

รายงานประจำปี
2560

Annual Report 2017

AgriPure

Agripure Holdings Company Limited
บริษัท อกริเพียว โฮลดิ้งส์ จำกัด (มหาชน)



วิสัยทัศน์

บริษัทมีความมุ่งมั่นที่จะก้าวไปเป็นบริษัทที่แข็งแกร่งในอุตสาหกรรมเกษตร โดยมุ่งเน้นที่จะผลิตสินค้าที่มีคุณภาพสูงและการบริการที่ดีเยี่ยม เพื่อตอบสนองความต้องการของลูกค้าและองค์กรต่างๆ ที่เกี่ยวข้อง

พันธกิจ

- * นำเสนอสินค้าและบริการคุณภาพดี
- * ตอบสนองความพึงพอใจของลูกค้าในด้านของคุณภาพ การขนส่งและการติดต่อสื่อสาร
- * ยึดหลักการความรับผิดชอบต่อสังคมและสิ่งแวดล้อม

ภารกิจ

1. ตอบสนองความพึงพอใจของลูกค้าและองค์กรต่างๆ ที่เกี่ยวข้อง โดยมุ่งเน้นการพัฒนาขั้นตอนการผลิตอย่างต่อเนื่อง เพื่อที่จะนำเสนอผลิตภัณฑ์ข้าวโพดหวานที่มีคุณภาพดีและสามารถลดต้นทุนการผลิตรวมถึงการหาแหล่งวัตถุดิบคุณภาพเยี่ยมเพื่อนำเสนอต่อลูกค้า
2. มุ่งมั่นให้บริการกับลูกค้าได้อย่างดีเยี่ยม โดยใช้หลักความรับผิดชอบต่อสังคม (CSR) เพื่อให้เกิดความพึงพอใจของพนักงานและเกิดการช่วยเหลือให้กับทุกสังคม



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Message from Chairman of Board of Directors

For business operations in year 2017, it still continues to have the negative consequences on the economy of Thailand which comes from not only Global Economy slowdown and recovering slowly in USA, Europe, and Japan's economy is recovering slowly. Especially, Thailand's agriculture had faced the problem from natural disaster (El Nino) which impacted for shortage and increased price. In general this year, the total export of fruits and vegetables decreased, but company has well planned and managed on raw material. That was why company did not short or delay in order to ship out the goods and could expand the current market and could increase the new market in this year.

Nonetheless, the company not only made the benefit to shareholders but also concentrated on well management under company policy especially the company never stop developing and improving the production process in order to improve the product's quality to meet the hygiene of international standards and adjust the strategy under current situation including decreased other expenses and focus on cooperate social responsibilities. It was the strategy policy to maintain the export volume for existing market and expanding the business to new clients from both existing market and new market which affected to increase the quantity of canned sweet corn kernel.

I as Chairman of Board of Directors was much appreciated on you who have always supported company including shareholders, investors, business partners, management team, and all company staffs. The company will still developing our products to meet consumer's need and continue keeping higher standard and food safety for consumers.



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 30, 2017 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 30, 2017 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 30, 2017 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 30, 2017 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 1.31% shares of the issued and paid up capital of Siam Del Monte as of October 18, 2017, 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, 2017, River Kwai had the issued and paid up capital of Baht 900 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, 2017, 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, 2017 Agri Fresh had the issued and paid up capital of Baht 78.25 million.

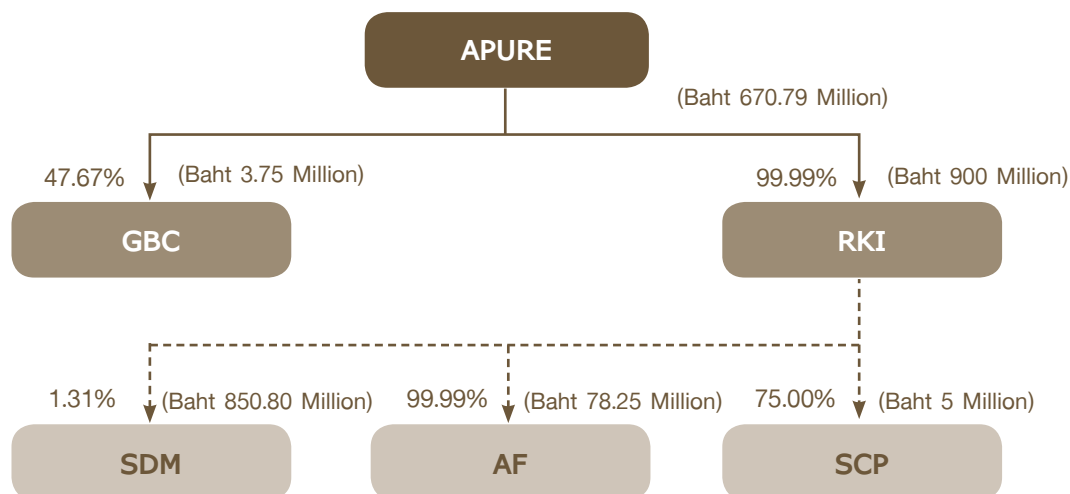
Business of processing fresh vegetables and fruits started from selecting, cutting, packing and exporting vegetables to the foreign markets.

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, accounting period of Siam Del Monte ended on March 31), Siam Del Monte had the issued and paid up capital of Baht 850.80 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.

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 95.61% shares of the issued and paid up capital, and (2) Samroi yod Corporation Limited (Pineapple producer) held 3.07% 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, 2017 in the reviewed financial statement of the Company and copy of lists of shareholders of the relevant companies).



Notes : 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

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

2007 On April 18, 2007, 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.

2015

The resolution of the extraordinary general shareholders' meeting No. 1/2015 on February 13, 2015 for considering and approving the reduction of the Company's registered capital of the Company by Baht 15,848,401.80, which decreased the registered capital from Baht 470,522,167.50 to Baht 454,673,765.70 by cancelling the total of 22,640,574 authorized but unissued ordinary shares with the par value of Baht 0.70 per shares and to consider and approve the increase of the Company's registered capital for Baht 227,336,882.50 from Baht 454,673,765.70 to Baht 682,010,648.20 by issuing 324,766,975 new ordinary shares with the per value of Baht 0.70 per share. Offering to existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) at a ratio of 2 existing ordinary shares for 1 new ordinary share, at the selling price of Baht 1.50

Results of the sale of shares: Number of shares subscribed 308,731,586 shares, amount of money received from the sale of shares 216,112,110.20 Baht the Company registered the increased registered capital with Ministry of Commerce on March 31, 2015.

Revenue Structure

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

Unit : Million Baht

| Sales to Foreign Market | By | 2015 | % | 2016 | % | 2017 | % |
|----------------------------|-----|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| Processed sweet corn | RKI | 767.16 | 62.40 | 1,019.67 | 65.81 | 1,023.40 | 64.29 |
| Fresh vegetables and fruit | AGF | 180.62 | 14.69 | 170.58 | 11.01 | 175.39 | 11.01 |
| Vacuum packed sweet corn | RKI | 168.61 | 13.72 | 213.75 | 13.79 | 234.16 | 14.68 |
| Total | | 1,116.39 | 90.81 | 1,404.00 | 90.61 | 1,432.95 | 89.98 |

| Sales to Domestic Market | By | 2015 | % | 2016 | % | 2017 | % |
|----------------------------|-----|---------------|-------------|---------------|-------------|---------------|--------------|
| Processed sweet corn | RKI | 24.81 | 2.02 | 36.20 | 2.34 | 31.88 | 2.00 |
| Breeder Seed | SCP | 49.44 | 4.02 | 66.64 | 4.30 | 85.79 | 5.38 |
| Others | RKI | 9.82 | 0.80 | 16.92 | 1.09 | 10.55 | 0.55 |
| Vacuum packed sweet corn | RKI | 14.58 | 1.19 | 10.57 | 0.68 | 5.86 | 0.37 |
| Fresh vegetables and fruit | AGF | 14.38 | 1.17 | 15.19 | 0.98 | 27.58 | 1.72 |
| Total | | 113.03 | 9.19 | 145.52 | 9.39 | 161.66 | 10.02 |

| | | | | | | |
|-------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Grand Total Sale | 1,229.42 | 100.00 | 1,549.52 | 100.00 | 1,594.61 | 100.00 |
|-------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|

Remark :

- RKI = River Kwai International Food Industry Company Limited
- GBC = General Business Center Company Limited
- AGF = Agrifresh Company Limited
- SCP = Sweet Corn Products 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
- CANNED BABY CORN

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 residue-controlled product , operated by Agrifresh.

The Company has its own farm and 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, and okra, which are main products, are close to the factories in Kanchanaburi, Ratchaburi, Nakhonpatom, etc.

Environmental Impact

-None-

Benefits from Investment Promotion

-None-

Industry and Competition

Industry of Processed Sweet Corn

During 2015 – 2017, Thailand exported canned sweet corn with total value of Baht 6,150.17 million, Baht 6,908.29 million and Baht 6,631.29 million, respectively (Information from the custom department), which River Kwai exported the processed sweet corn with Baht 935.77 million, Baht 1,233.42 million and Baht 1,259.34 or 15.22 %, 17.85 % and 18.99 % of total exporting value of processed sweet corn in 2015 – 2017, respectively, 10 major exporters to the country and the other in 2017 as following:

Unit : Million Baht

| The importing country | | 2015 | 2016 | 2017 |
|-----------------------|----------------------|-----------------|-----------------|-----------------|
| 1 | Japan | 1,232.37 | 1,373.09 | 1,451.02 |
| 2 | Korea,R | 603.93 | 766.76 | 748.19 |
| 3 | Taiwan | 517.54 | 634.33 | 504.50 |
| 4 | United Kingdom | 274.24 | 257.11 | 241.27 |
| 5 | Philippines | 252.56 | 442.89 | 370.30 |
| 6 | Australia | 251.34 | 239.40 | 236.98 |
| 7 | Lebanon | 206.82 | 214.09 | 219.24 |
| 8 | Saudi Arabia | 197.65 | 261.35 | 253.16 |
| 9 | Norway | 174.65 | 173.90 | 222.59 |
| 10 | United Arab Emirates | 160.33 | 189.68 | 145.49 |
| 11 | others | 2, 278.74 | 2,355.69 | 2,238.55 |
| Total | | 6,150.17 | 6,908.29 | 6,631.29 |

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, Taiwan, Korea, and England, while major exporting markets of vacuum packed sweet corn were Japan, European Union, America.

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, 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 89.98 percent. Of total sales in the year 2017 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 |
|------|----------------------------|----------|
| 2013 | 5.33 | (3.79%) |
| 2014 | 5.27 | (1.13%) |
| 2015 | 4.72 | (10.44%) |
| 2016 | 5.14 | 8.90% |
| 2017 | 4.77 | (7.20%) |

Remark : The price in 2017 ranged from a low of 4.60 baht/kg to 5.40 baht/kg

Risk from volatility of the Economy

The Company's income is mainly from export of goods at 89.98 % of the total sales in 2017. 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 associated with having major shareholders with more than 50% of shareholding

The company has the major shareholders, the Jungrungruangkij family with the total of 640.66 million shares, or 66.85% of all paid up shares of the company. With the proportion of more than 1 in 3 of all shareholdings, the major shareholders has practically the full authority over the company and can influence all decision-makings of the company on all matters that must be approved in the shareholders' meetings. Hence, other shareholders of the company are at risk of not being able to gather enough votes to investigate and counterbalance the issues that the major shareholders submit as an agenda in the general meetings of the company's shareholders.

In any case, however, any approval or authorization that concerns with the major shareholders, according to the PUBLIC LIMITED COMPANIES ACT, the major shareholders directly involved or considered the direct stakeholder(s) shall not have the right to vote or make the particular decisions.

General Information and Other Important Information

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 Romjaipattana Foundation Building, 2nd 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 2nd 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. 034-910510-1 Fax. 034-910518 E-mail: info@rkifood.com |
| Type of Business | Produce and distribute canned sweet corn |
| Registered Capital | 900,000,000 Baht |
| Paid-up Capital | 900,000,000 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. 034-910513-4 Fax. 034-910512 |
| Type of Business | Distributor of fresh vegetables and fruits |
| Registered Capital | 78,250,000, Baht |
| Paid-up Capital | 78,250,000 Baht |
| Shareholding proportion | 99.99% (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 21st 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 47.67% (Agripure Holdings Public Company Limited)

Other entity**Securities registration services**

Thailand Securities Depository Co., Ltd.
No. 93 14th Floor ,Rachadapisek Road,
Dindang, Bangkok 10400, Thailand
Tel : (66 2) 009 9000
Fax : (66 2) 009 9992
Website : <http://www.tsd.co.th>
E-mail : TSDCallCenter@set.or.th

Auditors

| | |
|--------------------------|---|
| Mr. Jadesada Hangsapruk | Certified Public Accountant Registration No. 3759 |
| Miss Kannikar Viphanurat | Certified Public Accountant Registration No. 7305 |
| Mr. Jirote Sirirorote | Certified Public Accountant Registration No. 5113 |

Karin Audit Co.,Ltd.

138 Boonmitr 6th Floor B1, Silom Road, Bang Rak, Bangkok 10500
Tel. 02-634-2484-6 Fax: 02-634-2668
E-mail : audit@karinaudit.co.th
www.karinaudit.co.th

Internal Audit

1. Mr.Suchart Mueansri
2. Miss. Kasinee Yoddamnern

Capital Structure

Securities of the Company

In the audited consolidated financial statement of the Company as of December 31, 2017, the Company had registered capital of Baht 682,010,648.20, which was divided into 974,300,926 ordinary shares at the par value of Baht 0.70 per share and had paid up capital of Baht 670,785,875.90, which was divided into 958,265,537 ordinary shares at the par value of Baht 0.70 per share.

Major Shareholders

On December 30, 2017, 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 (%) |
|-----|--|---------------------------------|---|
| | Prototype Jungrungruangkit by Mr. Suredpon Jungrungruangkit ^{1/} | 640,657,512.00 | 66.85 |
| 1 | Mr. Suredpon Jungrungruangkit ^{3/} | 338,882,082.00 | 35.36 |
| 2 | Mr. Komol Jungrungruangkit ^{2/} | 247,210,630.00 | 25.80 |
| 3 | Thai NVDR Co., Ltd. | 63,459,396.00 | 6.62 |
| 4 | Summit Pinehurst Golf Club Company Limited ^{4/} | 54,564,800.00 | 5.69 |
| 5 | Mr. Thaveechat Jurangkul | 36,899,880.00 | 3.85 |
| 6 | Mr. Chet Mhluemsom | 18,700,100.00 | 1.95 |
| 7 | Thanat Boorapathana Mr. Thanat Boorapathana | 11,079,000.00 | 1.16 |
| 8 | SIX SIS LTD | 8,780,000.00 | 0.92 |
| 9 | Chavalit Jaratchotphinit Mr. Chavalit Jaratchotphinit | 6,300,000.00 | 0.66 |

Remarks : ^{1/} Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535 as of December 30, 2017,

^{2/} Mr. Komol Jungrungruangkit is Mr. Suredpon Jungrungruangkit's father and the person who acts in concert of Mr. Suredpon Jungrungruangkit's.

^{3/} Mr. Suredpon Jungrungruangkit is Mr. Komol Jungrungruangkit's legal age son.

^{4/} Mr. Komol held shares more than 30% of the paid up capital of Summit Pinehurst Golf Club Company Limited

The list of major shareholders have influence on policy, management and operations of the company.

| No. | Name | No. of Ordinary Shares (Shares) | Shareholding Proportion of Issued and Paid up Capital (%) |
|-----|--|------------------------------------|---|
| | Prototype Jungrungruangkit by Mr. Suredpon Jungrungruangkit | 640,657,512.00 | 66.85 |
| 1 | Mr. Suredpon Jungrungruangkit | 338,882,082.00 | 35.36 |
| 2 | Mr. Komol Jungrungruangkit | 247,210,630.00 | 25.80 |
| 3 | Summit Pinehurst Golf ClubCompany Limited | 54,564,800.00 | 5.69 |

Dividend Policy

The company has the policy to pay dividends after the company has cleared off all accumulated losses. The board of committee of the company shall consider whether the company has sufficient profits to pay dividends to its shareholders. The paying of dividends will be done within one-month period after the date when the shareholders in the general meeting or the board of committee have made the paying decision, depending on the circumstances. In such case, the company shall issue related documents to the shareholders as well as advertise the paying of dividends in newspapers.

