,334)	(20,440,603)	(20,891,334)	-	-
Agro Town Co., Ltd.			(2,687,316)	(2,343,890)	(2,687,316)	(2,343,890)	-	-
Siam Del Monté Co., Ltd.			(11,250,000)	(11,250,000)	-	-	-	-
Total			(34,377,919)	(34,485,224)	(23,127,919)	(23,235,224)	-	-
Net			23,060,081	22,952,776	23,060,081	22,952,776	67,500	162,000

\*Held by River Kwai International Food Industry Co., Ltd., (the subsidiary)

Movements of Allowance for impairment of investment are as follows.

	Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
Beginning balance, As at January 1,	(34,485,224)	(35,244,726)	(23,235,224)	(23,994,726)
Increase during the years	(343,426)	-	(343,426)	-
Reversal during the years	450,731	759,502	450,731	759,502
Ending balance, As at December 31,	(34,377,919)	(34,485,224)	(23,127,919)	(23,235,224)



14. Property, plant and equipment - net

[illegible]

Baht									
	Land presented at revalue amount	Consolidated financial statements Assets presented at cost							
		Building and improvement	Machineries and equipments	Office equipments & fixture	Vehicles	Electrical & protect system	Others	Work in construction	Total
Revaluation / Cost									
As at January 1, 2012	106,520,020	84,558,568	242,124,170	34,578,482	26,910,640	1,327,823	6,769,935	14,259,283	517,048,921
Purchase	-	15,350	20,715,184	875,747	5,086,660	-	-	160,011,287	186,704,228
Transfer in / (out)	-	27,529,882	14,032,641	158,872	864,300	-	-	(42,585,695)	-
Disposal / Amortization	-	(80,998)	-	(3,143,909)	(3,343,870)	-	-	-	(6,568,777)
As at December 31, 2012	106,520,020	112,022,802	276,871,995	32,469,192	29,517,730	1,327,823	6,769,935	131,684,875	697,184,372
Accumulated depreciation									
As at January 1, 2012	-	(43,585,660)	(164,658,861)	(24,537,701)	(14,530,352)	(457,435)	(4,176,859)	-	(251,946,868)
Depreciation	-	(3,079,288)	(9,941,884)	(2,002,457)	(3,557,926)	(247,722)	(385,861)	-	(19,215,138)
Disposal / Amortization	-	53,366	-	3,117,393	2,862,258	-	-	-	6,033,017
As at December 31, 2012	-	(46,611,582)	(174,600,745)	(23,422,765)	(15,226,020)	(705,157)	(4,562,720)	-	(265,128,989)
Net book value									
As at December 31, 2012	106,520,020	65,411,220	102,271,250	9,046,427	14,291,710	622,666	2,207,215	131,684,875	432,055,383

	Baht					
	Separate Financial Statement					
	Building improvement	Office equipments & fixture	Vehicles	Others	Work in construction	Total
<u>Cost</u>						
As at January 1, 2012	-	8,292,023	7,392,314	1,415,229	-	17,099,566
Purchase	-	193,687	1,408,093	-	-	1,601,780
Transfer in	-	-	-	-	-	-
Disposal / Amortization	-	(3,007,704)	(2,640,000)	-	-	(5,647,704)
Transfer out	-	-	-	-	-	-
As at December 31, 2012	-	5,478,006	6,160,407	1,415,229	-	13,053,642
Purchase	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-
Disposal / Amortization	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
As at December 31, 2013	-	5,478,006	6,160,407	1,415,229	-	13,053,642
<u>Accumulated depreciation</u>						
As at January 1, 2012	-	(6,882,527)	(5,436,462)	(1,328,019)	-	(13,647,008)
Depreciation	-	(455,227)	(704,020)	(24,664)	-	(1,183,911)
Disposal / Amortization	-	3,007,280	2,640,000	-	-	5,647,280
As at December 31, 2012	-	(4,330,474)	(3,500,482)	(1,352,683)	-	(9,183,639)
Depreciation	-	(447,652)	(885,357)	(24,664)	-	(1,357,673)
Disposal / Amortization	-	-	-	-	-	-
As at December 31, 2013	-	(4,778,126)	(4,385,839)	(1,377,347)	-	(10,541,312)
<u>Net book value</u>						
As at December 31, 2012	-	1,147,532	2,659,925	62,546	-	3,870,003
As at December 31, 2013	-	699,880	1,774,568	37,882	-	2,512,330
<u>Depreciation in the statements of comprehensive income</u>						
Depreciation for the year ended December 31, 2012						1,183,911
Depreciation for the year ended December 31, 2013						1,357,673

As at December 31, 2013 and 2012, a subsidiary (River Kwai International Food Industry Co., Ltd.). Revaluation of land has been appraised by an independent appraiser T.A. Management Corporation (1999) Co., Ltd. (Report on June 1, 2012 and June 6, 2012). The comparative approach uses the market approach to estimate the value of the land. The excess of appraised value on the consolidated financial statement ("Restate") over cost in amount of Baht 56.06 million are presented as part of Revaluation surplus of land under Shareholder' Equity

According to the consolidated, a subsidiary has recognised the borrowing cost for years ended December 31, 2013 and 2012 amount of Bath 3.91 million and Baht of 1.43 million, respectively included in asset - construction in progress.

As at December 31, 2013 and 2012, the Group has cost of assets with the fully depreciation but still in use were Baht of 129.20 million and Baht of 99.79 million, respectively in the consolidated financial statements and Baht of 6 million in the separate financial statement.

As at December 31, 2013 and 2012, the Group has pledged the certain of land and construction, with gross amount of Baht 72.94 million and amount of Baht 74.34 million, respectively as collateral for credit received from a local commercial banks.

The Group has vehicles under financial lease agreements net book value as at December 31, 2013 and 2012 amount of Baht 2.29 million and Baht of 4.46 million, respectively in the consolidated financial statements.

## 15. Intangible assets - net

The movements of intangible assets for the years ended December 31, 2013 and 2012 are as follows:

	Baht	
	Consolidated Financial Statements	
	2013	2012
Computer software		
As at January 1,	12,141,460	12,048,430
Purchase / Transfer in	1,135,687	93,030
As at December 31,	13,277,147	12,141,460
Accumulated amortization		
As at January 1,	(11,429,630)	(9,868,976)
Amortization for the year	(577,741)	(1,560,654)
As at December 31,	(12,007,371)	(11,429,630)
Net book value	1,269,776	711,830
Amortization for year 2013		577,741
Amortization for year 2012		1,560,654

## 16. Pledged deposits at financial institutions

As at December 31, 2013 and 2012, the subsidiary held 6 months fixed deposits from a commercial bank amount of Baht 2.03 million in the consolidated financial statements, and for guarantee the payment electricity and issuance of other letter of guarantee.