Management Structure

The Board of Directors of the Company

As of December 30, 2017, the Board of Directors, as stated in the Company's affidavit, consisted of:

| No. | Name | Position | Shareholding Proportion of Issued and Paid up Capital (%) ^{1/} |
|-----|---|--|---|
| 1. | Mr. Suredpon Jungrungruangkit ^{1/ 2/ 3/} | Chairman | 66.85 ^{4/} |
| 2. | Mrs. Kittima Imprasert ^{2/ 3/} | Director | - |
| 3. | Mrs. Saowanee Prasertwattanakul ^{3/} | Director | - |
| 4. | Mr. Pongsatat Kanchanapisoot | Independent director | - |
| 5. | Miss Sineemas Sotpiparpnukul ^{2/3/} | Director and Chief Executive Officer | - |
| 6. | Prof. Dr. Thammasak Phongpichayamart | Independent director and Chairman of the audit committee | - |
| 7. | Mr. Norawit Watwai | Independent director and Audit committee member | - |
| 8. | Mr. Sakda Sinives | Independent director and Audit committee member | - |
| 9. | Miss Savanut Boonyasuwat | Independent director and Audit committee member | - |
| 10. | Miss Bhornrat Bubphavanich | Independent director | - |

Remarks : ^{1/} Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535 on December 30, 2017.

^{2/} 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.

^{3/} The representative director of Mr. Suredpon Jungrungruangkit and Mr. Komol Jungrungruangkit

^{4/} % 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.

Company Directors December 31, 2017

| List of Directors | Position | Number of BOD Meeting | Number of BOD Meeting Attended |
|-------------------------------------|---|-----------------------|--------------------------------|
| Mr. Suredpon Jungrugruangkit | Chairman | 5 | 3 |
| Miss Sineemas Sotpiparpnukul | Chief Executive Officer | 5 | 5 |
| Prof. Dr. Thammasak Pongpichayamart | Independent Director and Chairman of the Audit Committee member | 5 | 5 |
| Mr. Sakda Sinives | Independent Director and Audit Committee member | 5 | 5 |
| Mr. Norawit Watwawai | Independent Director and Audit Committee member | 5 | 5 |
| Miss Savanut Boonyasuwat | Independent director and Audit committee member | 5 | 4 |
| Mrs.Saowanee Prasertwattankul | Director | 5 | 5 |
| Mrs.Kittima Imprasert | Director | 5 | 5 |
| Mr. Pongsatat Kanchanapisoot | Director | 5 | 4 |
| Miss Bhornrat Bubphavanich | Independent director | 5 | 5 |

Board of Directors of the Subsidiary December 31, 2016

| List of Directors | Position | Number of BOD Meeting | Number of BOD Meeting Attended |
|------------------------------|---------------------------------|-----------------------|--------------------------------|
| Mr. Suredpon Jungrugruangkit | Director (authorized signatory) | 6 | 6 |
| Miss Sineemas Sotpiparpnukul | Director (authorized signatory) | 6 | 6 |
| Mr. Prachak Buason | Director (authorized signatory) | 6 | 6 |
| Mrs. Wilai Na Lamphoon | Director (authorized signatory) | 6 | 6 |
| Miss Chompunut Mitsongkro | Director (authorized signatory) | 6 | 6 |
| Miss Thiemjai Sasisart | Director | 6 | 6 |
| Miss Kulchulee Satchawetha | Director | 6 | 6 |

Balance of power for non-executive Directors.

The Board of Company consist of 10 Directors as follows:

- 1 Executive Directors
- 9 Non-executive Directors
- 4 Independent Directors

Audit Committee

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

| List of Audit Committee | Position | Number of BOD Meeting | Number of BOD Meeting Attended |
|------------------------------------|--|-----------------------|--------------------------------|
| Prof.Dr. Thammasak Pongpichayamart | Chairman of the Audit Committee member | 4 | 4 |
| Mr. Sakda Sinives | Audit Committee member | 4 | 4 |
| Mr. Norawit Watwai | Audit Committee member | 4 | 4 |
| Miss Savanut Boonyasuwat | 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

Nomination of Directors

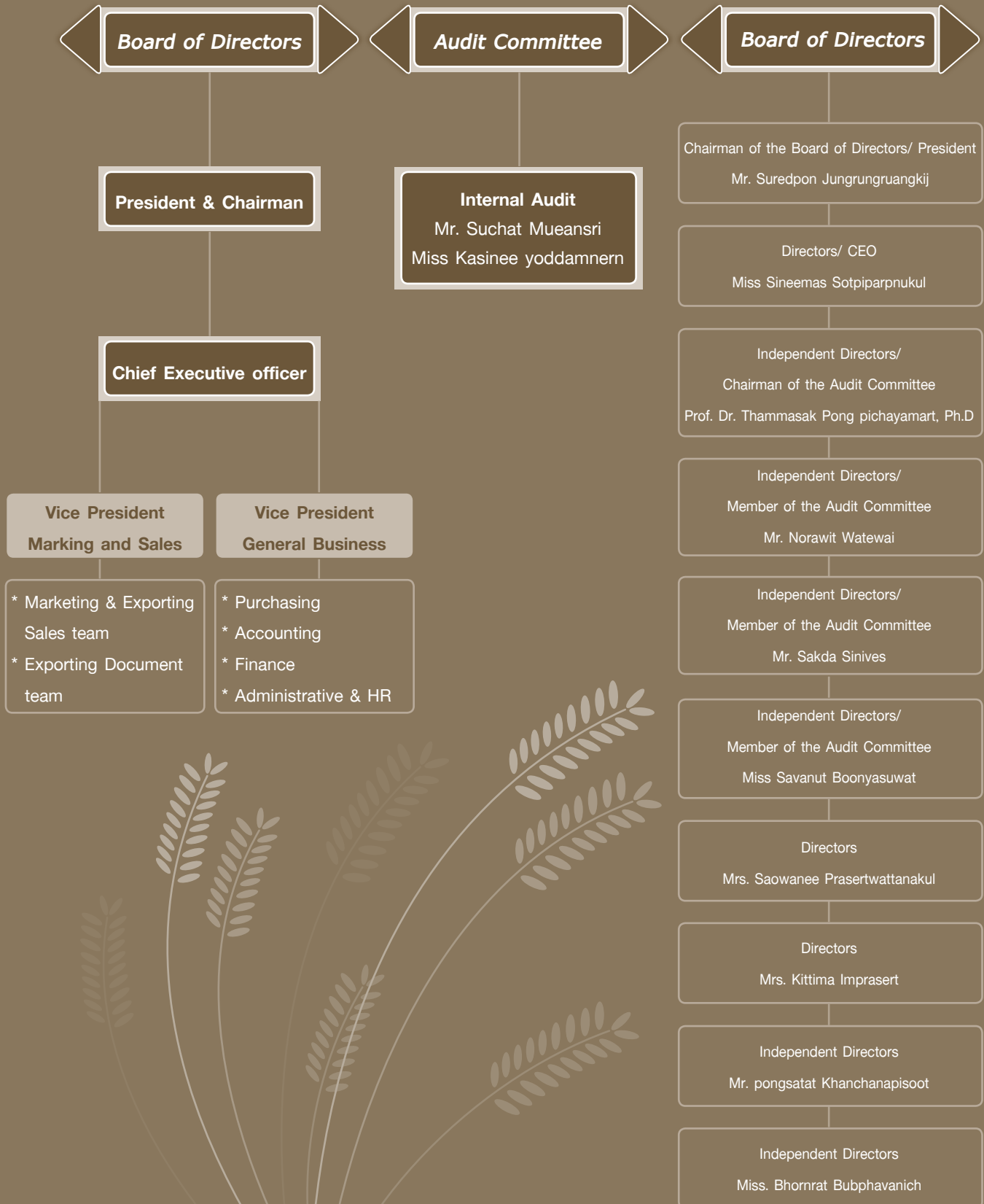
The company allows the company's shareholders to nominate individuals to be part of the company's board of committee following the qualifications and criteria as specified and publicized in the SCP system of the Stock Exchange of Thailand and on website : www.apureholdings.com from 14 October 2017 until the closing for the nomination of the company's directors on 31 January, 2018.

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 Jungrungrangkit
Chairman/President

Thai National ID Card : 3100400608034
Date of Birth : 24 February 1983
Age : 35
Address : 177 Soi Piyanon , Bangpongpan,
 Yan nawa, Bangkok 10120

Shareholding Proportion of Issued

Jungrungrangkit's Family 66.85%

Top Education : MBA. General Business
 University of Texas, San Antonio.

Training Programs for Director : -

Work Experience:

2011 - Present Chairman
 Agripure Holdings Public Company Limited.
 2005 - Present Construction Manager
 Summit Pine Hurst Golf Club Limited

Number of years of in office : 5 years



Miss Sineemas Sotpiparpnukul
Chief Executive Officer

Thai National ID Card : 3100902132486
Date of Birth : 4 June 1983
Age : 35
Address : 177 Soi Piyanon , Bangpongpan, Yan nawa,
 Bangkok 10120

Shareholding Proportion of Issued : -

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

Training Programs for Director : -

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

Number of years of in office : 5 years



Prof. Dr. Thammasuk Pongpichayamart
Independent Directors
Chairman of the Audit Committee

Thai National ID Card : 3100601019133
Date of Birth : 4 April 1950
Age : 68
Address : 600/1427 Moo. 14 Khu khot, Lum Lukka, Pathumtani 12130

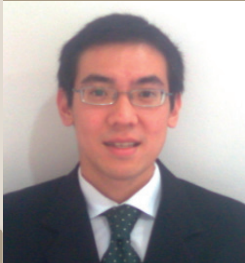
Shareholding Proportion of Issued : -

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

Training Programs for Director : DAP 67/2006 November 7,2006, Thai Institute of Directors

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

Number of years of in office : 9 years



Mr. Norawit Watewai
Independent Directors
Member of Audit Committee

Thai National ID Card : 3100901997181
Date of Birth : 22 December 1982
Age : 36
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.

Training Programs for Director : -

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.

Number of years of in office : 4 years



Mr. Sakda Sinlves
Independent Directors
Member of Audit Committee

Thai National ID Card : 3130100400543
Date of Birth : 1 December 1954
Age : 64
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
Training Programs for Director : DAP 112/2014 October 29,2014,
 Thai Institute of Directors
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
Number of years of in office : 5 years



Miss Savanut Boonyasuwat
Independent Directors
Member of Audit Committee

Thai National ID Card : 3100800777721
Date of Birth : 8 September 1983
Age : 35
Address : 114/12 Moo. 3 Watchalor, Bangcone, Nonthaburi 11130
Top Education : Master of Science in Business
 Analysis. University of Reading,
 United Kingdom
Training Programs for Director : DAP 112/2014 October 29,2014,
 Thai Institute of Directors
Work Experience :
 September 2012 - Present Director
 Verasuwan Co.,Ltd./Petroleum
 Refining Company
 February 2012 - Present Director S.N.B.United Chemical Co.,Ltd./
 Chemical Company
 April 2005 - June 2008 Semi - Senior Assistant Auditor
 KPMG Phoomchai Audit Ltd./
 Professional Service Company
Number of years of in office : 3 years



Mrs. Saowanee Chitsuntisuk
Director

Thai National ID Card : 3100603110936
Date of Birth : 16 March 1960
Age : 58
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
Training Programs for Director : -
Work Experience:
 2011 - Present Director
 Agripure Holdings Public Company Limited
 1985 - Present President of Accounting and Finance
 Summit Footwear Limited
Number of years of in office : 5 years



Mrs. Kittima Imprasert
Director

Thai National ID Card : 5140699002168
Date of Birth : 27 August 1973
Age : 45
Address : 105/65 Moo 7 Klong Nueng, Klong Luang
 Prathumtani 12120
Shareholding Proportion of Issued : -
Top Education : Bachelor of Accounting
 St. John's University
Training Programs for Director : DAP 112/2014 October 29,2014,
 Thai Institute of Directors
Work Experience:
 2011 - Present Director
 Agripure Holdings Public Company Limited
 2001 - Present Director and Accounting manager
 Summit Pine Hurst Golf Club Limited
Number of years of in office : 5 years



Mr. Pongsatat Kanchanapisoot
Independent Directors

Thai National ID Card : 3119900576164
Date of Birth : 20 January 1983
Age : 35
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.
Training Programs for Director : -
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.
Number of years of in office : 3 years



Miss Bhornrat Bubphavanich
Independent Directors

Thai National ID Card : 3100700375418
Date of Birth : 5 October 1982
Age : 35
Address : 26/126 Sukhumvit 40, Sukhumvit Rd., Phraknong, Klongtoey, Bangkok 10110
Shareholding Proportion of Issued : -
Top Education : Master of Business Administration.
 Chulalongkorn University.
Training Programs for Director : DAP 113/2014 November 18, 2014,
 Thai Institute of Directors
Work Experience:
 2011 - Present Senior Accountant
 CEC International Ltd (Thailand Branch)./
 Oil & Gas Company
 2007 - 2011 Senior Accountant Nu Coastal (Thailand) Limited /
 Oil & Gas Company
 2005 - 2006 Assistant Auditor
 PricewaterhouseCoopers ABAS Ltd,
 Assurance Company
Number of years of in office : 3 years

The Management

As of December 31, 2017, the executive and supervising directors of the Company consisted of:

| No. | Name | Position | Shareholding Proportion of Issued and Paid up Capital (%) ^{1/} |
|-----|---|-------------------------|---|
| 1. | Mr. Suredpon Jungrungruangkit ^{1/2/} | Chairman | 66.85 ^{3/} |
| 2. | Miss Sineemas Sotpiparpnukul ^{2/} | Chief executive officer | - |

Notes : ^{1/} Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535.

^{2/} 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.

^{3/} Shareholding proportion included that of Mr. Komol Jungrungruangkit, who is Mr. Suredpon Jungrungruangkit's father and the person who acts and/or co - act for Mr. Suredpon Jungrungruangkit.

^{4/} The Company had two managements according to the organization of the Company

Remuneration of Directors and Executives

(a) Remuneration of Directors and Executives in value Year 2017

| List Directors | Position | Remuneration (Baht) | | | |
|---|--|---------------------|--------------------------|---------------------|---------------------|
| | | Board of Company | Board of Audit Committee | Board of Nomination | Total |
| Mr. Suredpon Jungrungruangkit | Director/ Chairman | 100,000. - | - | - | 100,000. - |
| Miss Sineemas Sotpiparpnukul | Director/ Chief executive officer | 120,000. - | - | - | 120,000. - |
| Prof.Dr. Thammasak Pongpichayamart,Ph.D | Independent Directors/ Chairman of the Audit Committee | - | 170,000. - | - | 170,000. - |
| Mr. Norawit Watwai | Independent Directors/ Member of Audit Committee | - | 120,000. - | - | 120,000. - |
| Mr. Sakda Sinives | Independent Directors/ Member of Audit Committee | - | 120,000. - | - | 120,000. - |
| Miss Savanut Boonyasuwat | Independent Directors/ Member of Audit Committee | - | 100,000. - | - | 100,000. - |
| Mrs. Saowanee Prasertwattanakul | Director | 120,000. - | - | - | 120,000. - |
| Mrs. Kittima Imprasert | Director | 120,000. - | - | - | 120,000. - |
| Miss Phornrat Bubphavanich | Independent Directors | 120,000. - | - | - | 120,000. - |
| Mr. Pongsatat Kanchanapisoot | Independent Directors | 95,000. - | - | - | 95,000. - |
| Total | | 675,000. - | 510,000. - | - | 1,185,000. - |

Remuneration of Directors and Executives in value Year 2016

| List Directors | Position | Remuneration (Baht) | | | |
|---|--|---------------------|--------------------------|---------------------|---------------------|
| | | Board of Company | Board of Audit Committee | Board of Nomination | Total |
| Mr. Suredpon Jungrungruangkit | Director/ Chairman | 150,000. - | - | - | 150,000. - |
| Miss Sineemas Sotpiparpnukul | Director/ Chief executive officer | 100,000. - | - | - | 100,000. - |
| Prof.Dr. Thammasak Pongpichayamart,Ph.D | Independent Directors/ Chairman of the Audit Committee | - | 150,000. - | - | 150,000. - |
| Mr. Norawit Suparinayok | Independent Directors/ Member of Audit Committee | - | 100,000. - | - | 100,000. - |
| Mr. Sakda Sinives | Independent Directors/ Member of Audit Committee | - | 100,000. - | - | 100,000. - |
| Miss Savanut Boonyasuwat | Independent Directors/ Member of Audit Committee | - | 100,000. - | - | 100,000. - |
| Mrs. Saowanee Chitsuntisuk | Director | 80,000. - | - | - | 80,000. - |
| Mrs. Kittima Imprasert | Director | 100,000. - | - | - | 100,000. - |
| Miss Phornrat Bubphavanich | Independent Directors | 100,000. - | - | - | 100,000. - |
| Mr. Pongsatat Kanchanapisoot | Independent Directors | 100,000. - | - | - | 100,000. - |
| Total | | 630,000. - | 450,000. - | - | 1,080,000. - |

(b) Management Remuneration

With respect to the total management remuneration of the Company and its subsidiaries in 2016 and 2017, the Company paid remuneration consisting of salary and bonus, to 2 executives, totaling Baht 8.44 Million and Baht 8.99 Million.