## 17. Deferred tax

As at December 31, 2013 and 2012, the components of deferred tax asset are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Net deferred tax assets				
Set off of tax	2,467,020	4,196,578	-	-

Movements in total deferred tax assets and liabilities during the year were as follows:

	Baht				
	Consolidated financial statement				
	As at January 1, 2013	(Charged) / credited to:			As at December 31, 2013
		Profit or loss	Other omprehensive income	Equity	
<b>Deferred tax assets</b>					
Account receivable	1,061,169	(151,800)	-	-	909,369
Inventory	802,705	(169,762)	-	-	632,943
Other current asset	477,162	-	-	-	477,162
Employee benefit obligations	312,648	42,597	-	-	355,245
Loss carry forward	6,500,000	-	-	-	6,500,000
<b>Total</b>	<b>9,153,684</b>	<b>(278,965)</b>	<b>-</b>	<b>-</b>	<b>8,874,719</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	4,957,106	1,450,593	-	-	6,407,699
<b>Total</b>	<b>4,957,106</b>	<b>1,450,593</b>	<b>-</b>	<b>-</b>	<b>6,407,699</b>

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognised in the financial statements were as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Loss carry forward	14,422,915	21,122,475	12,480,919	19,906,853
<b>Net deferred tax assets</b>	<b>14,422,915</b>	<b>21,122,475</b>	<b>12,480,919</b>	<b>19,906,853</b>

As at December 31, 2013 and 2012, The consolidated financial statement have deductible temporary differences totaling Baht 14.42 million and 21.12 million respectively, (Separate: Baht 12.48 million and 19.91 million, respectively). On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and/or they might not be used to offset taxable income in the future.

#### 18. Bank overdraft and short-term loans from financial institutions

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Bank overdrafts	-	6,601,974	-	-
Packing credits	32,518,000	65,426,000	-	-
Short - term loans	70,000,000	228,381,159	-	100,000,000
<b>Total</b>	<b>102,518,000</b>	<b>300,409,133</b>	<b>-</b>	<b>100,000,000</b>

Consolidated; A subsidiary's Short - term loans amount of Baht 70 million by 2 promissory notes to two financial institution, due on February to March, 2014, interest rate charged by 2 - 5.875% per year.

As at December 31, 2013 and 2012, the Group had bank overdrafts facilities from several commercial banks of Baht 22.20 million under the interest rate of MOR. The subsidiary also had packing credit facility from the commercial banks totaling Baht of 180 million under the interest rate of 5.25% and 5.25% - 6.75% per annum, respectively.

As at December 31, 2013 and 2012, such credit facilities are secured by this subsidiary's land and construction (note 14), land not used in operation of the subsidiary.

Short-term loans amount of Baht 70 million, Guarantee by Mr. Komol Jungrungruangkit a shareholder of the Company. Guarantees above the Group do not charge a fee between them.

## 19. Trade accounts payable and other accounts payable

Trade accounts payable and other accounts payable consist of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Trade accounts payable - Related parties	198,944	2,120,400	-	-
Trade accounts payable - Other companies	19,356,946	42,734,304	-	-
Payment in process	6,930,439	5,496,991	-	-
Other accounts payable	38,585,639	40,725,085	145,846	1,061,507
Total	65,071,968	91,076,780	145,846	1,061,507

Other accounts payable consist of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Advance receives for inventories	2,538,149	1,224,507	-	-
Accrued expenses	35,397,150	38,908,316	133,360	161,507
Other	650,340	592,262	12,486	900,000
Total	38,585,639	40,725,085	145,846	1,061,507



## 20. Liabilities under finance lease

Liabilities under finance lease consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Liabilities under finance lease	1,498,148	3,033,834	-	-
Less deferred finance lease charges	(73,197)	(218,912)	-	-
	1,424,951	2,814,922	-	-
Less current portion	(1,210,739)	(1,396,740)	-	-
Net	214,212	1,418,182	-	-

As at December 31, 2013 and 2012, the Group has the contract of term financial leased so as to lease vehicle number of 6 contracts and 7 contracts, respectively. The leased contracts determine leased fee repayment as monthly installment from Baht 10,417 per month to Baht 36,000 per month. The leased period is carried from to 4 years. In addition, ownership of such vehicle will transfer to ownership of the Group when the Group pays the final installment in accordance with the leased contract.

Obligation under finance lease - minimum lease payments are as follow:

	Baht					
	Consolidated Financial Statements					
	2013			2012		
	Obligation under finance lease	Deferred finance lease	Net	Obligation under finance lease	Deferred finance lease	Net
Not later than 1 year	1,276,092	(65,353)	1,210,739	1,538,202	(141,462)	1,396,740
Later than 1 year but not later than 5 year	222,056	(7,844)	214,212	1,495,632	(77,450)	1,418,182
Total	1,498,148	(73,197)	1,424,951	3,033,834	(218,912)	2,814,922

## 21. Provision for employees' benefit

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
Provision for employee benefits - beginning	2,688,782	3,824,295	550,406	-
Reversal employee benefits	-	(2,051,384)	-	-
Add recognized amount	407,308	1,167,983	69,215	550,406
Less liability decrease from actual paid	-	(252,112)	-	-
Provision for employee benefits - ending	3,096,090	2,688,782	619,621	550,406

	Baht	
	Consolidated Financial Statements	Separate Financial Statements
Present value of unfunded obligation as at December 31, 2013	3,096,090	619,621
Expense recognized in profit or loss		
Current service cost	297,459	44,697
Interest cost	109,849	24,518
Total - recognized in the statement of income	407,308	69,215

Principal actuarial assumptions (Actuarial basis)

	Consolidated/Separate	
	As at December 31, 2013	As at December 31, 2012
Discount rate (%)	4.12	4.12
Future salary increase (%)	7.74	7.74
Retirement age (year old)	60	60

## 22. Share Capital

Movement of capital are as follows

	Consolidated/ Separate	
	Number of ordinary (Shares)	Amount (Unit : Bath)
Authorized share capital (par value of Baht 0.70)		
As at January 1, 2013	560,145,438	392,101,807
Shares issued during the year	112,029,087	78,420,361
As at December 31, 2013	672,174,525	470,522,168
Issued and paid-up share capital (par value of Baht 0.70)		
As at January 1, 2013	560,145,438	392,101,807
Shares issued during the year	89,388,513	62,571,959
As at December 31, 2013	649,533,951	454,673,766
*Premium on ordinary shares (par value of Baht 1.33)		
As at January 1, 2013	560,145,438	22,574,642
Shares issued during the year	89,388,513	117,836,556
As at December 31, 2013	649,533,951	140,411,198

\* Premium on shares Equal to the net amount of the costs of issuance. amounting of Baht 1.05 million

At the Extra - ordinary Shareholders meeting held No.1/2012 on December 26, 2012 has approved the capital increase from Baht 78,420,360.90 from the registered share capital amount of Baht 392,101,806.60 to Baht 470,522,167.50 by issuing 112,029,087 ordinary shares with par value amount of Baht 0.70 per share and the increased shares will be allotted and offered to the existing shareholders of the Company in proportion to the number of shares held by each shareholders at the ratio of 5 existing share to 1 new shares at the offering price by Baht of 2.03 per share, the allotment of the remaining Right Shares from right offering to investors by Private Placement method.

The Company has registered the capital increasing with the ministry of commerce on February 8, 2013.

## 23. The capital increase of the subsidiary

### Direct holdings:

Extraordinary General Meeting of Shareholders of River kwai international food Co., Ltd. No.1/2013 on January 15, 2013 has Approved the capital increase from Baht 266 million to Baht 364.40 million through the issue of new ordinary shares of 9,840,000 shares at Baht of 10 each, totaling Bath of 98.40 million. The subsidiary has registered with Ministry of Commerce on January 21, 2013.

Extraordinary General Meeting of Shareholders of River kwai international food Co., Ltd. No.2/2013 on February 28, 2013 has Approved the capital increase from Baht 364.40 million to Baht 445.40 million through the issue of new ordinary shares of 8,100,000 shares at Baht of 10 each, totaling Bath of 81 million. The subsidiary has registered with Ministry of Commerce on March 8, 2013.

Extraordinary General Meeting of Shareholders of River kwai international food Co., Ltd. No.3/2013 on August 27, 2013 has Approved the capital increase from Baht 445.40 million to Baht 455.40 million through the issue of new ordinary shares of 1,000,000 shares at Baht of 10 each, totaling Bath of 10 million. The subsidiary has registered with Ministry of Commerce on September 10, 2013.

### Indirect holdings

Extraordinary General Meeting of Shareholders of Agrifresh Co., Ltd. No.1/2013 on August 27, 2013 has Approved the capital increase from Baht 30.25 million to Baht 48.25 million through the issue of new ordinary shares of 1,800,000 shares at Baht of 10 each, totaling Bath of 18 million. The subsidiary has registered with Ministry of Commerce on September 10, 2013.

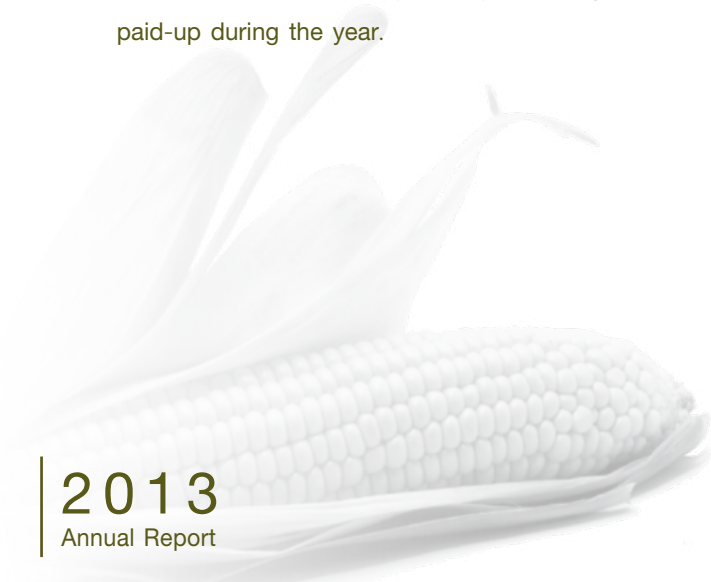
## 24. Dividend paid of the subsidiary

a) In accordance with the minute of annual general meeting of shareholders, held on April 26, 2013, of the Sweet Corn Product Co., Ltd. It is unanimously resolved to appropriate retained earnings as dividend to shareholders in the rate of Baht 20 per share, amount 500,000 share, amounting to Baht 10 million.

b) In accordance with the minute of annual general meeting of shareholders, held on April 25, 2012, of the Sweet Corn Product Co., Ltd. It is unanimously resolved to appropriate retained earnings as dividend to shareholders in the rate of Baht 15 per share, amount 500,000 share, amounting to Baht 7.50 million.

## 25. Basic profit (loss) per share

Basic profit (loss) per share for the year ended December 31, 2013 and 2012 are calculated by dividing the net profit (loss) for the years by the weighted average number of ordinary shares which are issued and paid-up during the year.



	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
For the years end December 31				
Profit attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	17,291	60,413	8,341	13,631
Number of ordinary shares outstanding at 1 January (Thousand Share)	560,145	560,145	560,145	560,145
Effect of shares issued during the year (Thousand Share)	80,083	-	80,083	-
Weighted average number of ordinary shares outstanding (basic) (Thousand Baht)	640,228	560,145	640,228	560,145
<b>Earnings per share (basic) (Baht)</b>	0.03	0.11	0.01	0.02

## 26. Income tax expenses

### Income tax recognized in profit or loss

For the years ended December 31, 2013 and 2012, income tax expense consisted of the following:

	Baht			
	Consolidated financial statement		Separate financial statement	
	2013	2012	2013	2012
<b>Income tax :</b>				
Income tax for the year	2,594,005	1,852,876	-	-
<b>Deferred tax :</b>				
Relating to origination and reversal of temporary differences	1,729,559	(4,644,883)	-	-
Income tax (revenue) in statements of comprehensive income	4,323,564	(2,792,007)	-	-

### Income tax recognized directly in equity

	Baht			
	Consolidated financial statement			
	Rate (%)	2013	Rate (%)	2012
Profit before income tax expense		8,978,994		9,415,422
Income tax using the Thai corporation tax rate	20	1,795,799	15 - 23	2,043,844
Income not subject to tax		(160,971)		(628,980)
Expenses not deductible for tax purposes		959,177		438,012
<b>Total</b>		2,594,005		1,852,876

	Baht			
	Separate financial statement			
	Rate (%)	2013	Rate (%)	2012
Profit before income tax expense		8,340,571		13,631,379
Income tax using the Thai corporation tax rate	20	1,668,114	23	3,135,217
Income not subject to tax		(13,500)		(37,260)
Expenses not deductible for tax purposes		501,100		234,850
Loss carry forward		(12,480,919)		(22,892,880)
<b>Total</b>		<b>(10,325,204)</b>		<b>(19,560,073)</b>

For the years ended December 31, 2013 and 2012, the Company has tax profit (loss) as follows:

	Baht	
	Consolidated Financial Statements	
	2013	2012
Net profit (loss)	8,340,571	13,631,379
Income tax expense	-	-
Profit before corporate income tax	8,340,571	13,631,379
Plus(less) add back expenses	2,505,501	1,021,086
Add back income	(67,500)	(162,000)
Less Loss carry Forward, from five years	(62,404,593)	(99,534,263)
Tax profit(Loss)	(51,626,021)	(85,043,798)

### Income tax reduction

Royal Decree No. 530 B.E. 2011 dated December 21, 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after January 1, 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after January 1, 2013 and 2014, respectively

## 27. Other income

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31,		For the year ended December 31,	
	2013	2012	2013	2012
Reversal of impairment loss on investment(note 13)	107,305	759,502	107,305	759,502
Cash received dividend	67,500	162,000	67,500	162,000
Reversal allowance for doubtful debts	802,500	2,141,500	-	-
Gain on Exchange Rate	2,243,671	3,877,013	-	-
Subvention from the Project of Biogas Technology Promotion for industrial factory.	-	1,800,000	-	-
Management fee	-	-	32,400,000	33,500,000
Write off - account payable	3,985,281	-	-	-
Other	7,652,924	6,775,025	237,114	1,096,830
<b>Total</b>	<b>14,859,181</b>	<b>15,515,040</b>	<b>32,811,919</b>	<b>35,518,332</b>

## 28. Expenses by nature

Significant expenses by nature for the years ended December 31, 2013 and 2012 are as follows:

	Baht			
	Consolidated		Separate	
	financial statement		financial statement	
	2013	2012	2013	2012
Change in inventories of finished goods, semi finish good and work in progress	(78,409,661)	(86,588,092)	-	-
Raw materials and consumables used	639,764,636	779,769,899	-	-
Transportation expenses	83,753,737	97,622,599	-	-
Employee benefit expenses	120,861,519	138,583,610	8,588,381	13,461,898
Depreciation and amortization	20,761,114	21,430,105	1,357,673	1,183,911

## 29. Provident fund

The Group established a contributory registered provident fund, in accordance with the Provident Fund Act B. E. 1987. The Group appointed an authorized fund manager to manage the fund. Under the plan, employees must contribute 3 - 5 percent of their basic salary and the Group is required to make monthly contributions to the fund at the same rate of employees.

The Group contribution to the provident fund was for the years ended December 31, 2013 and 2012 are as follow:

	Baht			
	Consolidated		Separate	
	financial statement		financial statement	
	2013	2012	2013	2012
For the years ended December 31,	669,462	464,925	610,962	406,575

## 30. Segment information

Segment information is presented in respect of the Group's business under management approach with primary format, business segments, is based on the Group's management and internal reporting structure.

The Company's operations are manufacturing and distribution of agro products i.e. canned sweet corn, fresh vegetable and fruit and commercial seed which separate as follows :-

Information about reporting segments for the years ended December 31, 2013 and 2012 are as follow :

	(Unit : Million Baht)					
	Consolidated Financial Statements					
	For the years ended December 31, 2013					
	Canned sweet corn	Fresh vegetable and fruit	Commercial seed	Total	Eliminate	Total
Revenue from sale	864	214	40	1,118	(22)	1,096
Cost of sale	769	206	22	997	(27)	970
Gross Profit	95	8	18	121	5	126
Fix assets	529	10	8	547		547
Asset (Center)						2
Eliminate						4
Fix assets - net						553



(Unit : Million Baht)						
Consolidated Financial Statements						
For the years ended December 31, 2012						
	Canned sweet corn	Fresh vegetable and fruit	Commercial seed	Total	Eliminate	Total
Revenue from sale	886	208	45	1,139	(19)	1,120
Cost of sale	758	199	27	984	(26)	958
Gross Profit	128	9	18	155	7	162
Fix assets	406	12	7	425		425
Assets (Center)						4
Eliminate						3
Fix assets - net						432

### 31. Financial instruments

#### a) Interest rate risk

The interest rate risk is raised from the fluctuation of the future market interest rates which may affect the results of operations and cash flows of the Group. The Group may exposure to interest rate risk relates primarily to overdrafts and loans. Since the majority of these financial assets and liabilities are short-term, so the Group do not use any derivative financial instruments to hedge the interest rate risk.

#### b) Credit risk

The Group may expose to credit risk primarily to accounts receivable. However, since the Company and its subsidiaries have prudent credit policy, so the Company and its subsidiaries do not anticipate material losses except for amounts for which they have already set up allowance for doubtful accounts. Moreover, the Group has no significant concentrations of credit risks.

#### c) Fair value

Since mainly of financial assets and liabilities are classified as short-term and the loans carried interest rates at close to current market rates, and the Company has tested the impairment of investment in subsidiary and associated companies in separate financial statements as of the balance sheets date. So, the management of the Group believes that the fair value of such financial assets and liabilities will not have materially difference from book value.

#### d) As at December 31, 2013, the Group had assets and liabilities in the consolidated financial statements which are denominated in foreign currencies as follows:

Foreign currency	Coin		Average exchange rate As at December 31, 2013 (Baht per 1 foreign currency unit)
	Assets	Liabilities	
USD	1,777,197	33,050	31.7300
AUD	47,223	2,154	29.4066
DKK	106,898	-	5.78740
EUR	54,466	-	43.1595
GBP	281,018	273	51.3447
JPY	16,970,975	5,270,272	31.6172
SGD	19,315	-	25.3779

- c) As at December 31, 2013, the Company has forward contract are as follow : -

Foreign currency	Amount	Exchange rate of contracts
	(Coin)	(Unit : foreign currency.) Rate
USD	4,444,341	29.4981-32.14
JPY	6,700,000	0.3045

### 32. Obligation and contingent liabilities

- As at December 31, 2013, a subsidiary were outstanding bank guarantees, approximately Baht 3.43 million. Issued by banks as required in ordinary course of its businesses.
- On July 3, 2013 a subsidiary has entered into land rental agreement with a non-related person for the cultivation of agricultural crops, a contract for a period of one year from the date of July 3, 2013 until July 3, 2014, by the rental rate of 250,000 baht per year.
- The subsidiary has an commitment from entering into the contract of participation with the project of corn breeding with several farmers who expertise in corn breeding carried the purchased price of product that the humidity not over 30% and 50% in the contract price, if the humidity is not in accordance with the determination, the subsidiary will deduct the weight as per table of purchase while the farmers agree and consent to fully compensate damage which incurred to the subsidiary depend on the contract area in the rate of Baht 30,000 per acres. Such contract had effective in each the planting season.
- On January 10, 2012, a subsidiary has entered into land rental agreement with non-related person to use in operation, with the rental fee amount of Baht 25,000 per month, payment by 2 times per year, amount of Baht 150,000, are January and June of every year.