(C) Other remuneration of Management

Provident Fund

The Company has made available to the provident fund with Company contribution of 5% of the salary. In 2016 and 2017 the Company paid provident fund contribution for 2 executives, totaling Baht 0.37 Million and Baht 0.39 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

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 22 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 28 April 2017, the Annual General Meeting of Shareholders 2017 was held at 2:30 p.m. at 2 Sukhumvit 23, Klongtoey - nue, Wattana District, Bangkok 10110. There were 108 shareholders and proxies attending the meeting, holding the total of 646,101,589 shares, or 67.42% 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 Annual General Meeting of Shareholders 2017 to the Stock Exchange of Thailand within 14 days from the date of the meeting.

On 27 April 2016, the Ordinary General Meeting of Shareholders 2016 was held at 2:30 p.m. at Tharathep Room , Tharathep Building, Chaophraya Park Hotel, No. 247 Ratchadapisek Road, Dindaeng, Bangkok 10400. There were 162 shareholders and proxies attending the meeting, holding the total of 630,781,831 shares, or 65.83 % 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 2016 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

1. Board of Directors has responsibility of performing their duties compliance with the law, purpose, company rules, and resolutions concluded from shareholder meeting.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. Board of Directors who involve in the case will have no right to vote or participate the meeting.
9. 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

Good Corporate Governance

The company's board of directors adhere and practice the principles of conducting business strictly in accord with the company's governance policies, in order to have a transparent and accountable management, an operation to ensure the equal benefits of stake holders, the correct and complete disclosure of information, conduct of business with justice by avoiding operations that may cause any conflict of interest, and supporting free trade competition. The company follows economic, social, environmental, and other situations and risk factors by setting every department in the company to be an owner of risk. Every department has a duty to assess the repercussions and to set its own guidelines in risk management thoroughly, along with the duty to control and manage the risks within its responsibilities, and provide a consultation process, or a process of exchanging suggestions between departments and the company's board of directors, by meeting weekly. For each department, there is a daily meeting in the morning before work.

Strictly respecting the company's rules and the relevant laws, both domestic and international, along with constantly studying and following the changes of laws, and encouraging business partners to adopt the practice.

With a committed vision to become a strong company in the agro - industry, by emphasizing on producing high quality products and great services to respond to the demand of customers and relevant organizations, the company commits itself in the development and conduct of a business that produces products with high quality and safety, under the concept of conducting business with social and environmental responsibility, along with a commitment to sustainable growth.

The board of directors has a policy to conduct the businesses of the company and its subsidiaries with responsibilities towards the society, the environment, and the stakeholders, by adhering to the principles of good corporate governance, properly managing the risks, and abiding to the laws and any other relevant requirements.

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

Operation and Report Making

1. Work Process

AgriPure Holdings Public Company Limited and its subsidiaries have the intention to make a report disclosing the social and environmental operations by including them in the annual report, under the Article 10: Social Responsibility. The company chose to proceed and prepare the report according to the book "Corporate Social Responsibility Guidelines" by the Corporate Social Responsibility Institute, established by the Stock Exchange of Thailand.

2. The operations are according to policies set by the company as follow:

Fair Business Operation Policy

The company has a policy to operate a business that is fair to consumers, suppliers, and every employee in the organization, with goals to allow consumers to receive products that has quality, safety, enhancing nutrition, and sanitation; to encourage trade competition freely, without favoritism, having a management system that is able to prevent bribery and corruption; and to let the board of directors and employees see the importance of the fight against any type of corruption, extortion, and bribery.

Respecting Human Rights and Treating Labors Fairly

Every employee of the company has equality in regards to wages and other benefits under the Company's terms of considerations, for example the consideration of promotion, employee training, providing of education opportunity, etc.

The company does differentiate origin, religion practiced, sex or disabilities as information and these do not affect the consideration of an employee's performance results.

The company provides the same wages and benefits for employees of the same work condition, regardless of being male or female. Female employees are entitled to rights: right to not be laid off due to pregnancy, right to a maximum of 90 days of maternity leave in which 45 days is paid, and must inform the company of the pregnancy in order for any temporary duty changes as seen appropriate.

Elevating the standard of the company's labor, and also the quality of life of employees to have a better working environment, which is safety, non - hazardous, and a fair treatment according to the law. Supporting and encouraging compliance with the law. The company will not execute or support any act that is against the law. Moreover the company will inform employees of all levels of policies, work regulations, and relevant laws.

Employee has the right to join or initiate a labor union of his/her choice, and has the right to join a negotiation with the company for it to accept the activities of the union, along with the activities of other organizations in which the union takes part in initiating or be part of. The employee representative will not be discriminated against and will be able to act as employee representative in the company workplace. The company will facilitate in meetings and associations of relevant activities, as seen appropriate.

Occupational Health & Safety and Working Environment Policies

The company cares for the lives and health of every employee. Therefore it implements occupational health & safety and environment operations alongside the employees' duties, by stating clearly the policies. It supports the improvement of working conditions and environment to be safe. It supports and encourages safety activities that will help raise the awareness of employees.

Safety in workplace is a mission that employees in every level must be responsible for. Supervisors at every level must make him/herself a good role model, leads in training, teaching, motivating employees to work safely, and provides assessments of compliance with designated policies.

Policies to Prevent and Resolve Drug Problems in Workplace

Following the government's policies in suppressing and solving drug problems to allow laborers of the country to have good health and quality of life, inclusive of that of the nationwide laborers' families, to prevent and solve drug problems in workplace, which affect the nation's economy and society.

The company has the intention to operate the Uniting to Eliminate Drugs in Project in the workplace, by having policies in resolving and preventing drug problems. Supervisors in every level must act as good role models, give advices, direct and help employees with problems, rehabilitate and cure an affected employee to have a proper way of life and better health. Every employee has the role and participation in prevention campaigning and resolving the company's drug problem(s), help monitor inside and outside of company's area to spot any illegal activity or persons with suspicious behavior, informing or notifying the administrative staff or the police immediately. In the case that the company has conducted random tests for illicit drugs, and has found it in an employee, the company will issue a warning and send the employee to rehabilitation. The company is willing to cooperate with the authorities in sharing information, news and behaviors of individuals related to illicit drugs.

Anti - Corruption

The company has clear policies in regards to anti - corruption. It has appointed the Anti - Corruption Committee in the workplace, and has also announced its intention to join the Collective Action Coalition of the Thai private sector on August 27, 2014.

The company campaigned for the board, directors, and employees to realize the importance of anti - corruption. It takes care of the employees to have income and welfare that is proper and in accord with the law, and also the constant development of the quality of life.

Responsibility Towards Consumers Policy

The company is the nation's first and renowned manufacturer of processed sweet corn. And it sells sweet corn products that have been processed and preserved by means of high pressure steam, and in packaging such as cans, and vacuum bags. Therefore the company must act and comply to the relevant laws and regulations, for example consumer protection laws, labor laws, paying taxes, along with having an experienced team in the industry. There are manufacturing process controls by GMP, HACCP ISO22000, SQMS, IFS Food, and Global Standard for Food Safety Issue 6, which are universally accepted systems. With all that the company manufactures products with high quality and added value, allowing the company to sell its products at higher prices than other domestic manufacturers. The company is committed to make its business grow sustainably together with caring for the environment and the safety of nearby communities. It supports farmers to cultivate sweet corn of good quality, and to be able to control harvesting in which would ensure good quality and fresh raw material.

The company has farmed large scale ranches as prototypes to share proper managements to groups of farmers, along with supporting farmers to cultivate. And it make agreements to buy produce from the farmers via Contact Farming, to deliver the freshest fruits and vegetables to the company's factories in order to be trimmed and packaged as finished products for export.

Export Figures

Unit : Million Baht

| Value of Export | 2015 | 2016 | 2017 |
|-----------------------------|-----------------|-----------------|-----------------|
| Canned Sweet Corn | 767.16 | 1,019.67 | 1,023.40 |
| Sweet Corn in Vacuum Bag | 168.61 | 213.75 | 234.16 |
| Fresh Vegetables and Fruits | 180.62 | 170.58 | 175.39 |
| Total | 1,116.39 | 1,404.00 | 1,432.95 |

Joint Development of Community and Society

The company recognizes and gives importance in the support of activities for the society and surrounding communities. Not only that it cares to provide services that fulfill the demands of its customers, it also takes in account the highest benefits to the society.

The company considers the support of society and community as a duty, and has policy to give an appropriate level of importance to activities to develop communal society, environment, as well as to create and conserve natural resources, support the education for youths, support public activities that benefit schools and any religion centers.

In supporting democracy, the company adheres to the democratic system and encourages its personnel to exercise their rights to vote according to the constitution. The company does not have any policy give financial support, neither directly nor indirectly, to a politician or political party for the benefits of that given politician or political party.

In supporting the governmental work, the company will support the state's affairs that are beneficial to the public, by mainly considering the localities that the company conduct its businesses in.

Since the company seeks its raw materials by considering criteria: in time, appropriate cost, standard quality and adequate to the factory's and market's demands. By encouraging farmers to grow sweet corn, the company distributes special seeds to local and nearby farmers, who have their own area of cultivation. The company then assigns its staff to provide guidance and output control during the cultivation period. When harvesting is ready, the farmer would sell his harvest to the company at guaranteed price. There is a raw material supply representative who collects raw materials in the local and nearby areas to deliver to the company, in order to reduce the management costs. All of these activities create jobs for the local community, farmers and areas surrounding the factory, and also encourage better quality of life.

At present the company has over 7,000 domestic members growing sweet corn, fresh vegetable and fruits, where the company has made agreements with the farmers in regards to fair seed distribution, and agrees that it will buy the crops at a price determined in advance.

Concerning activities for the society and communities surrounding the factory, the company has constantly jointly hosted religious activities in various occasions, support activities of relevant governmental and private organizations, donate and help schools along with various foundations as seen appropriate, help campaigning to reduce global warming, campaigning for the "Plant Trees for Our King" project, encourage, support and take part in various sport events, both internal and external, and participate in various activities that are beneficial to the society.

Responsibility Towards the Society Regarding the Environment

The company and its subsidiaries give importance to many responsibilities towards the society. The first factor that the company emphasize on is the environment. The company and its subsidiaries has manufacturing processes and management that is environmentally friendly, by having environmental policies concluded as follow:

- To provide advice and guidance to contract farmers on the amount of fertilizer used in cultivation in order to be able to reduce and control the amount of chemical substances in the environment.
- To provide advice on crop rotation and cover crops to contract farmers in order to reduce the amount of fertilizer used.
- To have sound a odor control in factories.
- To have proper waste control in factories.
- To ensure wastewater treatment before being discharged to nature.
- To take the wastewater from corn under through biogas process to produce electricity for factory use.
- To sell leftovers of corn (husks and core) to animal farms in order to reduce the amount of waste.

Other than this the company gives importance to organizations or different parties who are related in the supply chain such as contract farmers. The company and its subsidiaries sets a policy of on time payment to contract farmers, for the farmers to have a chance to create their livelihood and to prevent excessive loans.f

Environmental Care

The company strives to develop and operate environmental management systems effectively, conduct activities under environmental laws, optimize the use energy and natural resources, avoid and reduce activities that cause pollution from manufacturing process, have energy saving measures, recycle resources, motivate and create awareness for every employee to realize the importance of the environment and helping prevent actions that might have effect on the environment, and use technologies and manufacturing processes that comply to environmental standards by considering the reduction and treatment of pollution before a release into nature.

Having Innovations and Publication of Innovations Operations With Responsibilities Towards Society, Environment, and Stakeholders

The company strives to conduct its business by adopting the CSR concept as part of the manufacturing process, and conduct its business along with caring for the society and environment, under moral ethics.

With Consciousness and Care of Environmental Problems Around the Factory

The company's subsidiaries have joined the biogas promotion project for industrial plants with the Energy Policy and Planning Office, Ministry of Energy in order to invest in building system that produces biogas from wastewater, and to use the produced biogas as renewable energy in the factory. At present, the system and the amount of gas produced are being tested. This will help reduce both water and air pollution problems, resulting in safety of the persons involved in production, consumers, community, and the environment.

The amount of biogas produced is 700 cubic meters per day, equivalent to 887,670 Baht/year of renewable fuel. This allows reduction of cost in certain areas in the future, and the treated water is good, usable in agriculture.

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. |
| 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. |

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.

In working together, there is a need of work discipline to have peace, order and safety. In order not to have obstacles in operation and to prevent confusion, the company has put in place codes of workplace discipline for every employee to strictly abide by.

The company has joined the Collective Action Coalition of the Thai private sector to counter corruption, which is prepared by the Thai Institute of Directors in cooperation with the Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organizations and Federation of Thai Industries on August 27, 2014.

Internal Control and Risk Management

Internal control and risk management of the company.

As the resolution from the Audit Committee of the Company No. 4/2014 held on November 13, 2014. Appointment of an internal Audit, IA Signature Company Limited as internal audit of the Company and 3 subsidiaries 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 audit 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.

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 .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 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 IA Signature Company Limited. Team leader is Mr. Sutee Tanvanichakul.