### 33. Capital Management

The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2013, debt to equity ratio in the consolidated financial statements is 0.55 (the separate financial statements: debt to equity ratio is 0.01)

### 34. Approval of financial statements

These financial statements have been approved by the Company's board of directors on February 27, 2014

## The remuneration of the auditors

The company's audit determination of the audit fee  
Miss Kannikhar Wiphanurat as Certified Public Accountant No. 7305  
From Karin Audit Limited for the Year 2013 Baht 1,920,000.00

### Audit fee

Items	Payers	Auditor	Audit fee
1.	AgriPure Holdings PCL	Miss Kannikhar Wiphanurat from Karin Audit limited	570,000.00
2.	River Kwai International Food Industry Company Limited	Miss Kannikhar Wiphanurat from Karin Audit limited	790,000.00
3.	Sweet Corn Products Company Limited	Miss Kannikhar Wiphanurat from Karin Audit limited	280,000.00
4.	AgriFresh Company Limited	Miss Kannikhar Wiphanurat from Karin Audit limited	280,000.00
		Total	1,920,000.00

## Financial Position and Operating Performance

### Financial Statement

AgriPure Holdings Public Company Limited Statements of Financial Position (Unit: Thousand Baht)	Consolidated Financial Statements			
	Audited			
	31/12/2010	31/12/2011 Restated	31/12/2012 Restated	31/12/2013
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	74,675	72,746	163,597	66,927
Temporary investments - net	35	49	12,432	20,214
Trade accounts receivable and other accounts receivable - net	61,491	74,954	122,934	122,363
Accounts receivable - farmer - net	3,346	5,495	5,889	6,063
Inventories - net	113,162	138,505	238,380	152,593
Plantation cost - net	6,043	4,995	618	321
Other current assets - net	9,289	12,946	17,096	19,667
<b>Total current assets</b>	<b>268,040</b>	<b>309,690</b>	<b>560,947</b>	<b>368,149</b>
<b>Non-Current assets</b>				
Long term investment - net	20,413	22,445	22,953	23,060
Property, plant and equipment - net	251,248	265,102	432,055	553,334
Non - operating land - net	-	-	-	-
Intangible assets - net	3,783	2,179	712	1,270
Pledged deposits at financial institutions	2,344	2,344	2,030	2,034
	-	1,448	4,197	2,467
Other non-current assets - net	6,677	2,773	2,516	2,673
<b>Total non-current assets</b>	<b>284,465</b>	<b>296,291</b>	<b>464,463</b>	<b>584,837</b>

AgriPure Holdings Public Company Limited Statements of Financial Position (Unit: Thousand Baht)	Consolidated Financial Statements			
	Audited			
	31/12/2010	31/12/2011 Restated	31/12/2012 Restated	31/12/2013
<b>Total Assets</b>	<b>552,505</b>	<b>605,982</b>	<b>1,025,410</b>	<b>952,986</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loans from financial institutions	125,144	54,455	300,409	102,518
Trade accounts payable and Other accounts payable	35,656	74,652	91,077	65,072
Short - term loan from related persons	-	100,000	202,000	157,000
Current portion of long term loan due within 1 year				
Long - term loans from financial institutions	384	-	-	-
Obligation under finance lease	1,679	1,757	1,396	1,211
Accrued income tax	381	2,182	716	1,493
Other current liabilities	25,065	1,555	2,849	2,824
<b>Total current liabilities</b>	<b>188,309</b>	<b>234,601</b>	<b>598,448</b>	<b>330,118</b>
<b>Non-Current Liabilities</b>				
Long - term loans from financial institutions - net of current portion	84	-	-	-
Obligation under finance lease - net	5,166	3,203	1,418	214
Provision for employees' benefits	-	3,824	2,689	3,096
<b>Total non-current liabilities</b>	<b>5,249</b>	<b>8,923</b>	<b>4,106</b>	<b>3,310</b>
<b>Total liabilities</b>	<b>193,558</b>	<b>243,525</b>	<b>602,555</b>	<b>333,428</b>
<b>Shareholders' equity</b>				
<b>Share capital</b>				
Share capital				
Authorized share capital				
560,145,438 ordinary shares, Baht 0.70 par value	392,102	392,102	392,102	
672,174,525 ordinary shares, Baht 0.70 par value				470,522
Issued and paid-up share capital				
560,145,438 ordinary shares, Baht 0.70 par value	392,102	392,102	392,102	
649,533,951 ordinary shares, Baht 0.70 par value				454,673
Premium on ordinary shares	22,575	22,575	22,575	140,411
Revaluation of surplus on land	-	-	-	-
Unrealized gain on securities - available for sales	-	-	-	-
Deficits	(128,754)	(123,656)	(63,243)	(45,952)
Other components of equity				
Revaluation of surplus on land	57,765	56,055	56,055	56,055
Unrealized gain on securities - available for sales	27	41	80	24
Total other components of equity	57,792	56,096	56,135	56,079
Total equity attributable to equity holders of the Company	343,715	347,116	407,568	605,211
Non-controlling interests	15,232	15,341	15,287	14,347
<b>Total Shareholders' Equity</b>	<b>358,947</b>	<b>362,457</b>	<b>422,855</b>	<b>619,558</b>
<b>Total Liabilities and Total Shareholders' Equity</b>	<b>552,505</b>	<b>605,982</b>	<b>1,025,410</b>	<b>952,986</b>

**Source:** Consolidated financial statements of the Company and its subsidiaries for 2010-2013.

AgriPure Holdings Public Company Limited Statements of Comprehensive Income (Unit: Thousand Baht)	Consolidated Financial Statements			
	Audited			
	2010	2011	2012	2013
Revenues from sales	888,759	941,348	1,120,252	1,096,131
Cost of sales	828,058	827,412	957,755	969,684
<b>Gross profit</b>	<b>60,701</b>	<b>113,936</b>	<b>162,497</b>	<b>126,447</b>
Other income	29,559	10,154	15,515	14,859
<b>Profit before expenses</b>	<b>90,260</b>	<b>124,090</b>	<b>178,011</b>	<b>141,306</b>
Selling expenses	32,435	27,110	24,111	25,993
Administrative expenses	65,853	51,788	68,665	66,825
Management remuneration	33,244	12,713	9,770	9,560
Other expenses	-	7,066	13	-
<b>Total expenses</b>	<b>131,531</b>	<b>98,677</b>	<b>102,559</b>	<b>102,378</b>
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>(41,271)</b>	<b>25,413</b>	<b>75,452</b>	<b>38,928</b>
Finance cost	7,374	8,104	16,010	15,753
<b>Profit (loss) before income tax expenses</b>	<b>(48,646)</b>	<b>17,308</b>	<b>59,442</b>	<b>23,175</b>
Income tax expenses	3,213	3,993	(2,792)	4,323
<b>Profit (loss) for the period</b>	<b>(51,859)</b>	<b>13,316</b>	<b>62,234</b>	<b>18,851</b>
<b>Other comprehensive income</b>				
Unrealized gain on securities - available for sales	16	15	38.87	(56.47)
<b>Total comprehensive income(loss) for the period</b>	<b>(51,843)</b>	<b>13,330</b>	<b>62,273</b>	<b>18,795</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(53,821)	11,187	60,413	17,291
Equity attributable to non-controlling interests	1,963	2,128	1,821	1,560
	(51,859)	13,316	62,234	18,851
<b>Total comprehensive income(loss) attributable to:</b>				
Equity holders of the Company	(53,806)	11,202	60,452	17,234
Equity attributable to non-controlling interests	1,963	2,128	1,821	1,560
	(51,843)	13,330	62,273	18,795