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 the 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) 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;

| Item | Details |
|--|---|
| Type of Transaction | Receive service from the connected person |
| The Date of Transaction | January 1, 2017 |
| Hirer | RKI |
| Consultant | Mr. Komol Jungrungruangkit |
| Nature of Transaction | Mr. Komol is consultant to RKI regarding managing on factory and general administration. Mr. Komol has a wealth of experience and knowhow on industrial factory management |
| Relationship | Mr. Komol is the father of Mr. Suredpon Jungrungruangkit |
| Term | 1 year (from January 1 - December 31, 2017) |
| Value of Compensation | Baht 50,000 per month (totally Baht 600,000) For value of compensation, the audit committee compared the compensation with benefits from advisory role of Mr. Komol and deemed it appropriated. |
| 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 |

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

| Item | Details |
|-------------------------|--|
| Type of Transaction | To rent the office of the building of the Ruamjaipattana Foundation as head office of APURE located at 70 Moo 6, Phahonyotin Road, Tabul Kongnung Ampur Konglong, Pathumtani |
| The Date of Transaction | September 1, 2017 |
| Leasee | AgriPure Holdings Public Company Limited |
| Leaser | The Ruamjaipattana Foundation |

| Item | Details |
|--|--|
| 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 340 square meter at monthly rent of Baht 51,000 (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). For value of compensation, the audit committee has compared the compensation with rental market rate of similar nature and location and found that this rental is lower. Also the foundation has no intention to make profit from rents. |
| The Opinion of the Audit Committee | The office rental as head office of APURE with lower rental rate than market rate for similar nature and location. The audit committee considered as deemed appropriated to enter this transaction. |
| The Opinion of the Board of Directors of the Company | Same opinion with the audit committee |

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

| Item | Details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|----------------------|---------------|------|--------------|-----|-----|---------|--------------|--|--|-----------------|--------------|-----|------|---------|--------------|--|--|---------|--------------|--|--|----------|--------------|--|--|---------------|---------------|--|--|-----------------|--------------|--|--|----------------------|--------------|--|--|---------|--------------|--|--|-----------|---------------|
| Type of Transaction | Normal supporting business | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The Date of Transaction | January 1, 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leasee | RKI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leaser | (1) Summit Pinehurst Golf Club Company Limited (“SPGC”) (2) Summit Starhome Company Limited (“SSH”) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nature of Transaction | <p>the companies held more than 30% shares by Mr. Komol (either directly or indirectly) of the paid up capital of such companies granted RKI to lease the following vehicles to undertake factory renovation and currently is still under process for development.</p> <table><tr><td>(1)</td><td>SPGC</td><td>Hiab</td><td>Number 1 car</td></tr><tr><td>(2)</td><td>SSH</td><td>Trailer</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>10 wheels crane</td><td>Number 1 car</td></tr><tr><td>(3)</td><td>SPGC</td><td>Tractor</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>Backhoe</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>Forklift</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>Farming Truck</td><td>Number 2 cars</td></tr><tr><td></td><td></td><td>10 wheels Truck</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>6 wheels Shuttle Bus</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>Trailer</td><td>Number 1 car</td></tr><tr><td></td><td></td><td>Golf cart</td><td>Number 2 cars</td></tr></table> | (1) | SPGC | Hiab | Number 1 car | (2) | SSH | Trailer | Number 1 car | | | 10 wheels crane | Number 1 car | (3) | SPGC | Tractor | Number 1 car | | | Backhoe | Number 1 car | | | Forklift | Number 1 car | | | Farming Truck | Number 2 cars | | | 10 wheels Truck | Number 1 car | | | 6 wheels Shuttle Bus | Number 1 car | | | Trailer | Number 1 car | | | Golf cart | Number 2 cars |
| (1) | SPGC | Hiab | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) | SSH | Trailer | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 10 wheels crane | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) | SPGC | Tractor | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Backhoe | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Forklift | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Farming Truck | Number 2 cars | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 10 wheels Truck | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 6 wheels Shuttle Bus | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Trailer | Number 1 car | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Golf cart | Number 2 cars | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Item | Details |
|--|--|
| Relationship | <div>1 Mr. Komol is the father of Mr. Suredpon Jungrungruangkit</div> <div>2. Mr. Komol held shares more than 30% of the paid up capital of SPGC, SF, SSH, and SH (either directly or indirectly)</div> |
| Term of Lease | Started from January 1, 2016 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 the companies held more than 30% shares by Mr. Komol (either directly or indirectly) of the paid up capital of such companies expired on notice. |
| Value of Compensation | <div><div><div>(1) SPGC Hiab</div><div>Rental Fee Baht 75,000 per month per car</div></div><div><div>(2) SSH Trailer</div><div>Rental Fee Baht 75,000 per month per car</div></div><div><div>10 wheels crane</div><div>Rental Fee Baht 120,000 per month per car</div></div><div><div>(3) SPGC Tractor</div><div>Rental Fee Baht 45,000 per month per car</div></div><div><div>Backhoe</div><div>Rental Fee Baht 90,000 per month per car</div></div><div><div>Forklift</div><div>Rental Fee Baht 16,000 per month per car</div></div><div><div>Farming Truck</div><div>Rental Fee Baht 9,000 per month per car</div></div><div><div>10 wheels Truck</div><div>Rental Fee Baht 36,000 per month per car</div></div><div><div>6 wheels Shuttle Bus</div><div>Rental Fee Baht 18,000 per month per car</div></div><div><div>Trailer</div><div>Rental Fee Baht 75,000 per month per car</div></div><div><div>Golf cart</div><div>Rental Fee Baht 7,000 per month per car</div></div></div> <div>For value of compensation, the audit committee has compared the compensation with market rental rate of vehicles for similar nature and specification and found that the compensation is lower.</div> |
| The Opinion of the Audit Committee | The vehicles rental to undertake factory renovation with lower rental rate than market rate. The audit committee considered and deemed appropriate to enter this transaction. |
| The Opinion of the Board of Directors of the Company | Same opinion with the audit committee |

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.

Independent Auditor's Report

To the Shareholders of Agripure Holdings Public Company Limited

Opinion

I have audited the financial statements of Agripure Holdings Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2017, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Agripure Holdings Public Company Limited. and its subsidiaries as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements and separate financial statements. I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Allowance for doubtful debt

Accounts receivable are valued by recoverable value, the Company's management have to make subjective judgement in consideration of allowance for doubtful debt for long-outstanding accounts receivable by aging analyst by each. I have focused on adequacy of allowance for doubtful debt.

The audit procedures are included aging analyst, credit term and credit limit approval, review the management to act of review financial position of accounts receivable, and review the preparing of aging report.

Allowance for declining in value of inventory

The Group have inventory amount of Baht 189.94 million, as at December 31, 2017, as describe in note to financial statement no.12, valuation by the lower of cost or net realizable value. The management have to make subjective judgement in consideration of allowance for slow moving and declining value of inventory in accordance to physical damage of each items and the net realizable value consideration from market price at ended date. I have focused on adequacy of allowance for doubtful debt.

I got a confidence of appropriate management's assumption of allowance for inventory calculation. I observed the inventory counting at the factory, sampling invoice to check cost of material recording, and also cost allocation

related to such inventory. I compared cost of inventory with net realizable value (subsequent sales invoice to check sales price), analyst quantity and movement to find out a slow turn-over and damage.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards from the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat



(Ms. Kannika Wipanurat)
 Certified Public Accountant (Thailand) No. 7305
 Karin Audit Company Limited
 Bangkok
 February 23, 2018

Financial Statements

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2017

(Unit : Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Assets | | | | | |
| <u>Current assets</u> | | | | | |
| Cash and cash equivalents | 7 | 248,123,448 | 237,006,869 | 136,497,403 | 45,823,444 |
| Current investments | 8 | 22,679,227 | 22,579,536 | - | - |
| Trade and other current accounts receivable - net | 9 | 239,324,083 | 201,604,822 | 3,126,433 | 3,062,896 |
| Short - term loans to subsidiary | 10 | - | - | - | 100,000,000 |
| Short - term loans to person and other company | 11 | 24,600,000 | 32,000,000 | - | - |
| Inventories - net | 12 | 189,940,250 | 253,422,913 | - | - |
| Other current assets - net | 13 | 44,410,733 | 3,694,254 | 15,999,288 | 999,289 |
| Non - current assets classified as held for sale | | 631,088 | 1,681,539 | - | - |
| Total current assets | | 769,708,829 | 751,989,933 | 155,623,124 | 149,885,629 |
| <u>Non - current assets</u> | | | | | |
| Investments in subsidiary and related parties - net | 14 | 4 | - | 899,999,932 | 899,999,930 |
| Other long - term investments - net | 15 | 23,470,161 | 23,470,161 | 23,470,161 | 23,470,161 |
| Loan receivable long term - net | 16 | 650,000 | - | - | - |
| Property, plant and equipment - net | 17 | 845,201,632 | 840,045,048 | 3,350,613 | 533,977 |
| Intangible assets - net | 18 | 1,230,408 | 2,030,900 | - | - |
| Deferred tax assets | 19 | 342,642 | 257,256 | - | - |
| Other non - current assets | | 1,789,893 | 1,855,948 | 83,000 | 83,000 |
| Total non - current assets | | 872,684,740 | 867,659,313 | 926,903,706 | 924,087,068 |
| Total Assets | | 1,642,393,569 | 1,619,649,246 | 1,082,526,830 | 1,073,972,697 |

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

Financial Statements (continued)

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2017

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | Note | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term borrowings from financial institutions | 20 | - | - | - | - |
| Trade and other current accounts payable | 21 | 69,936,802 | 64,366,560 | 746,534 | 556,491 |
| Long - term debts due within 1 year | | 301,103 | - | 301,103 | - |
| Income tax payable | | 6,987,621 | 38,568,127 | 263,797 | - |
| Other current liabilities | | 2,006,146 | 2,146,492 | 672,698 | 1,027,087 |
| Total current liabilities | | 79,231,672 | 105,081,179 | 1,984,132 | 1,583,578 |
| Non - current liabilities | | | | | |
| Deferred tax liabilities | 19 | 28,518,692 | 28,131,505 | - | - |
| Long - term loans | | 1,945,001 | - | 1,945,001 | - |
| Provision for employee benefits | | 4,053,481 | 4,353,032 | 960,865 | 1,588,817 |
| Total non - current liabilities | | 34,517,174 | 32,484,537 | 2,905,866 | 1,588,817 |
| Total liabilities | | 113,748,846 | 137,565,716 | 4,889,998 | 3,172,395 |

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

Financial Statements (continued)

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2017

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | Note | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| <u>Shareholders' equity</u> | | | | | |
| Share capital | | | | | |
| Authorized share capital | | | | | |
| 974,300,926 ordinary shares, Baht 0.70 par value | | 682,010,648 | 682,010,648 | 682,010,648 | 682,010,648 |
| Issued and paid - up share capital | | | | | |
| 958,265,537 ordinary shares, Baht 0.70 par value | | 670,785,876 | 670,785,876 | 670,785,876 | 670,785,876 |
| Premium on ordinary shares | | 387,396,467 | 387,396,467 | 387,396,467 | 387,396,467 |
| Retain earnings (Deficits) | | | | | |
| Appropriated - legal reserve | | 12,975,000 | 7,640,000 | 12,975,000 | 7,640,000 |
| Unappropriated | | 294,455,840 | 253,800,112 | 6,487,673 | 4,986,143 |
| Other components of equity | | 144,515,854 | 144,515,854 | (8,184) | (8,184) |
| Equity attributable to owners of the Company | | 1,510,129,037 | 1,464,138,309 | 1,077,636,832 | 1,070,800,302 |
| Non - controlling interests | | 18,515,686 | 17,945,221 | - | - |
| Total shareholders' equity | | 1,528,644,723 | 1,482,083,530 | 1,077,636,832 | 1,070,800,302 |
| Total liabilities and shareholders' equity | | 1,642,393,569 | 1,619,649,246 | 1,082,526,830 | 1,073,972,697 |

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

Statements of Comprehensive Income

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unit : Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|--------------------|-------------------------------|-------------------|
| | | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Revenues from sales | 6 | 1,594,609,354 | 1,549,519,784 | - | - |
| Cost of sales | 6 | (1,196,688,175) | (1,089,833,742) | - | - |
| Gross profit | | 397,921,179 | 459,686,042 | - | - |
| Other income | 6 | 13,135,441 | 15,596,393 | 131,939,630 | 63,721,323 |
| Profit before expenses | | 411,056,620 | 475,282,435 | 131,939,630 | 63,721,323 |
| Selling expenses | 6 | (130,348,335) | (119,741,980) | - | - |
| Administrative expenses | 6 | (103,148,212) | (105,676,141) | (27,682,606) | (29,634,409) |
| Total expenses | | (233,496,547) | (225,418,121) | (27,682,606) | (29,634,409) |
| Profit (loss) before finance costs and income tax expense | | 177,560,073 | 249,864,314 | 104,257,024 | 34,086,914 |
| Finance costs | | (1,968,202) | (1,867,544) | (220,890) | (79,676) |
| Profit (loss) before income tax expense | | 175,591,871 | 247,996,770 | 104,036,134 | 34,007,238 |
| Income tax expense | 24 | (30,079,324) | (52,213,865) | (1,373,258) | - |
| Profit (loss) for the year | | 145,512,547 | 195,782,905 | 102,662,876 | 34,007,238 |
| Other comprehensive income | | | | | |
| Items that will never be reclassified to profit or loss : | | | | | |
| Defined benefit plan actuarial loss for Employee benefits obligations | | - | (2,307,779) | - | (672,445) |
| | | - | (2,307,779) | - | (672,445) |
| Items that are or may be reclassified to profit or loss : | | | | | |
| Net change in fair value of available-for-sale investments | | - | (21,279) | - | (21,279) |
| Other comprehensive loss for the year net of income tax expense | | - | (2,329,058) | - | (693,724) |
| Total comprehensive income for the year | | 145,512,547 | 193,453,847 | 102,662,876 | 33,313,514 |

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

Statements of Comprehensive Income (continued)

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unit : Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Profit (loss) attributable to | | | | | |
| Owners of the Company | | 141,817,082 | 191,597,660 | 102,662,876 | 34,007,238 |
| Non - controlling interests | | 3,695,465 | 4,185,245 | - | - |
| | | 145,512,547 | 195,782,905 | 102,662,876 | 34,007,238 |
| Total comprehensive income (loss) attributable to | | | | | |
| Owners of the Company | | 141,817,082 | 189,268,602 | 102,662,876 | 33,313,514 |
| Non - controlling interests | | 3,695,465 | 4,185,245 | - | - |
| | | 145,512,547 | 193,453,847 | 102,662,876 | 33,313,514 |
| Basic earnings (loss) per share (Baht per share) | | 0.16 | 0.22 | 0.12 | 0.04 |
| Weighted average number of ordinary shares (shares) | | 881,082,641 | 881,082,641 | 881,082,641 | 881,082,641 |

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

Statements of change in Shareholders' Equity

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unit : Baht)

| Consolidated financial statements | | | | | | | | | | | | |
|---|----------------------------------|----------------------------|-----------------------------|---------------|-------------------------------|--|--------------------------------------|----------------------------------|--|-----------------------------|---------------|--|
| Note | Issued and paid-up share capital | Premium on ordinary shares | Retained earnings (deficit) | | Other components of equity | | | | Equity attributable to owners of the Company | Non - controlling interests | Total equity | |
| | | | Legal Reserve | Deficits | Revaluation increment in land | Fair value changes in available for sale investments | Actuarial loss for employee benefits | Total other components of equity | | | | |
| Balance as at January 1, 2016 | 670,785,876 | 387,396,467 | 6,140,000 | 123,503,053 | 144,524,038 | 13,095 | - | 144,537,133 | 1,332,362,529 | 15,009,976 | 1,347,372,505 | |
| Transactions with owners, recorded directly in equity : | | | | | | | | | | | | |
| Transfer to legal reserve | - | - | 1,500,000 | (1,500,000) | - | - | - | - | - | - | - | |
| Dividend payment | - | - | - | (57,492,822) | - | - | - | - | (57,492,822) | (1,250,000) | (58,742,822) | |
| Total changing in shareholder's equity | - | - | 1,500,000 | (58,992,822) | - | - | - | - | (57,492,822) | (1,250,000) | (58,742,822) | |
| Comprehensive income for the year | - | - | - | 191,597,660 | - | - | - | - | 191,597,660 | 4,185,245 | 195,782,905 | |
| Other comprehensive income | - | - | - | - | - | (21,279) | - | (21,279) | (21,279) | - | (21,279) | |
| Transfer to retained earnings | - | - | - | (2,307,779) | - | - | - | - | (2,307,779) | - | (2,307,779) | |
| Total comprehensive income for the year | - | - | - | 189,289,881 | - | (21,279) | - | (21,279) | 189,268,602 | 4,185,245 | 193,453,847 | |
| Balance as at December 31, 2016 | 670,785,876 | 387,396,467 | 7,640,000 | 253,800,112 | 144,524,038 | (8,184) | - | 144,515,854 | 1,464,138,309 | 17,945,221 | 1,482,083,530 | |
| Transactions with owners, recorded directly in equity : | | | | | | | | | | | | |
| Transfer to legal reserve | - | - | 5,335,000 | (5,335,000) | - | - | - | - | - | - | - | |
| Dividend payment | - | - | - | (95,826,354) | - | - | - | - | (95,826,354) | (3,125,000) | (98,951,354) | |
| Total changing in shareholder's equity | - | - | 5,335,000 | (101,161,354) | - | - | - | - | (95,826,354) | (3,125,000) | (98,951,354) | |
| Comprehensive income for the year | - | - | - | 141,817,082 | - | - | - | - | 141,817,082 | 3,695,465 | 145,512,547 | |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | |
| Total comprehensive income for the year | - | - | - | 141,817,082 | - | - | - | - | 141,817,082 | 3,695,465 | 145,512,547 | |
| Balance as at December 31, 2017 | 670,785,876 | 387,396,467 | 12,975,000 | 294,455,840 | 144,524,038 | (8,184) | - | 144,515,854 | 1,510,129,037 | 18,515,686 | 1,528,644,723 | |

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

Statements of change in Shareholders' Equity

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

(Unit : Baht)

| Separate financial statements | | | | | | |
|---|------|----------------------------------|----------------------------|-----------------------------|---------------|---------------|
| | Note | Issued and paid-up share capital | Premium on ordinary shares | Retained earnings (deficit) | | Total equity |
| | | | | Legal Reserve | Deficits | |
| Balance as at January 1, 2016 | | 670,785,876 | 387,396,467 | 6,140,000 | 30,644,170 | 1,094,979,608 |
| Transactions with owners, recorded directly in equity : | | | | | | |
| Transfer to legal reserve | 22 | - | - | 1,500,000 | (1,500,000) | - |
| Dividend payment | 23 | - | - | - | (57,492,820) | (57,492,820) |
| Total changing in shareholder's equity | | | | 1,500,000 | (58,992,820) | (57,492,820) |
| Comprehensive income for the year | | - | - | - | 34,007,238 | 34,007,238 |
| Other comprehensive income | | - | - | - | - | (21,279) |
| Transfer to retained earnings | | - | - | - | (672,445) | (672,445) |
| Total comprehensive income for the year | | | | - | 33,334,793 | 33,313,514 |
| Balance as at December 31, 2016 | | 670,785,876 | 387,396,467 | 7,640,000 | 4,986,143 | 1,070,800,302 |
| Transactions with owners, recorded directly in equity : | | | | | | |
| Transfer to legal reserve | 22 | - | - | 5,335,000 | (5,335,000) | - |
| Dividend payment | 23 | - | - | - | (95,826,346) | (95,826,346) |
| Total changing in shareholder's equity | | | | 5,335,000 | (101,161,346) | (95,826,346) |
| Comprehensive income for the year | | - | - | - | 102,662,876 | 102,662,876 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | | | - | 102,662,876 | 102,662,876 |
| Balance as at December 31, 2017 | | 670,785,876 | 387,396,467 | 12,975,000 | 6,487,673 | 1,077,636,832 |

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

Statements of Cash Flows

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------------|-------------------------------|--------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Cash flows from operating activities | | | | |
| Profit (loss) before income tax expense | 175,591,871 | 247,996,770 | 104,036,134 | 34,007,238 |
| Adjustment of gain (loss) before income tax on cash received (paid) | | | | |
| Financial cost | 1,352,678 | - | 220,890 | - |
| Trade and other current receivables (increase) decrease | (26,049,902) | (23,523,335) | (63,537) | 106,199,992 |
| Inventories (increase) decrease | 59,984,508 | (111,933,710) | - | - |
| Advance purchase materials increase | (21,400,254) | (23,442,967) | - | - |
| Other current assets (increase) decrease | (10,508,818) | 13,507,869 | - | (388,698) |
| Non - other current assets (increase) decrease | 66,057 | 2,383,113 | - | - |
| Other non - current assets hold for sale (increase) | (78,198) | - | - | - |
| Trade and other current payables increase (decrease) | 5,603,751 | (4,711,271) | 145,020 | 180,658 |
| Other current liabilities increase (decrease) | (210,542) | (2,905,732) | (354,389) | (2,112,595) |
| Depreciation and amortization | 63,164,439 | 52,873,663 | 929,664 | 413,030 |
| Loss (profit) from non - current assets hold for sale | 1,327 | - | - | - |
| Lose (profit) on disposal of property, plant and equipment | (325,923) | (619,217) | - | - |
| Provisions for employee benefits (reversal) | | (1,098,249) | (117,952) | 196,622 |
| Unrealized loss (profit) on exchange rate | 32,262 | (154,460) | - | - |
| Bad debts and doubtful accounts (reversal) | 9,405,023 | 16,800,000 | - | - |
| Loss (profit) from decline in value of inventories | 3,498,155 | 999,443 | - | - |
| Investment subsidiary and related parties (increase) decrease | (4) | 25,868 | (2) | 25,869 |
| Loss (profit) from declining in value of assets | - | (2,700,000) | - | - |
| Total adjusted to reconcile net earnings (loss) | 84,745,008 | (84,498,985) | 759,694 | 104,514,878 |
| Cash provided by (used in) operating activities | 260,336,879 | 163,497,785 | 104,795,828 | 138,522,116 |
| Dividend receive | (567,500) | (467,500) | (97,767,492) | (29,267,498) |
| Interest received | (2,232,931) | (3,462,355) | (1,772,137) | 2,053,826 |
| Interest paid | (1,352,678) | 40,913 | (220,890) | - |
| Cash (paid) for employee benefits obligations | (510,000) | - | (510,000) | - |
| Income tax return (paid out) | (61,358,030) | (40,307,628) | (1,109,461) | - |
| Cash provided by (used in) operating activities | 194,315,740 | 119,301,215 | 3,415,848 | 111,308,444 |

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

Statements of Cash Flows (continued)

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Cash flows from investing activities | | | | |
| Cash received for current investments | - | 220,195,034 | - | - |
| Cash (paid) for current investments | (99,690) | 2,033,994 | - | 40,000,000 |
| Cash (paid) for advance payment - marketable securities | (30,000,000) | - | (15,000,000) | - |
| Cash received for short term loans - related parties | - | - | 255,000,000 | - |
| Cash (paid) for short term loans - related parties | - | - | (155,000,000) | (100,000,000) |
| Cash received for short term loans - other parties | 96,000,000 | - | - | - |
| Cash (paid) for short term loans - other parties | (88,000,000) | (32,000,000) | - | - |
| Cash received for disposal of other non-current assets hold for sale | 1,127,322 | - | - | - |
| Cash received for sale of property, plant and equipment | 353,129 | 895,904 | - | - |
| Cash (paid) for purchase of property, plant and equipment | (64,677,188) | (132,744,119) | (958,909) | (165,054) |
| Cash (paid) for purchase of intangible assets | (83,160) | (29,960) | - | - |
| Dividend received | 567,500 | 467,500 | 97,767,492 | 29,267,498 |
| Interest received | 2,310,543 | 3,131,515 | 1,772,137 | (2,053,826) |
| Cash provided by (used in) investing activities | (82,501,544) | 61,949,868 | 183,580,720 | (32,951,382) |
| Cash flows from financing activities | | | | |
| Cash (paid) for long term loans - other person | (1,500,000) | - | - | - |
| Cash received for long term loans | 250,000 | - | - | - |
| Cash (paid) for leasing to reduce the amount of liability arising from the finance leasing | (541,287) | - | (541,287) | - |
| Dividend payment | (95,781,322) | (57,492,820) | (95,781,322) | (57,492,820) |
| Dividend payment for non - controlling interests | - | (1,250,000) | - | - |
| Interest paid | - | (40,913) | - | - |
| Cash received by (used in) financing activities | (100,697,617) | (58,783,733) | (96,322,609) | (57,492,820) |
| Net increase in cash and cash equivalents | 11,116,579 | 122,467,350 | 90,673,959 | 20,864,242 |
| Cash and cash equivalents at the beginning of the year | 237,006,869 | 114,539,519 | 45,823,444 | 24,959,202 |
| Cash and cash equivalents at the end of the year | 248,123,448 | 237,006,869 | 136,497,403 | 45,823,444 |

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

Notes to Financial Statements

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

DECEMBER 31, 2017

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 office is located at 70 Moo 6 Ruamjaipattana Foundation Building, Klong 1 District, Klongluang, Pathumtanee.

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

2. Principles of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“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. 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 gain or loss on transactions between the Group are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Moreover, the financial statements of the subsidiaries are prepared for the same reporting period as the Company and using consistent significant policies.

| | | | Percentage of holdings | |
|---|---|-------------------------|------------------------|-------------------|
| Name | Type of business | Country of registration | December 31, 2017 | December 31, 2016 |
| Direct holdings | | | | |
| River Kwai International Food Industry Co., Ltd. | Manufacturing and distribution of canned sweet corns, fresh vegetable and fruit products. | Thailand | 99.99 | 99.99 |
| Indirect holdingsthrough River Kwai International Food Industry Co., Ltd. | | | | |
| Sweet Corn Products Co., Ltd. | Breeding and distribution of corn seeds | Thailand | 75.00 | 75.00 |
| Agri-fresh Co., Ltd. | Manufacturing and distribution of fresh vegetable and fruit products | Thailand | 99.99 | 99.99 |

3. Basic of financial statement preparation

3.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) applicable rules and regulations of the Thai Securities and Exchange Commission.

For the convenience of readers of the financial statements. The Company prepared its financial statements in English vision from Thailand this fiscal. Which will be presented for purposes of financial reporting for domestic use.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

3.3 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group’s functional currency.

3.4 Use of estimates and judgements

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements.

Deferred tax asset

The Company and subsidiaries recognize deferred tax asset when it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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.

Post-employment benefits obligations

The Company’s obligations in respect of post - employment benefits are performed by an independent actuary using the projected unit credit method. The important actuarial assumptions are discount rate, long - term salary increase rate, mortality rates, and turnover rates.

Provision and contingent liabilities

The Group may have contingent liabilities from lawsuits. However, management used judgment in assessment of results of the lawsuits and believed that there are no any significant losses incurred. Thus, no provision for liabilities from the lawsuit was recorded in the financial statements.

4. New financial reporting standards

4.1 Basic of statement preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2000, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2004, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

4.2 Revised accounting standards and revised financial reporting standards

4.2.1 Revised accounting standards and revised financial reporting standards are effective on 1 January 2017 which are relevant and have significant impact to the Company as follow :

TAS 1 (revised 2016) Presentation of financial statements

TAS 34 (revised 2016) Interim financial reporting

TAS 1 (revised 2016) the amendments provide clarifications on a number of issues, including

- Materiality

An entity should not aggregate or disaggregate information in a manner that obscures useful ere items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals

Line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

- Notes

confirmation that the notes do not need to be presented in a particular order.

- OCI arising from investments accounted for under the equity method

The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

The above revised accounting standards and revised financial reporting standards have no significant impact to the Company.

4.2.2 Revised accounting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not early adopted these revised standards as follows :

TAS 7 (revised 2017) Statement of cash flows

TAS 12 (revised 2017) Income taxes

TAS 7 (revised 2017) the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017) the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

Management has assessed and considered that the above revised standards will not have a material impact on the Company.

5. Significant accountings policies

5.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, saving deposits, call and highly liquid short-term investments.

Deposits restricted in use are shown as other non - current assets.

5.2 Trade and other accounts receivable

Trade and other accounts receivable are carried at anticipated realizable value after allowance for doubtful receivables. An allowance is estimated on the basis of management's assessment of long overdue debts which may not be collectible. Bad debts are written off during the year in which they are identified.

5.3 Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work - in - progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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.

5.4 Investments

Investments in subsidiary and associate

Investments in subsidiary and associate are recorded at cost method less impairment losses in the separate financial statements and investments in associate is recorded at equity method in the consolidated financial statements.

Investments in other equity securities

Investments in marketable equity securities that the Group holds as available - for - sales securities are stated at fair value.

The diminution of carrying value is represented as unrealized gain or loss in equity.

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

5.5 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 (if any).

Plant and equipment are presented at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease,

less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

Depreciation is charged to profit or loss on a straight - line basis over the estimated useful lives of each component of an item as follows :

| | |
|-------------------------------|---------------|
| Buildings and improvements | 10 - 33 years |
| Machinery and equipment | 5 - 20 years |
| Fixtures and office equipment | 3 - 10 years |
| Vehicles | 5 years |
| Others | 5 - 10 years |

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

5.6 Intangible assets

Intangible assets that are acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets for a period of 5 - 10 years.

5.7 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each report date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimate. Impairment with cost, if assets exceed its recoverable amount, the Group will recognize an impairment loss in profit or loss.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in profit or loss.

5.8 Trade and other payables

Trade and other payables are stated at cost.

5.9 Employee benefit obligations

The Group's employee benefit obligation in respect of post-employment benefits under defined benefit plans recognized in the financial statements based on calculations by the independent actuary using the projected unit credit method estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and calculated by actuary.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

5.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

5.11 Foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non - monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

5.12 Financial instrument

Financial assets were shown in statements of financial position composed of cash and cash equivalents, current investments, trade accounts receivable. Financial liabilities were shown in statements of financial position composed of bank overdrafts, trade accounts payable and borrowings. The accounting policy of each item would be disclosed in separated items.

The Group made a foreign exchange forward contract in order to prevent any risks from unstable of exchange rate. A forward contract will determine a fixed exchange rate in the future of assets and liabilities which will be received or paid. Outstanding forward foreign exchange contracts are marked to market by comparing contract rate to forward market rates with similar maturities. At each reporting date, the unrealized gain or losses on outstanding forward foreign exchange contracts are reflected in profit or loss.

5.13 Income

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

Interest income is recognised on an accrual basis based on the effective interest rate.

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

Rental income is recognised as revenue over the period of the lease term.

5.14 Expenses

Expenses are recognized on an accrual basis.

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

Finance costs comprise interest expense and unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

5.15 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

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.

5.16 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the year attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the year. The Company does not have any other equivalent ordinary share for diluted earnings per share calculation.

5.17 Segment reporting

Segment results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.18 Fair value estimation

The Group estimates fair value for available for sale investments and land. The different levels of fair value estimation have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group discloses the fair value measurement of above items in related notes to financial statement.

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.

6.1 Nature of relationship

| Company | Relationship |
|--|---|
| Subsidiaries | |
| 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 |
| Associate | |
| General Business Center Co., Ltd. | Direct owned by the Company and common directors |
| Related parties | |
| Siam Del Monte' Co., Ltd. | Indirect owned through a subsidiary and Common directors |
| Sweet Seeds Co., Ltd. | A subsidiary's director being such company's director and shareholder* |
| Thaiseeds Research and Development Co., Ltd. | A subsidiary's director being such company's director and shareholder* |
| Sweet corn Co., Ltd | A subsidiary's director being such company's director and shareholder* |
| The Ruamjaipattana Foundation | Common directors |
| Summit Pinehurst Golf Club Co., Ltd. | } The Company's major shareholder being such company's director and shareholder |
| Summit Footwore Co., Ltd. | |
| Summit Housing Co., Ltd. | |
| Chiangrai frozen foods Co., Ltd. | Director and shareholder being relatives of director |
| International Engineering Public Company Limited | Director and shareholder being relatives of director |

Related persons

| | |
|--------------------------------|---|
| Mr. Suredpon Jungrungruangkit | Shareholder and director of the Company |
| Mr. Komol Jungrungruangkit | Shareholder of the Company |
| Dr. Taweesak Pulam | Director of a subsidiary* |
| Mr. Pongkawin Jungrungruangkit | Relatives of director |

Pricing policies

| Transaction | Pricing policies |
|--|--------------------------------|
| Revenue from sales | Negotiated price and condition |
| Revenue from marketing and distribution management | Baht 2.7 million per month |
| Rental income | As identified in contract |
| Purchase of goods | Negotiated price and condition |
| Purchase of seed | As identified in contract |
| Seed royalty expense | As identified in contract |
| Management fee | As identified in contract |
| Rental expense | As identified in contract |
| Interest expense | As interest rate in contract |
| Land rental and asset | As identified in contract |

6.2 Revenues and expenses transactions with related parties

Significant related transactions for the years ended December 31, 2017 and 2016 were as follows :

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------|-------------------------------|------------|
| | 2017 | 2016 | 2017 | 2016 |
| Revenue from sales | | | | |
| Siam Del Monte' Co., Ltd. | 6,719,772 | 3,507,480 | - | - |
| Thaiseeds Research and Development Co., Ltd. | 8,283,300 | 7,202,747 | - | - |
| Chiangrai frozen foods Co., Ltd. | 825,000 | - | - | - |
| Revenue from marketing and distribution management | | | | |
| River Kwai International Food Industry Co., Ltd. | - | - | 32,400,000 | 32,400,000 |
| Other income | | | | |
| Siam Del Monte' Co., Ltd. | 121,189 | 125,718 | - | - |
| Interest | | | | |
| River Kwai International Food Industry Co., Ltd. | - | - | 1,316,781 | 1,257,534 |
| Dividend | | | | |
| River Kwai International Food Industry Co., Ltd. | - | - | 97,200,000 | 28,799,998 |
| Purchase of goods | | | | |
| Siam Del Monte' Co., Ltd. | 12,616,166 | 13,124,344 | - | - |
| Sweet corn Co.,Ltd | - | 3,365,500 | - | - |
| Thai Seeds Research and Development Co., Ltd. | 2,200,000 | 1,185,000 | - | - |
| Chiangrai frozen foods Co., Ltd. | - | 173,250 | - | - |