**Source:** Consolidated financial statements of the Company and its subsidiaries for 2010-2013

AgriPure Holdings Public Company Limited Statement of Cash Flows (Unit: Thousand Baht)	Consolidated Financial Statements			
	Audited			
	31/12/2010	31/12/2011	31/12/2012	31/12/2013
Cash flow from (used in) operating activities	(47,888)	19,755	(47,237)	137,475
Cash flow from (used in) investing activities	(31,894)	(35,416)	(196,948)	(143,720)
Cash flow from (used in) financing activities	(7,497)	13,732	335,037	(90,425)
Increase (decrease) in cash and cash equivalent- net	(87,280)	(1,929)	90,852	(96,670)
Cash and cash equivalents at the beginning of years	161,955	74,675	72,746	163,597
<b>Cash and cash equivalents at the end of years</b>	<b>74,675</b>	<b>72,746</b>	<b>163,597</b>	<b>66,928</b>

**Source:** Consolidated financial statements of the Company and its subsidiaries for 2010-2013 Financial Ratio

AgriPure Holdings Public Company Limited Financial Ratios		Consolidated Financial Statements			
		Audited			
		31/12/2010	31/12/2011	31/12/2012	31/12/2013
<b>Liquidity Ratios</b>					
Current ratio	(Times)	1.42	1.32	0.94	1.12
Quick ratio	(Times)	0.79	0.71	0.54	0.65
Accounts Receivable Turnover	(Times)	10.60	13.24	17.39	20.22
Average Collection Period	(Days)	34.43	27.57	20.99	18.05
Inventory Turnover	(Times)	6.28	6.58	5.08	4.96
Average Inventory Period	(Days)	58.12	55.47	71.85	73.59
Accounts Payable Turnover	(Times)	13.28	18.00	11.56	12.42
Average Payables Period	(Days)	27.48	20.28	31.57	29.39
Cash Cycle	(Days)	65.07	62.76	61.27	62.25
<b>Profitability Ratios</b>					
Gross Profit Margin	(%)	6.83	12.10	14.51	11.54
Operating Profit Margin	(%)	(4.64)	2.70	6.74	3.55
Net Profit Margin	(%)	(6.06)	1.42	5.56	1.72
Return on Equity	(%)	(13.95)	3.10	14.25	3.32
Net Return on Equity	(%)	(14.99)	3.09	13.31	2.79
<b>Efficiency Ratios</b>					
Return on total Assets	(%)	(8.57)	4.39	9.28	3.94
<b>Financial Policy Ratios</b>					
Debt to Asset Ratio	(Times)	0.35	0.40	0.59	0.35
Debt to Equity Ratio	(Times)	0.54	0.67	1.44	0.54
Interest Coverage Ratio	(Times)	(5.60)	3.14	4.71	2.47
Cash to Current Liability Ratio	(%)	31.89	34.40	39.28	14.42
Cash to Total Liability Ratio	(Times)	31.45	33.43	38.76	14.30

## Summary on Financial Status and the Past Operating Performance

### Operating Performance

#### Revenues from Sales

The Company had revenues from sales of Baht 888.76 million, Baht 941.35 million, Baht 1,120.25 million and Baht 1,096.13 million in 2010-2013, respectively. In 2011 sales increased by Baht 52.29 million or 5.92%. In 2012 sales increased by Baht 178.90 million or 19.01, 2013 sales decreased Baht 24.12 million due to decreasing of vacuum packed sweet corn sales, while canned corn sales was increased because customers in Japan were negotiated by the management of the Company. Thus, such advanced orders prolonged approximately 10-12 months, which tended to increase the Company's sales to Japan.

The Details on international and domestic sales were as follows:

Items	2010	2011	2012	2013
International Revenues from Sale				
• Processed sweet corn (RKL)	463.72	507.01	599.61	614.35
• Fresh vegetables and fruit (RKL and AF)	215.06	213.72	196.20	214.43
• Vacuum packed sweet corn (RKL)	73.59	110.36	181.14	136.78
<b>Total</b>	<b>752.37</b>	<b>831.09</b>	<b>976.95</b>	<b>965.56</b>
Domestic Revenues from Sale				
• Processed sweet corn (RKL)	10.62	31.65	48.10	51.59
• Breeder Seed (SCP)	95.69	59.69	44.94	39.63
• Others (RKL)	4.74	10.51	21.89	4.51
• Vacuum packed sweet corn (RKL)	11.38	8.41	16.65	34.84
• Fresh vegetables and fruit (AF)	13.96	0.00	11.72	0.00
<b>Total</b>	<b>136.17</b>	<b>110.26</b>	<b>143.30</b>	<b>130.57</b>
<b>Total Revenues from Sale</b>	<b>888.76</b>	<b>941.35</b>	<b>1,120.25</b>	<b>1,096.13</b>

#### Cost of Sales

The Company had cost of sales of Baht 828.06 million, Baht 827.41 million, Baht 957.76 and Baht 969.68 million in 2010-2013, respectively. The Company had cost to sales ratio of 93.17%, 87.90%, 85.50 and 88.46% in 2010-2013, respectively. Thus, the fluctuation of such ratio was caused by that the Company had to set the sale price to be in line with the world market price for agricultural products, which was regarded as commodity; hence, the Company could not set the sale price by adding certain gross profit. Therefore, the Company had to adjust sale price to reflect market price whereas cost of raw materials and relevant packages had continuously increased.

However, the cost to sales ratio had decreased since 2010 because the Company increased the proportion of suppliers who were juristic persons, instead of individuals in order to control the cost. Besides, the Company had received the advanced orders from customers in Japan since 2011; therefore, the Company could manage cost of sales efficiently by controlling cost of raw materials and relevant packages with advanced ordering. In 2013 the cost to sales had increased because the minimum wage increased to 300 THB all over Thailand since the beginning of year 2013. This made our cost per unit higher.