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------|-------------------------------|---------|
| | 2017 | 2016 | 2017 | 2016 |
| Purchase of asset | | | | |
| Summit Pinehurst Golf Club Co., Ltd. | 325,000 | 110,000 | - | - |
| Manufacturing expense | | | | |
| Summit Starhome Co., Ltd. | 2,340,000 | 2,340,000 | - | - |
| Summit Pinehurst Golf Club Co., Ltd. | 3,996,000 | 3,900,000 | - | - |
| Seed royalty expense and purchase of seed | | | | |
| Sweet Seeds Co., Ltd. | 8,232,466 | 6,799,979 | - | - |
| Expenses | | | | |
| Summit Pinehurst Golf Club Co., Ltd. | 840,600 | 840,600 | - | - |
| The Ruamjaipattana Foundation | 636,000 | 324,000 | 420,000 | 324,000 |
| Mr. Komol Jungrungruangkit | 600,000 | 600,000 | - | - |
| Management fee | | | | |
| Thaiseeds Research and Development Co., Ltd. | 20,156,750 | 12,119,625 | - | - |
| Dr. Taweesak Pulam | 2,000,400 | 2,000,400 | - | - |
| Land rental and asset | | | | |
| Chiangrai frozen foods Co., Ltd. | 720,000 | 300,000 | - | - |
| Mr. Pongkawin Jungrungruangkit | 742,105 | 567,105 | - | - |

Remuneration of Directors and Executives

During the year ended December 31, 2017 and 2016 the Group's cost of employee benefits and executive director. As follows :

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Short-term benefits | 15,689,170 | 14,561,829 | 8,985,000 | 8,430,000 |
| Post-employment benefits | 47,932 | 45,570 | 12,068 | 11,354 |
| Total | 15,737,102 | 14,607,399 | 8,997,068 | 8,441,354 |

6.3 Assets and liabilities with related parties

Significant outstanding balances as at December 31, 2017 and 2016 were as follows :

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Trade accounts receivable | | | | |
| Thaiseeds Research and Development Co., Ltd. | 2,089,414 | 1,189,295 | - | - |
| Siam Del Monte' Co., Ltd. | 755,541 | 15,985 | - | - |
| Chiangrai frozen foods Co., Ltd. | 225,000 | - | - | - |
| Total | 3,069,955 | 1,205,280 | - | - |
| Other receivable | | | | |
| River Kwai International Food Industry Co., Ltd. | - | - | 2,889,000 | 2,889,000 |
| Mr.Prajak Buason | - | 6,548 | - | - |
| Total | - | 6,548 | 2,889,000 | 2,889,000 |
| Short - term loans to related parties | | | | |
| River Kwai International Food Industry Co., Ltd | - | - | - | 100,000,000 |
| Trade accounts payable | | | | |
| Siam Del Monte' Co., Ltd. | 653,570 | 763,401 | - | - |
| Sweet Seeds Co., Ltd. | 633,253 | 343,310 | - | - |
| Thaiseeds Research and Development Co., Ltd. | 2,083,650 | 8,239,625 | - | - |
| Total | 3,370,473 | 9,346,336 | - | - |
| Other accounts payable | | | | |
| Summit Pinehurst Golf Club Co., Ltd. | 844,230 | 863,490 | - | - |
| Summit Starhome Co., Ltd. | 417,300 | 417,300 | - | - |
| Chiangrai frozen foods Co., Ltd. | 128,400 | 64,200 | - | - |
| Mr. Komol Jungrungruangkit | 107,000 | 107,000 | - | - |
| Mr. Pongkawin Jungrungruangkit | 223,684 | 123,684 | - | - |
| Total | 1,720,614 | 1,575,674 | - | - |

6.4 Agreements with related parties

Commitments

- On January 1, 2016, Sweet Corn Product Co., Ltd. has entered into a management agreement with Thai Seeds Research and Development Co., Ltd., which is effective on January 1, 2016 to December 31, 2016. The subsidiary agrees to pay annual compensation of Baht 4.2 million. A contract parties will re-consider about continuance business if net profit less than Baht 5 million per year for 2 consecutive years.

Later on January 1, 2017, both parties have entered into a renew agreement, for a period of one year, which is effective on January 1, 2017 to December 31, 2017. A contract parties will re-consider about continuance business if net profit less than Baht 5 million per year for 2 consecutive years. The parties agree to continue their business and no additional compensation for production volume and sales volume exceeding 45,000 kilograms, with a response rate of 45 - 105 Baht per kilogram.

Subsequently, on July 25, 2017, the two companies made a memorandum of agreement. Effective 1 year from January 1, 2017 to December 31, 2017, with the agreement to pay management fee. The volume of sales exceeds 45,000 kg, with a compensation rate of 75 - 150 Baht per kilogram.

As at 31 December 2017, a subsidiary has paid management fee of Baht 20.17 million.

- b) Sweet Corn Product Co., Ltd. has entered into a management agreement with Dr.Taweesak Pulam, which is effective on January 1, 2016 to December 31, 2016 and on January 1, 2017 to December 31, 2017. The subsidiary agrees to pay compensation of Baht 166,700 per month.
- c) 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 in Thailand.

On January 1, 2016, the both parties have entered into an agreement, which is effective on January 1, 2016 to December 31, 2016. The agreement to pay compensation to the right on license technology is as follows:

- Annual fee
 - 1. If sale volume is 1,000 kg and not over than 2,500 kg, annual fee charges by Baht 100,000 per product.
 - 2. If sale volume is over 2,500 kg, annual fee charges by Baht 250,000 per product.
- Additional fee of product sale at rate of Baht 75 per kg.
- Purchase of species father and mother seeds for use in the production at rate of Baht 1,000 per kg.

Later on January 1, 2017, the both parties have entered into a renew agreement, which is effective on January 1, 2017 to December 31, 2017. The agreement to pay compensation to the right on license technology is as follows:

- Annual fee
 - 1. If sale volume is 1,000 kg and not over than 2,500 kg, annual fee charges by Baht 100,000 per product.
 - 2. If sale volume is over 2,500 kg, annual fee charges by Baht 250,000 per product.
 - Additional fee of product sale at rate of Baht 75 per kg.
 - Purchase of species father and mother seeds for use in the production at rate of Baht 1,000 per kg.
- d) On March 2, 2015, Sweet Corn Product Co., Ltd. has entered into storage rental agreement with River Kwai International Food Industry Co.,Ltd., for a period of one year, effective date by March 29, 2015 to March 28, 2016, with rental fee of Baht 20,000 per month.

On March 5, 2016, the both parties have entered into a renew agreement, for a period of one year, effective date by March 29, 2016 to March 28, 2017, with rental fee of Baht 20,000 per month.

On March 7, 2017, the both parties have entered into a renew agreement, without a lease term with rental fee of Baht 20,000 per month.

- e) On January 5, 2016, Agrifresh Co., Ltd. has entered into a land rental agreement with River Kwai International Food Industry Co., Ltd. for the use in the production or storage of agricultural products throughout the fertilizer and agricultural chemicals. commencing from January 1, 2016 onwards, with rental rate of Baht 20,000 per year.
- f) On July 25, 2016, Agrifresh Co., Ltd. has entered into a vehicle rental contract with River Kwai International Food Industry Co., Ltd. from August 1, 2016 onward, with rental rate of Baht 15,000 per month. If any party wishes to terminate the contract must notify in writing at least 15 days in advance.
- g) On September 1, 2016, Agrifresh Co., Ltd. has entered into a land rental agreement with River Kwai International Food Industry Co., Ltd. for the cultivation of agricultural crops commencing from September 1, 2016 onwards, with rental rate of Baht 37,500 per year.
- h) River Kwai International Food Industry Co., Ltd. and Agrifresh Co., Ltd. have entered into 12 vehicle rental agreements with 2 related parties, with rental rate of Baht 14,000 to Baht 120,000 per month and can be cancelled by notification in writing at least 15 days in advance.
- i) On December 1, 2016, the Company have entered into marketing and distribution management expenses an agreement with River Kwai International Food Industry Co., Ltd. with fee of Baht 2,700,000 per month for a period of one year, starting from January 2017, with the renew of one year.
- j) On April 1, 2015 River Kwai International Food Industry Co., Ltd. has entered into a land rental agreement with Related persons for the business industrial from April 1, 2015 until March 31, 2018 with rental rate of Baht 35,000 per month. And on June 27, 2016 has another entered into a land rental agreement contract length since August 1, 2016 with rental rate of Baht 25,000 per month.
- k) On August 1, 2016, River Kwai International Food Industry Co., Ltd. has entered into Machine rental agreement for 3 unit with Chiangrai frozen foods Co., Ltd. effective 1 year from August 1, 2016 until July 31, 2017 with rental rate of Baht 20,000 per month, per unit.

On August 25, 2017, the Company has renewed the lease agreement for three types of machinery with Chiang Rai Frozen Foods Co., Ltd., effective from 1 August 2017 to 31 July 2018 at the rental rate. 20,000 Baht per month.

- l) On September 1, 2014, the Company has entered into an office rental agreement with The Ru-amjaipattana Foundation. This agreement is for a period of 3 years starting from September 1, 2014 to August 31, 2017 with rental rate of Baht 27,000 per month.

On September 1, 2017, the Company has entered into a lease agreement for some parts of the building of Univanich Development. To use as office The period of 3 years will be effective from September 1, 2017 to August 31, 2020. The rental rate for utilities is 54,000 Baht per month.

- m) On January 5, 2017, River Kwai International Food Industry Co., Ltd. has entered into a land rental agreement with The Ruamjaipattana Foundation for using store products and assets of the Company with rental rate of Baht 18,000 per month. This agreement is for a period of 3 years starting from January 5, 2017 to January 5, 2020.

- n) The Company and River Kwai International Food Industry Co., Ltd., and a shareholder of the Company are guarantors for credit lines of Companies in the Group (Note 20) by subsidiary's lands and property (Note 17) without charge any guarantee fee.

7. Cash and cash equivalents

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Cash | 793,907 | 923,606 | 243,286 | 212,418 |
| Cash at bank saving accounts | 238,489,412 | 213,845,897 | 136,186,899 | 45,722,117 |
| Cash at bank current accounts | 3,399,167 | 16,846,621 | 67,218 | (111,091) |
| Cash at bank fix accounts | 5,440,962 | 5,390,745 | - | - |
| Total | 248,123,448 | 237,006,869 | 136,497,403 | 45,823,444 |

8. Current investments

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Fixed deposits - over three months (not over 1 year) | 22,679,227 | 22,579,536 | - | - |
| Total | 22,679,227 | 22,579,536 | - | - |

As at December 31, 2017 and December 31, 2016, fixed deposits with two financial institutions by 6 months and 7 months of Baht 22.68 and 22.58 million , respectively, bear interest rate at 0.90 - 1.25% per annum, and have no any restricted.

9. Trade and other accounts receivable - net

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Trade accounts receivable - related parties | 3,069,955 | 1,205,280 | - | - |
| Trade accounts receivable - other parties | 184,256,182 | 156,572,530 | - | - |
| Less allowance for doubtful accounts | (42,376,441) | (32,971,418) | - | - |
| Trade accounts receivable - net | 144,949,696 | 124,806,392 | - | - |
| Other accounts receivable - related parties | - | 6,548 | 2,889,000 | 2,889,000 |
| Other accounts receivable - other parties | | | | |
| Prepaid Expenses | 2,052,165 | 719,711 | 237,433 | 171,896 |
| Advance purchase materials | 51,377,610 | 29,977,356 | - | - |
| Other accounts receivable | 1,111,158 | 507,814 | - | - |
| Farmers receivable | 25,710,152 | 29,581,839 | - | - |
| The revenue department receivable | 14,154,171 | 12,913,976 | - | - |
| Suspense input tax | 3,286,327 | 6,269,879 | - | - |
| Other | 248,358 | 386,861 | - | - |
| Less allowance for doubtful accounts | (3,565,554) | (3,565,554) | - | - |
| Other accounts receivable - net | 94,374,387 | 76,798,430 | 3,126,433 | 3,062,896 |
| Total trade and other current accounts receivable - net | 239,324,083 | 201,604,822 | 3,126,433 | 3,062,896 |

Trade accounts receivable can be aged as follows :

(Unit : Baht)

| | Consolidated financial statements | |
|-----------------------------------|-----------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 |
| Within credit term | 54,715,314 | 73,040,399 |
| Overdue : | - | - |
| Not over 3 months | 79,283,349 | 39,954,563 |
| 3 - 6 months | 10,969,108 | 6,098,705 |
| Over 6 months | 42,358,366 | 38,684,143 |
| Total | 187,326,137 | 157,777,810 |
| Less allowance for doubtful debts | (42,376,441) | (32,971,418) |
| Net | 144,949,696 | 124,806,392 |

Movements of allowance for doubtful accounts were as follows :

(Unit : Baht)

| | Consolidated financial statements | |
|--|-----------------------------------|---------------------|
| | December 31, 2017 | December 31, 2016 |
| As at January 1 | (36,536,972) | (19,736,972) |
| Increase / transfer in during the year | (9,405,023) | (16,837,500) |
| Reversal during the year | - | 37,500 |
| As at Decemeber 31 | (45,941,995) | (36,536,972) |

During 2017, a subsidiary Company has advance payment purchasing materials to non - related party and an unsecured Movement during the year as follows :

(Unit : Baht)

| | Consolidated financial statements / Separate financial statements |
|--|--|
| Balance as at January 1, 2017 | 29,977,356 |
| Add increase during the year | 128,866,832 |
| Less decrease during the year | (107,466,578) |
| Balance as at December 31, 2017 | 51,377,610 |

10. Short - term loan to subsidiary

Movement during the year as follows :

(Unit : Baht)

| | Separate financial statements | | | |
|---------------------|-------------------------------|--------------------|----------------------|-------------------------|
| | As at January 1, 2017 | Increase | (Decrease) | As at December 31, 2017 |
| Cash | 100,000,000 | 275,000,000 | (375,000,000) | - |
| Interest receivable | - | 1,316,781 | (1,316,781) | - |
| Total | 100,000,000 | 276,316,781 | (376,316,781) | - |

As at December 31, 2017, the Company has short - term loan to subsidiary by issuing promissory note amount by Baht of 100 million, interest rate at 4.5 % per p.a. and term 120 days.

As at May 12, 2017, the Company has changed interest exchange rate from at 4.5 % per p.a. to be 2 % per p.a.

11. Short - term loans to person and other Company

Movement during the period as follows:

(Unit : Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|-------------------|---------------------|----------------------------|
| | As at January 1, 2017 | Increase | (Decrease) | As at December 31, 2017 |
| Metal one co.,Ltd | 32,000,000 | 88,000,000 | (96,000,000) | 24,000,000 |
| Mr. chanchai Sutantiwannakun (Note 16) | - | 600,000 | - | 600,000 |
| Total | 32,000,000 | 88,600,000 | (96,000,000) | 24,600,000 |

As at December 31, 2017, a subsidiary Company has short - term loans to non - related parties amount by Baht of 24 million, has promission and interest rate at 5% per p.a. and term 120 days without collateral.

As at December 31, 2017, a subsidiary Company has short - term loans to non - related parties with out interest and must paid 50,000 Baht per month term 3 year and must paid all on May 29, 2020. A collateral is an important document showing the registration of a personal truck.

12. Inventories - net

(Unit : Baht)

| | Consolidated financial statements | |
|--|-----------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 |
| Finished goods | 32,991,624 | 24,025,766 |
| Work in process | 23,275,085 | 26,650,383 |
| Semi - products | 86,518,365 | 154,186,747 |
| Raw materials | 3,709,933 | 2,949,991 |
| Packaging | 41,278,327 | 41,242,521 |
| Spare parts and supplies | 13,562,632 | 12,012,143 |
| Plantation costs | 740,109 | 993,032 |
| Total | 202,076,075 | 262,060,583 |
| <u>Less allowance for declining in value</u> | <u>(12,135,825)</u> | <u>(8,637,670)</u> |
| Net | 189,940,250 | 253,422,913 |

Movements of allowance for declining in value of inventories were as follows:

(Unit : Baht)

| | Consolidated financial statements | |
|--------------------------|-----------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 |
| As at January | (8,637,670) | (7,638,226) |
| Increase during the year | (3,498,155) | (1,844,140) |
| Decrease during the year | - | 844,696 |
| As at December 31 | (12,135,825) | (8,637,670) |

13. Other current assets - net

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Advance payment - marketable securities | 30,000,000 | - | 15,000,000 | - |
| Others | 14,410,733 | 3,694,254 | 999,288 | 999,289 |
| Total | 44,410,733 | 3,694,254 | 15,999,288 | 999,289 |

Advance payment - marketable securities - related parties

On November 27, 2017, the Company and its subsidiaries (River Kwai International Food Industry Co., Ltd.) paid for the purchase of shares in a related parties in the amount of Baht 15 million, and 15 million, respectively (As consolidated financial amount of 30 million) which was in accordance with the resolution of the Board of Directors' meeting held on November 21, 2017. However, the Company has not received such shares. Currently, the public Company registrar is still considering the registration. If the listed company can not register the capital increase, (the registrar of a public Company has an order not to register), the Company will receive all refunds paid within 30 days from the date the registrar has ordered. The management believes that the full amount will be returned due to the listed company has informed the Stock Exchange of Thailand in the listed company's news on November 23, 2017 that such listed Company will not use the receive payment for share subscription until the public Company registrar is registered.

14. Investment in subsidiaries and related parties - net

(Unit : Baht)

| | Paid-up capital (Baht) | Percentage of shareholding (%) | Equity Method | | Cost Method | |
|--|------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | As at December 31, 2017 | As at December 31, 2016 | As at December 31, 2017 | As at December 31, 2016 |
| Subsidiaries | | | | | | |
| River Kwai International Food Industry Co., Ltd. | 899,999,930 | 100 | - | - | 899,999,930 | 899,999,930 |
| Related parties | | | | | | |
| The International Engineering Public Co.,Ltd | 2 | - | 4 | - | 2 | - |
| General Business Center Co., Ltd. * | 3,750,000 | 48 | - | - | 7,450,000 | (7,450,000) |
| Less allowance for impairment loss | | | - | - | (7,450,000) | (7,450,000) |
| Net | | | - | - | - | - |
| Total investments in subsidiaries and associate | | | 4 | - | 899,999,932 | 899,999,930 |

* Such associate company has ceased its operation.

15. Other long - term investments - net

(Unit : Baht)

| | Paid-up capital (Baht) | Paid-up of shareholding (%) | Consolidated financial statements | | Separate financial statements | |
|--|---------------------------|-----------------------------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | | | As at December 31, 2017 | As at December 31, 2016 | As at December 31, 2017 | As at December 31, 2016 |
| Gold Master Co., Ltd. | 150,000,000 | 4.50 | 31,050,000 | 31,050,000 | 31,050,000 | 31,050,000 |
| GMS Power Public Co., Ltd. | 1,719,000 | 0.70 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |
| Agro Town Co., Ltd. | 30,000,000 | 1.30 | 3,138,000 | 3,138,000 | 3,138,000 | 3,138,000 |
| Siam Del Monte' Co., Ltd. * | 300,000,000 | 3.75 | 11,250,000 | 11,250,000 | - | - |
| Total | | | 57,438,000 | 57,438,000 | 46,188,000 | 46,188,000 |
| <u>Less</u> accumulated impairment loss: | | | | | | |
| Gold Master Co., Ltd. | | | (19,993,767) | (19,993,767) | (19,993,767) | (19,993,767) |
| Agro Town Co., Ltd. | | | (2,724,072) | (2,724,072) | (2,724,072) | (2,724,072) |
| Siam Del Monte' Co., Ltd. | | | (11,250,000) | (11,250,000) | - | - |
| Total | | | (33,967,839) | (33,967,839) | (22,717,839) | (22,717,839) |
| Net | | | 23,470,161 | 23,470,161 | 23,470,161 | 23,470,161 |

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

16. Loan receivable long - term

As at December 31, 2017, the Company provided long - term loans to other person. With out interest and must paid 50,000 Baht per month, term 3 year, and must paid all on May 29, 2020. A collateral is an important document showing the registration of a personal truck.

Movement during the year as follows:

(Unit : Baht)

| | Consolidated financial statements / Separate financial statements |
|--------------------------------------|--|
| Balance as at January 1, 2017 | - |
| <u>Add</u> increase during the year | 1,500,000 |
| <u>Less</u> decrease during the year | (250,000) |
| Balance as at December 31, 2017 | 1,250,000 |
| <u>Less</u> due within one year | (600,000) |
| Net | 650,000 |

17. Property, plant and equipment - net

(Unit : Baht)

| | Consolidated financial statements | | | | |
|--|-------------------------------------|---------------------|--------------------|-------------------------------|---------------------------------------|
| | Balance as at January 1, 2017 | Increase | (Decrease) | Transfer in (Transfer out) | Balance as at December 31, 2017 |
| <u>Cost plus revaluation surplus</u> | | | | | |
| Land - revaluation surplus | 217,106,520 | - | - | - | 217,106,520 |
| Buildings and improvements | 281,624,662 | 3,984,991 | - | 1,298,103 | 286,907,756 |
| Machinery and equipment | | 54,140,671 | (3,650,985) | 5,959,951 | 671,175,474 |
| Furniture and office equipment | 34,642,172 | 1,608,821 | (866,975) | - | 35,384,018 |
| Vehicles | 36,253,576 | 6,556,304 | (2,503,121) | - | 40,306,759 |
| Others | | 16,794 | - | - | 7,724,778 |
| Construction in progress and machine under installation | 14,292,315 | 927,200 | - | (8,297,391) | 6,922,124 |
| Total cost plus revaluation surplus | 1,206,353,066 | 67,234,781 | (7,021,081) | (1,039,337) | 1,265,527,429 |
| <u>Accumulated depreciation</u> | | | | | |
| Buildings and improvements | (71,309,888) | (9,184,756) | - | - | (80,494,644) |
| Machinery and equipment | (232,424,014) | (48,368,842) | 3,648,697 | 1,269,133 | (275,875,026) |
| Furniture and office equipment | (30,045,133) | (1,629,514) | 842,065 | - | (30,832,582) |
| Vehicles | (25,859,169) | (2,879,462) | 2,503,113 | - | (26,235,518) |
| Others | (6,669,814) | (218,213) | - | - | (6,888,027) |
| Total accumulated depreciation | (366,308,018) | (62,280,787) | 6,993,875 | 1,269,133 | (420,325,797) |
| Net | 840,045,048 | | | | 845,201,632 |

(Unit : Baht)

| | Separate financial statements | | | | Balance as at December 31, 2017 |
|---------------------------------------|-------------------------------|------------------|--------------------|----------------------------|---------------------------------|
| | Balance as at January 1, 2017 | Increase | (Decrease) | Transfer in (Transfer out) | |
| Cost | | | | | |
| Furniture and office equipment | 5,788,307 | 240,804 | - | - | 6,029,111 |
| Vehicle | 6,160,407 | 3,505,500 | (1,733,621) | - | 7,932,286 |
| Others | 1,450,429 | - | - | - | 1,450,429 |
| Total cost | 13,399,143 | 3,746,304 | (1,733,621) | - | 15,411,826 |
| Accumulated depreciation | | | | | |
| Furniture and office equipment | (5,500,252) | (114,557) | - | - | (5,614,809) |
| Vehicles | (5,935,066) | (810,707) | 1,733,617 | - | (5,012,156) |
| Others | (1,429,848) | (4,400) | - | - | (1,434,248) |
| Total accumulated depreciation | (12,865,166) | (929,664) | 1,733,617 | - | (12,061,213) |
| Net | 533,977 | | | | 3,350,613 |

As at December 31, 2017, the Group had fully depreciated fixed assets which were still in active use at gross carrying value totaling Baht 188.43 million (December 31, 2016: Baht 174.97 million) in the consolidated financial statements and amount Baht 11.59 million (December 31, 2016: Baht 11.30 million) in the separate financial statements.

As at December 31, 2017, land and construction are pledged are collateral to credit line a local bank (Note 20) with not book value of 171.85 million (December 31, 2016 : Baht 183.34 million) in consolidate financial statements.

18. Intangible assets - net

(Unit : Baht)

| | Consolidated financial statements | | | | Balance as at December 31, 2017 |
|--------------------------------------|-----------------------------------|------------------|------------|----------|---------------------------------|
| | Balance as at January 1, 2017 | Increase | (Decrease) | | |
| Program computer | 16,456,832 | 83,160 | - | - | 16,539,992 |
| <u>Less</u> accumulated amortization | (14,425,932) | (883,652) | - | - | (15,309,584) |
| Net | 2,030,900 | (800,492) | - | - | 1,230,408 |

19. Deferred tax assetsT

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Deferred tax assets - net | 342,642 | 257,256 | - | - |
| Deferred tax liabilities - net | (28,518,692) | (28,131,505) | - | - |

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

(Unit : Baht)

| | Consolidated financial statements | | | |
|----------------------------------|-----------------------------------|-------------------------|----------------------------------|-------------------------------|
| | As at January 1, 2017 | (Charged) / Credited to | | As at December 31, 2017 |
| | | Profit or (loss) | Other comprehensive income | |
| Deferred tax assets: | | | | |
| Trade accounts receivable | | | | |
| Inventories | 111,291 | 62,546 | - | 173,837 |
| Employee benefit obligations | 145,965 | 22,840 | - | 168,805 |
| Total deferred tax assets | 257,256 | 85,386 | - | 342,642 |
| Deferred tax liabilities: | | | | |
| Inventories | 1,568,308 | - | - | 1,568,308 |
| Other current assets | 477,162 | - | - | 477,162 |
| Property, plant and equipment | (30,737,911) | (387,187) | - | (31,125,098) |
| Other non - current assets | 300,000 | - | - | 300,000 |
| Employee benefit obligations | 260,936 | - | - | 260,936 |
| Total deferred tax liabilities | (28,131,505) | (387,187) | - | (28,518,692) |
| Total income (charged) | | (301,801) | - | |

As at December 31, 2016 the Company and its subsidiaries did not record Deferred tax assets for unutilized tax losses amount of Baht 0.87 million, doubtful accounts and Employee Benefit Project amount Baht 6.41 million and allowance for impairment of investments amount Baht 4.54 million. The Group did not have any policy to implement the law use of such tax privileges. Also uncertainty that the Group will have sufficient future taxable profits to utilize such items.

20. Bank overdrafts and short - term loans from financial institutions

As at December 31, 2017, the Group has credit facilities as follows:

- 1) Overdraft lines from two local banks totaling Baht 42.20 million (December 31, 2016 : Baht 22.20 million), bear interest rate at MOR p.a. (December 31, 2016 : MOR p.a.)
- 2) Packing credit lines from two local banks totaling Baht 150.00 million (December 31, 2016 : Baht 150.00 million), bear interest rate at MLR - 1.75 p.a. (December 31, 2016 : MLR - 1.75 p.a.)
- 3) Short - term loans in form of promissory notes from a local bank totaling Baht 50.00 million (December 31, 2016 : Baht 50.00 million), bear interest rate at MLR - 1 p.a. (December 31, 2016 : MLR - 1 p.a.)

The above credit facilities are guaranteed by mortgaging land and construction thereon of a subsidiary (Note 17) guaranteed by the Company, a subsidiary and Mr. Komol Jungrungruangkit. (Shareholders of the Company) There are no any charges on such guarantee.

21. Trade and other accounts payable

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-------------------|-------------------------------|-------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Trade accounts payable - related parties | 3,370,473 | 9,346,336 | - | - |
| Trade accounts payable - other parties | 26,725,898 | 18,905,232 | - | - |
| Cheques on hand | 2,781,070 | 2,573,375 | - | - |
| Total trade accounts payable | 32,877,441 | 30,824,943 | - | - |
| Other accounts payable - related parties | 1,720,614 | 1,575,674 | - | - |
| Other accounts payable - other parties | 35,338,747 | 31,965,943 | 746,534 | 556,491 |
| Total other accounts payable | 37,059,361 | 33,541,617 | 746,534 | 556,491 |
| Total trade and other accounts payable | 69,936,802 | 64,366,560 | 746,534 | 556,491 |

22. Legal reserve

Under the provisions of the Thai Public Company Limited Act B.E. 1992, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

23. Dividend

At the Board of Directors' meeting in during the period held on August 11, 2017. It was unanimously resolved as the reservation amount of Baht 2.60 million, and pay dividend in the rate per share by Baht of 0.05 in amount 958.26 million shares totaling amount of Baht 47.91 million. The amount of such payment on or before September 8, 2017, and appropriated - legal reserve amount Baht 4.30 million.

At the Board of shareholders meeting of Company held on April 28, 2017 the shareholders approved the appropriation of dividends for the retained earnings and overall operation in the period of July 1, 2016 until December 31, 2016 of Baht 0.05 per share for 958.27 million shares amount Baht 47.91 million. The dividends will be paid within May 25, 2017 and appropriated - legal reserve amount Baht 1.70 million.

At the Board of Directors' meeting of the Company held on August 11, 2016, the Board has approved the appropriation of dividends for the retained earnings and overall operation in the period of January 1, 2016 until June 30, 2016 of Baht 0.03 per share for 958.27 million shares amount totaling Baht 28.75 million. The dividends will be paid within September 9, 2016 and appropriated - legal reserve amount Baht 1.50 million.

24. Income tax expense

(Unit : Baht)

| | Consolidated financial statements | |
|------------------------------------|-----------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 |
| Current tax expense: | | |
| Current year | 29,777,523 | 51,099,157 |
| Deferred tax expense: | | |
| Movements in temporary differences | 301,801 | 1,114,708 |
| Benefit of tax losses recognised | - | - |
| | 301,801 | 1,114,708 |
| Net | 30,079,324 | 52,213,865 |

Reconciliation of effective tax rate

(Unit : Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|-------------------|----------------------------|-------------------|
| | Applicable tax rate (%) | 2017 | Applicable tax rate (%) | 2016 |
| Accounting profit before income tax | 20 | 175,591,871 | 20 | 247,996,770 |
| Tax at the applicable tax rate | | 35,118,374 | | 49,599,354 |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit - net | | (5,039,050) | | 2,614,511 |
| Net | | 30,079,324 | | 52,213,865 |

(Unit : Baht)

| | Separate financial statements | | | |
|---|-------------------------------|------------------|----------------------------|-------------|
| | Applicable tax rate (%) | 2017 | Applicable tax rate (%) | 2016 |
| Accounting profit before income tax | 20 | 104,036,134 | 20 | 34,007,238 |
| Tax at the applicable tax rate | | 20,807,227 | | 6,801,448 |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit - net | | (19,433,969) | | (6,801,448) |
| Benefit of tax losses recognised | | - | | - |
| Net | | 1,373,258 | | - |

25. Segment information Expenses by nature

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Raw materials, packaging and supplies used | 783,343,946 | 890,629,055 | - | - |
| Changes in finished goods, semi-products and work in process | 84,057,782 | (57,381,047) | - | - |
| Employee benefit expenses | 156,396,964 | 129,524,510 | 19,035,799 | 21,005,425 |
| Sub-contract costs | 36,921,074 | 47,401,871 | - | - |
| Transportation expenses | 82,274,494 | 81,375,408 | - | - |
| Depreciation and amortisation | 63,206,018 | 53,490,336 | 966,396 | 1,029,709 |
| Management fee and Product distribution | 107,544,092 | 93,618,673 | - | - |
| Repair and maintenance expenses | 520,513,357 | 47,219,356 | - | - |
| Utility expenses | 29,651,922 | 33,587,325 | 221,669 | 236,761 |
| Fuel expenses | 36,031,606 | 29,431,010 | 272,443 | 146,429 |
| Office expenses | 14,383,631 | 11,006,252 | 1,211,744 | 1,235,097 |
| Rent expenses | 8,913,894 | 7,366,184 | - | - |
| Tax and other duty fee | 31,055,479 | 54,526,392 | 1,433,023 | 37,451 |
| allowance for doubtful accounts | 9,405,023 | 16,800,000 | - | - |
| Decrease Allowance for diminution in value of inventories | 7,386,605 | 8,646,504 | - | - |
| Other expenses | 14,456,698 | 12,151,490 | 6,135,680 | 6,023,214 |