## **Gross Profit**

The Company has gross profit of Baht 60.70 million, Baht 113.94 million, Baht 162.50 million and Baht 126.45 million and had gross profit margin of 6.83%, 12.10%, 14.51% and 17.73%, which was considered good, in 2010-2013, respectively. That such ratio in 2010-2013 had gradually increased was caused by the reason as per aforementioned, but 2013 ratio decreased due to wage adjustment

## **Selling and Administrative Expenses (including compensation of management)**

Selling and administrative expenses of the Company were composed of salaries and overtime wages, employee benefit expenses, management remuneration, repair and maintenance costs, and utilities expenses. The Company had selling and administrative expenses of Baht 131.53 million, Baht 91.61 million, Baht 102.55 million and Baht 102.38 million, or 14.80%, 9.73%, 9.15% and 9.34 of sales, in 2010-2013, respectively. Thus, such ratios in 2010, 2013 were at the same level.

However, in 2010 the Company had other expenses recognized as administrative expenses approximately Baht 15 million as a result of restructuring of executive directors in order to create flexibility in management; hence, such expenses to revenue from sales ratio increased.

Thus, since 2011 the Company had reduced management remuneration by more than 50% in comparison the number in 2010 and 2013. As a result of such restructuring as per aforementioned, the management remuneration in 2010-2013 was, Baht 33.24 million, Baht 12.71 million, Baht 9.77 million and Baht 9.56 million, or 3.74%, 1.35%, 0.87% and 0.87% of revenue from sales, respectively.

## **Net Profit (Loss) for the Period (Attributable to Equity Holders of the Company)**

The Company had net profit for the period (attributable to equity holders of the Company) of Baht (53.82) million, Baht 11.19 million, Baht 60.41 million and Baht 17.29 million, or representing net profit margin of (6.06)%, 1.19%, 5.39% and 1.58% in 2010-2013 respectively. That the net profit margin was highly fluctuated resulted from such reasons mentioned in the sections of revenues from sales, cost of sales, selling and administrative expenses.

However, the net profit in 2012 increased significantly because of the cost management in the advanced orders from customers in Japan and a decrease in management remuneration.

## **Total Comprehensive Income (Loss) (Attributable to Equity Holders of the Company)**

The Company had total comprehensive income (attributable to equity holders of the Company) of Baht (53.81) million, Baht 11.20 million, Baht 60.45 million and Baht 17.29 million in 2010-2013, respectively. Thus, the Company had other comprehensive income of Baht 0.16 million, Baht 0.15 million, Baht 0.39 million and Baht (0.56) million in 2010-2013, respectively. Such total comprehensive income resulted from unrealized gain on securities - available for sales.

## **Financial Position**

### **Assets**

The Company had total assets of Baht 552.50 million, Baht 605.98 million, Baht 1,025.41 million and Baht 952.99 million as of 2010-2013, respectively. A increase in total assets by Baht 419.43 million was mainly attributable from a increase in asset items related to sales such as accounts receivable and orders from customers in Japan. On the other hand, an decrease in total assets by Baht 72.42 million from 2012 to 2013 was attributable from customers have delayed orders, in the early years. Therefore, the production decreased.

However, an decrease in total assets of the Company by Baht 72.42 million from 2012 was mainly attributable from (1) an decrease in inventories by Baht 86.15 million due to reserves on semi-finished product to produce goods for advanced orders from customers in Japan, (2) an decrease in accounts payable by Baht 20.57 million due to the customers delay orders during the early years, and (3) an increase in property, plant and equipment for a new factory by Baht 121.28 million. Thus, the new factory was under construction and expected to be completed by late 2013 or early 2014.

### Liabilities

The Company had total liabilities of Baht 193.56 million, Baht 243.52 million, Baht 602.56 million and Baht 333.43 million as of 2010-2013, respectively. Thus, a increase in total liabilities by Baht 49.96 million from 2010 to 2011 and 2013 The Company had total liabilities increase from 2011 to 2013 by Baht 359.03 was attributable from (1) an increase in liability items related to sales such as accounts payable, which was caused by an increase in revenues from sales from normal operation and advanced orders from customers in Japan, and (2) an increase in short term loans from related parties by Baht 102.00 million, which was used to repay overdrafts and used as working capital as trading transactions had increased.

However, an decrease in total liabilities by Baht 269.13 million from 2012 was mainly attributable from (1) an decrease in accounts payable by Baht 26.00 million, and (2) an decrease in short term loans from related parties by Baht 45.00 million and overdrafts and short term loan by Baht 197.89 million to be used as working capital as trading transactions had decreased.

Moreover, the Company had debt to equity ratios of 0.54, 0.67, 1.44 and 0.54 times as of 2010-2013, respectively. Thus, such ratios were considered acceptable because such number in 2010-2013 were lower than 1.00 time and such ratio in 2013 was closed to the industrial average of peer in food and beverage business of 0.84 time (referred to information from the Stock Exchange of Thailand of “Summary of Comparable Financial Status and Operating Performance by Industry Group” for the quarter 3 of 2013, which was the latest information)

However, the Company had interest coverage ratio of (5.60), 3.14, 4.71 and 2.47 times as of 2010-2013 respectively. Thus, that the Company had such ratio more than 1 time meant that the Company had an ability to pay interest expenses. However, that the Company had such negative ratio in 2010 resulted from operating loss. Thus, in 2010-2013, the Company had liabilities relevant to related parties for several transactions as follows:



Items	Outstanding Balance				Remarks
	2010	2011	2012	2013	
Short term loans from related persons				-	<ul style="list-style-type: none"> <li>There were 2 promissory notes for a period of 1 year for short term loans from Mr. Komol Jungrungruangkit, without collateral, with interest of 6.25% per annum and payable every the 10<sup>th</sup> of the month.</li> </ul>
• Mr. Suredpon Jungrungruangkit	-	10.00	10.00		
• Mr. Komol Jungrungruangkit	-	90.00	192.00	157.00	
Accrued interest from short term loans from related persons					
• Mr. Suredpon Jungrungruangkit	-	-	0.05	-	
• Mr. Komol Jungrungruangkit	-	-	7.54	3.42	
Accrued consultant fee					
• Mr.Komol Jungrungruangkit	-	-	1.35	0.45	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>210.94</b>	<b>160.42</b>	

Source: Notes to the consolidated financial statements of the Company and its subsidiaries for 2013 and notes to the interim consolidated financial statements of the Company and its subsidiaries for 2013

### Total Shareholders' Equity

The Company had total shareholders' equity of Baht 358.95 million, Baht 362.91 million, Baht 429.31 million and Baht 422.86 million as of 2010-2013, respectively. Thus, an increase and a decrease in total shareholders' equity in 2010-2013 mainly resulted from net profit (loss) attributable to equity holders of the Company and dividend received from subsidiaries.