26. Provident fund

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

27. 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 Group'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 relating to business segments for the years ended December 31, 2017 and 2016 as follows :

(Unit : Baht)

| Consolidated financial statements | | | | | | |
|--|----------------------|---------------------------------|--------------------|----------------------|---------------------|----------------------|
| 2017 | | | | | | |
| | Canned sweet corn | Fresh vegetable and fruit | Commercial seed | Total | Eliminate | Net |
| External revenue | 1,304,384,393 | 197,316,531 | 92,908,430 | 1,594,609,354 | - | 1,594,609,354 |
| Inter - segment revenue | 803,202 | 3,520,950 | 34,302,620 | 38,626,772 | (38,626,772) | - |
| Total revenue | 1,305,187,595 | 200,837,481 | 127,211,050 | 1,633,236,126 | (38,626,772) | 1,594,609,354 |
| Segment profit (loss) before income tax | 248,387,904 | 5,848,311 | 18,555,649 | 272,791,864 | (97,199,993) | 175,591,871 |
| Segment assets | 2,380,230,160 | 83,755,037 | 80,499,390 | 2,544,484,587 | (902,091,018) | 1,642,393,569 |

(Unit : Baht)

| Consolidated financial statements | | | | | | |
|--|----------------------|---------------------------------|--------------------|----------------------|---------------------|----------------------|
| 2016 | | | | | | |
| | Canned sweet corn | Fresh vegetable and fruit | Commercial seed | Total | Eliminate | Net |
| External revenue | 1,286,802,428 | 184,796,208 | 77,921,148 | 1,549,519,784 | - | 1,549,519,784 |
| Inter - segment revenue | 1,080,602 | 30,241 | 40,008,750 | 41,119,593 | (41,119,593) | - |
| Total revenue | 1,287,883,030 | 184,826,449 | 117,929,898 | 1,590,639,377 | (41,119,593) | 1,549,519,784 |
| Segment profit (loss) before income tax | 260,966,480 | (926,014) | 21,381,932 | 281,422,398 | (33,425,628) | 247,996,770 |
| Segment assets | 1,557,449,456 | 75,892,054 | 86,213,899 | 1,719,555,409 | (99,906,163) | 1,619,649,246 |

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the

geographical location of customers. However, the Group has no assets located in foreign countries. For the year ended December 31, 2017 and 2016. As follow:

(Unit : Baht)

| | December 31, 2017 | December 31, 2016 |
|----------------------|----------------------|----------------------|
| Overseas | 1,432,952,559 | 1,404,004,474 |
| Domestic | 161,656,795 | 145,515,310 |
| Total revenue | 1,594,609,354 | 1,549,519,784 |

28. Financial Instruments

28.1 Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

28.2 Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, and capital management policies to maintain the optimal capital structure and cost of capital.

28.3 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 has interest rate risk on short-term loans at the floating interest rate.

28.4 Credit risk

The Group may expose to credit risk primarily to trade accounts receivable. However, the Group have prudent credit policy, so the Group does not anticipate material losses except for amounts for which they have already set up allowance for doubtful accounts.

28.5 Fair value of financial instruments

Since the majority of the Group's financial instruments are short - term. The Group expect that their fair values are not materially different from the amounts presented in the statements of financial position.

28.6 Foreign currency risk

The Group companies are exposed to foreign exchange risk. This is due to the sale of goods in foreign currency.

The Group entered into foreign currency forward contracts. Such transactions shall not exceed one year. To prevent the risk of financial assets and liabilities in foreign currency. Foreign currency forward contracts at the reporting date are items related to the sale of foreign currency transactions in the next period.

As at December 31, 2017 and 2016 the Group has the risk of assets and liabilities in the consolidated financial statements which are denominated in foreign currencies as follows:

| List | Currency | Consolidated financial statements | | Separate financial statements | |
|---------------------------|----------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | As at December 31, 2017 | As at December 31, 2016 | As at December 31, 2017 | As at December 31, 2016 |
| Cash and cash equivalents | USD | 16,646.69 | 5,917.15 | 280.00 | - |
| | JPY | 559,580.39 | 558,985.39 | 955.00 | 360.00 |
| | SGD | 2,329.90 | 2,328.20 | 1,217.20 | 1,216.20 |
| | PHP | 400.00 | 400.00 | - | - |
| | GBP | 461.20 | 44.20 | 417.00 | - |
| | AED | 2,055.00 | 4,070.00 | 2,055.00 | 4,070.00 |
| | EUR | 758.46 | 758.46 | 758.46 | 758.46 |
| | TWD | 35,612.00 | 12,625.00 | 35,612.00 | 12,625.00 |

United States Dollar

| | |
|------------------------------------|------------|
| Foreign currency sales contract | - |
| Foreign currency purchase contract | 286,977.20 |

29. Commitments and contingent liability

29.1 Commitments

- a) As at December 31, 2017 a company has a commitment as follow:

(Unit : Baht)

| | Consolidated financial statements / Separate financial statements | | |
|---|--|-------------|-----------|
| | Contract Value | (Paid) | Balance |
| Machine purchase agreement | | | |
| - Thai currency (THB) | 8,840,000 | (2,859,000) | 5,981,000 |
| - United states of America currency (USD) | 243,071 | (217,096) | 25,975 |

- b) As at December 31, 2017 a company has a commitment from operating lease as follow:

(Unit : Baht)

| | Consolidated financial statements | Separate financial statements |
|-----------------|--------------------------------------|----------------------------------|
| Paid within | | |
| Not over 1 year | 1,955,500 | 612,000 |
| 1-3 years | 1,236,000 | 1,020,000 |
| Total | 3,191,500 | 1,632,000 |

- c) A subsidiary has a commitment from entering into the contracts of participation with the project of corn breeding with several agriculturists, who expertise in corn breeding, as purchased price and the humidity of product identified in the contracts. As identified in the contracts, agriculturists agree and consent to fully compensate damage which incurred to the subsidiary, according to the contract area at the rate of Baht 30,000 per rai. Such contracts have effective in each the planting season.

29.2 Contingent Liabilities

The Company has a contingent liability from bank guarantee of electricity and guarantee for loans and credit facilities to a subsidiary in normal operation of the business totaling of Baht 4.53 million and Baht 28.00 million. respectively.

30. Litigation

A subsidiary, River Kwai International Food Industry Co., Ltd. have a lawsuit against the defendant. About import tariffs in Europe The Court of First Instance judged to use tax rate of 12.8% (3.8% from the previous one). Currently, the management and legal counsel of the Company are preparing to submit the appeal within the time allowed by the law. The lawyer in this case is of the opinion that the company has no any damage expense to the account.

31. Event after financial statement

Report the resolutions of the Board of Directors Meeting No. 1/2018 on February 23, 2018, in respect of a capital decrease, capital increase and share allotment (approved in the shareholders' meeting on April 27, 2018) as follow:

31.1 Capital decrease

The Board of Directors' meeting No. 1/2018 passed a resolution approving the decrease of the registered capital of the Company from Baht 682,010,648.20 (974,300,926 shares) to Baht 670,785,875.90 (958,265,537 shares) by means of the cancellation of 16,035,389 ordinary shares with a par value of Baht 0.70 per share.

31.2 Capital increase

The Board of Directors' meeting No. 1/2018 passed a resolution approving the increase of the registered capital of the Company in the amount of Baht 67,078,587.10 from Baht 670,785,875.90 (958,265,537 shares) to Baht 737,864,463.00 (1,054,092,090 shares) by means of the issuance of 95,826,553 ordinary shares with a par value of Baht 0.70 per share.

The details as following:

| Type of capital increase | Type of share | Number of shares (shares) | Par value (Baht/share) | Total (Baht) |
|--|-----------------|---------------------------|------------------------|---------------|
| <input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds | Common Stock | 95,826,553 | 0.70 | 67,078,587.10 |
| | Preferred Stock | - | | |

31.3 Allotment of new shares

The Board of Directors' meeting passed a resolution approving the allocation of 95,826,553 shares with par value Baht 0.70 per share, totaling Baht 67,078,587.10 the detail as follow:

| | |
|-----------------------------------|---|
| Type of Warrants | Warrant to purchase ordinary shares of AgriPure Holdings Public Company Limited No.1 ("warrant" or "APURE-W1") |
| Category of Warrants | Transferable named certificate |
| Objectives of Issuance of Warrant | Company will be able to utilize the money received from the offering of newly issued shares when warrants are exercised. So that the company will be ready and have liquidity in financial position for future projects and operations. |
| Amount of Warrants offered | Not greater than 95,826,553 units |
| Offering price | None (Baht 0 per unit) |
| Exercise Ratio | 1 unit of warrant has the right to purchase 1 new ordinary share. (The exercise ratio is subject to change in accordance with the conditions for right adjustment.) |
| Exercise Price | The first year: Baht 4.00 per unit The second year: Baht 4.50 per unit The third year: Baht 5.00 per unit |
| Date of Issuance | The date that shall be determined by the Board of Directors or the Executive Committee or the persons authorized by the Company's Board of Directors or the Executive Committee. |
| Maturity Period of Warrant | 3 years from the date of issuance of Warrant |
| Allocation Method | <p>The Company will allocate the warrants in the amount of 95,826,553 units to the existing shareholders whose names are recorded in the share register book on 2 May 2018 which is the date to record the names of shareholders who are entitled to be receive the Warrant (Record Date), and 3 May 2018 is scheduled as the date to close the share register book for gathering the list of shareholders in compliance with Section 225 of the Securities and Exchange Act B.E. 2535 (including any amendment thereto), at the ratio of 10 ordinary shares to 1 Warrant.</p> <p>In the calculation of warrant allocation to the existing shareholders, there is any fraction share from the calculation based on the warrant allocation ratio set forth, such fraction shall be discarded.</p> <p>In case that there is any fraction derived from the calculation of warrant allocation based on the allocation ratio set forth, such fraction shall be discarded and there are warrants remaining after the allocation, the Company will proceed to cancel the remaining warrants later.</p> |
| Exercise Period | <p>The warrant can be exercised once every 3 months (quarterly) by the last business day of March, June, September, and December of each year throughout its term of warrant.</p> <p>Unexercised warrants at any exercise date shall be accumulated and eligible for being exercised at the next exercise date throughout the warrant term. However, in case the warrants remain unexercised at the maturity date, the said unexercised warrants shall be terminated and void.</p> <p>The last exercise date shall be the date which is the third anniversary from the issuance and offering date of APURE-W1. In case the last exercise date is not a business day of the Company, the said last exercise date shall be changed to the last business day of the Company prior to the maturity date of APURE-W1.</p> |

32. Reclassification

Certain transactions in the financial statements for period 2016 have been reclassified in accordance with the Notification of the Department of Business Development date October 11, 2016 regarding “The Brief Particulars in the Financial Statements B.E. 2016” that have no effect with net profit or Shareholders’ equity that have reported.

33. Approval of financial statements

These financial statements have been approved by the Company’s board of directors on February 23, 2018.

The Remuneration of the Auditors

The company's audit determination of the audit fee
Miss Kannika Wipaturat as Certified Public Accountant No. 7305
From Karin Audit Limited for the Year 2016 Baht 2,235,000.00

Audit fee

| Items | Payers | Auditor | Audit fee |
|--------------|--|---|------------------------------|
| 1 | AgriPure Holdings PCL | Miss Kannika Wipaturat from Karin Audit limited | 605,000.00 |
| 2 | River Kwai International Food Industry Company Limited | Miss Kannika Wipaturat from Karin Audit limited | 1,000,000.00 1,060,000.00 |
| 3 | Sweet Corn Products Company Limited | Miss Kannika Wipaturat from Karin Audit limited | 340,000.00 |
| 4 | AgriFresh Company Limited | Miss Kannika Wipaturat from Karin Audit limited | 340,000.00 |
| Total | | | 2,345,000.00 |

Above details

☒ correct and Complete. I hereby confirm that no details are provided by company and subsidiary company to be paid to me, audit's company and person or company which is related by me and audit's company both disclosure and no disclosure.

☐ Incorrect and Incomplete because

In case that the above details already revised it, I hereby confirm that all details in this form which indicated the audit fee and other fee from company and subsidiary company to be paid to me, audit's company and person or company which is related by me and audit's company are correct and completed.



.....
(Miss Kannika Wipaturat)
Certified Public Accountant No. 7305
Karin Audit Company Limited

Financial Position and Operating Performance of year 2017

Revenue from Sales

Agripure Holdings Public Company Limited (the Company) has revenue from sale of year at the amount of 1,229.42 million baht, 1,549.52 million baht, and 1,594.61 million baht for year 2015, 2016, and 2017 respectively. As can be seen, the revenue from sale increased continuously every year due to the market expansion in other countries of canned sweet corn and pouched sweet corn. However, the sale price per unit decreased due to the severe price competition in the market and loss from exchange rate (Thai Baht strengthen) Therefore, revenue from sales of year 2017 did not increase as much as expected.

For domestic market, revenue from sales increase lightly due to growth of sales in Corn seeds and fresh vegetable and fruit.

Detail of Domestic and Export Sales

| Item | 2015 | 2016 | 2017 |
|--|-----------------|-----------------|-----------------|
| Export Sales | | | |
| • Canned sweet corn (RKI) | 767.16 | 1,019.67 | 1,023.40 |
| • Fresh vegetable and fruit (AGF) | 180.62 | 170.58 | 175.39 |
| • Pouched sweet corn (RKI) | 168.61 | 213.75 | 234.16 |
| Total | 1,116.39 | 1,404.00 | 1,432.95 |
| Domestic Sales | | | |
| • Canned sweet corn (RKI) | 24.81 | 36.20 | 31.88 |
| • Seeds (SCP) | 49.44 | 66.64 | 85.79 |
| • Others (RKI) | 9.82 | 16.92 | 10.55 |
| • Pouched sweet corn (RKI) | 14.58 | 10.57 | 5.86 |
| • Fresh vegetable and fruit (AGF) | 14.38 | 15.19 | 27.58 |
| Total | 113.03 | 145.52 | 161.66 |
| Total domestic and export sales | 1,229.42 | 1,549.52 | 1,594.61 |

Costs of Sale

The company has cost of sales of 913.41 million baht, 1,089.83 million baht and 1,196.69 million baht in year 2015, 2016, and 2017 respectively. The cost of sales to revenue from sale ratio is 74.30%, 70.33% and 75.04% for year 2015, 2016 and 2017 respectively. This ratio increased because the unit sale price decrease as mentioned above. Also, Sweet corn price and can packaging price, which are major portion of costs, increased in year 2017.

Gross profit

The company has gross profit of 316.01 million baht, 459.69 million baht and 397.92 million baht in year 2015, 2016 and 2017 respectively. Gross profit margin is 25.70%, 29.67% and 24.95% for year 2015, 2016 and 2017 respectively. The decrease in gross profit is due to the decrease in sales price which affected from the severe competition in the market and Thai baht strengthen against US Dollar (which is major currency in sale price). Moreover, the cost of good sold increased.

SG&A

SG&A of the Company consisted of salary and wages, Overtime payment, employees' benefit, management fee, maintenance fee, utility expenses and etc. The company has SG&A of 204.14 million baht, 225.42 million baht and 233.49 million baht in year 2015, 2016 and 2017 respectively. SG&A ratio is 16.60%, 14.55% and 14.64% for year 2015, 2016 and 2017 respectively. As can be seen from SG&A ratio, year 2016 and 2017 are mostly same.

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

The company has net profit (...) of 96.29 million baht, 191.60 million baht and 141.82 million baht in year 2015, 2016 and 2017 respectively. Net Profit margin is 7.83%, 12.36% and 9.13% for year 2015, 2016 and 2017 respectively. The reason for decrease in net profit are decrease in sale price and increase in cost of sales, which mentioned and explained above.

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, 2017 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 Jungrungrangkit | Chairman (authorized signatory) |  |
| 2. Miss Sineemas Sotpiparpnukul | Chief Executive Officer (authorized signatory) |  |
| 3. Mrs. Kittima Imprasert | Director (authorized signatory) |  |
| Assignee Miss Sineemas Sotpiparpnukul | Chief Executive Officer (authorized signatory) |  |