### Cash Flow

The Company had net cash flows from operating activities of Baht (47.89) million, Baht 19.76 million, (47.24) and Baht 137.48 million in 2010 - 2013, respectively. Thus, in 2010 and 2012, the Company did not have enough cash flows for use in operating activities because the Company had operating loss in 2010 and 2012, the Company had to reserve cash for use in procurement of raw materials and to extend credit terms for customers in order to promote sales.

The Company had net cash flows from investing activities of Baht (31.89) million, Baht (35.42) million, (196.95) and Baht (143.72) million in 2010 - 2013, respectively. Thus, the main changes of net cash flows from investing activities resulted from investment in new machines and equipment and scheduled repair and maintenance of machines and equipment. Thus, the Company invested in the new factory in 2011 and it was expected to be completed by late 2012 or early 2013. However, during 2014 the Company continuously recognized completion of construction on building.

The Company had net cash flows from financing activities of Baht (7.50) million, Baht 13.73 million, Baht 335.04 million and Baht 218.58 million in 2010 - 2013, respectively. Thus, in 2011 the Company had loans from related persons of Baht 100.00 million in order to repay bank overdrafts of approximately Baht 71.00 million. However, in 2013, the Company increased capital by Baht 180.41 million the Company refunded the short term loan of Baht 45.00 million from the related person and drew bank overdrafts and short term loan of approximately decreased Baht 197.89 million.

## Liquidity

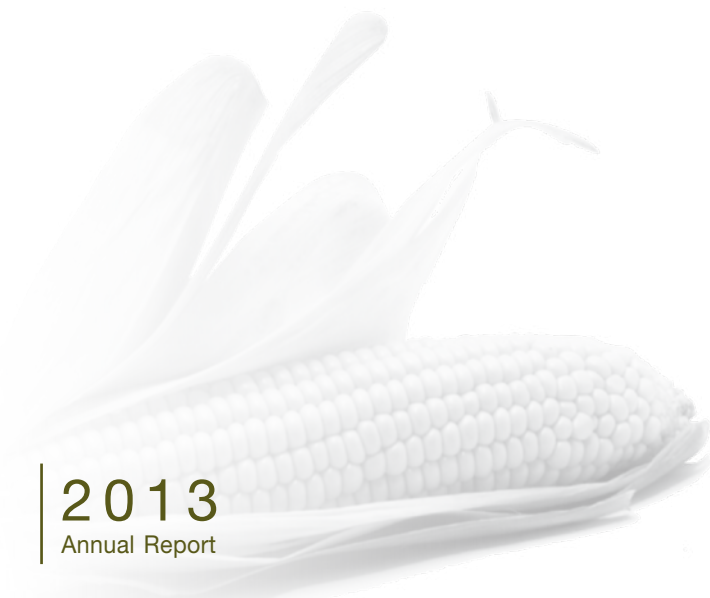
As considering key financial ratios, the Company had liquidity ratios at good level of 1.42, 1.32, 0.94 and 1.12 times in 2010 - 2013 respectively. Thus, the Company had quick ratios of 0.79, 0.71, 0.54 and 0.65 times in 2010 - 2013 respectively, which were regarded as acceptable levels; however, the Company used short term loan from financial institutions and short term loan from related persons to provide working capital for the business as per aforementioned.

Regarding to Thailand's economic in 2013 year, there were many negative factors that affected on Thailand's economy such as, The Uncertainty of World Economy, the crisis of Public Debt in Europe, Unrecovered of U.S. Economy Problem, The Fluctuations of Exchange Rate and Japanese currency became weaker against the US dollar and The Natural Disasters.

In the term of internal factor, Thailand's economic depends on The stability of Political, it seemed that in 2013 year, Thailand has been encountered with The Political Protests and Thai currency became stronger against the US dollar. These issues were major factors which could be affected on Thailand's economic.

In addition, the increasing of labor cost to reach at 300 THB per day in whole country and the increasing of energy price, both of petrol and electricity price were also affected in it as well as above factors.

However, we, Agripure Holding PLC, still maintain sales quantity from current customers and extend market to new customers by developing production system in the order to reach at highest of food and health international standard which is following as company's policy and strategy.







## Certification of Correct Information

I have reviewed the data in the list of annual data from of the this copy and with caution in the capacity as an executive director of the company, I hereby certify that such data is perfectly correct, untrue, not make others misunderstanding or not lack of data that should inform in significant substance. Besides, I hereby certify that:

1. Financial Statements and financial data that concluded in the list of annual data form have shown perfectly correctness of data in the significant substance related with financial status, operation result and cash flow of the company and subsidiary company.
2. I am responsible toward an arrangement for the company to have a good data disclosure system to assure that the company has disclosed data in the part that is significant substance both the company and subsidiary company with perfectly correctness including supervise to have performed according to such system.
3. I am responsible toward an arrangement for the company to have a good internal control system and supervise to have performed according to such system and I have informed an assessment data of internal control system on December 31, 2013 to Independent Auditor and Audit Committee of the company which covers defect and significant changes of internal control system including misconduct that may affect toward managing financial report of the company and subsidiary company.

In this case, as an evidence that all documents are the same set document accepted by myself for the correctness. I have assigned Miss Sineemas Sotpiparpnukul to give signature enclose in every pages of this document. If any document has no signature of Miss Sineemas Sotpiparpnukul enclosed, than I will consider that it is not the data I accepted correctness.

Names	Position	Signature
1. Mr. Suredpon Jungrungruangkit	Chairman (authorized signatory)	
2. Miss Sineemas Sotpiparpnukul	Chief Executive Officer (authorized signatory)	
3. Mrs. Kittima Imprasert	Director (authorized signatory)	
<b>Assignee</b> Miss Sineemas Sotpiparpnukul	Chief Executive Officer (authorized signatory)	









**บริษัท อกริเพียว โฮลดิ้งส์ จำกัด (มหาชน)**  
**AgriPure Holdings Public Company Limited**

---

เลขที่ 70 อาคารมูลนิธิรวมใจพัฒนา ชั้น 2 ถนนพหลโยธิน ตำบลคลองหนึ่ง  
อำเภอคลองหลวง จังหวัดปทุมธานี 12120  
โทรศัพท์ : +66 2 516 0941-45 โทรสาร +66 2 516 0946

---

The Ruamjaipattana Foundation Building No. 70 Moo 6 Klong 1  
District, Klongluang, Pathumtanee 12120  
Tel : +66 2 516 0941-45 Fax : +66 2 516 0946  
website : [www.apureholdings.com](http://www.apureholdings.com). [www.rkifood.com](http://www.rkifood.com)  
e-mail : [irs@apureholdings.com](mailto:irs@apureholdings.com)