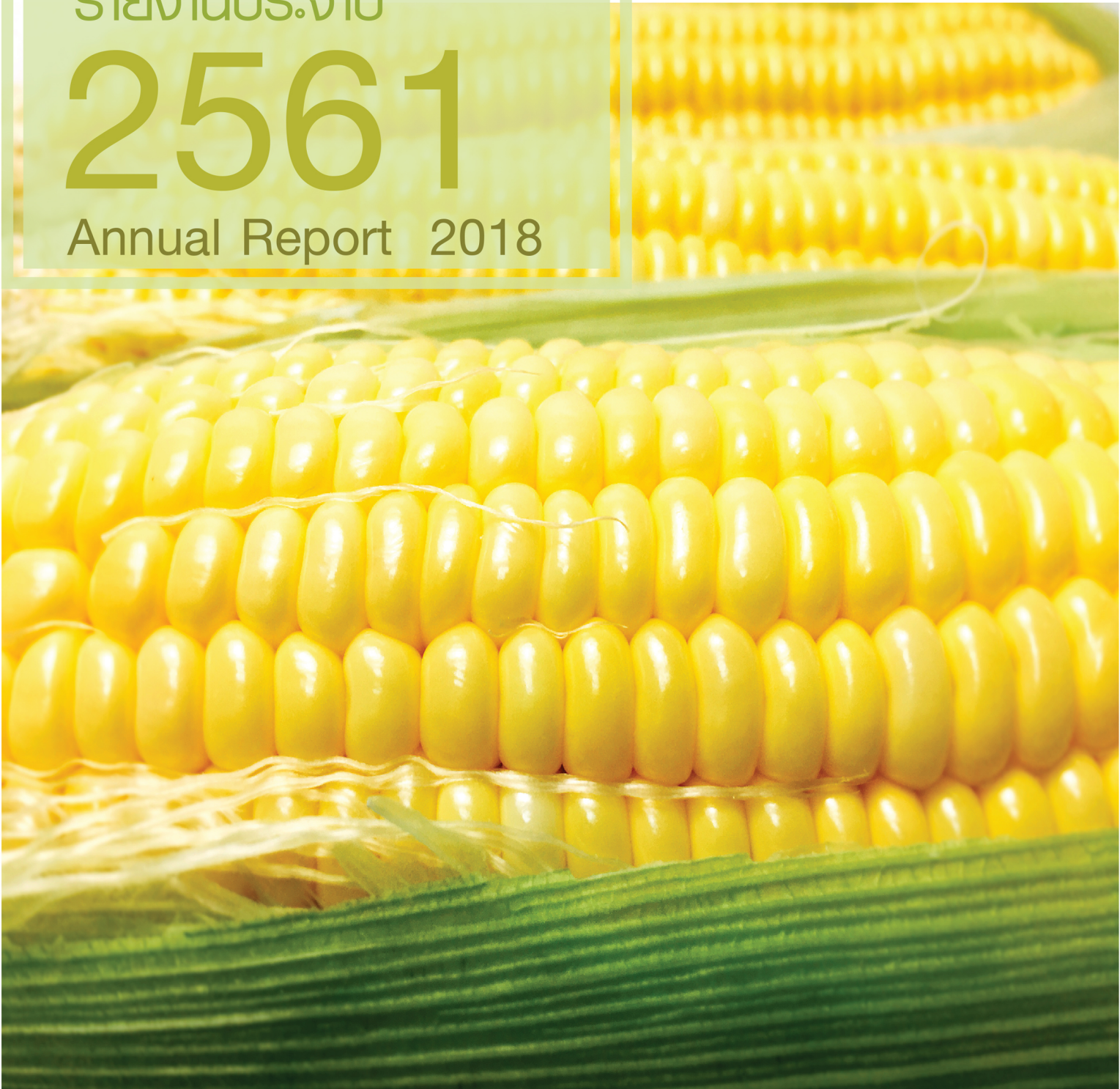


# AgriPure

รายงานประจำปี

# 2561

Annual Report 2018



## Vision

To become a strong competitive brand in the agriculture business, and to serve premium quality products and services, not only to our customers but also other related parties.

## Duty

- Premium quality products and services
- Customer satisfaction, in term of quality, delivery of our products and effective communication
- Corporate Social and Environmental Responsibility

## Mission

1. To achieve the highest level of customers' and related parties' satisfaction by improving the production processes in order to provide premium quality sweet corn to our customers and minimize costs and source the best raw material
2. To provide outstanding care to our customer, that base on Corporate Social Responsibility (CSR), through satisfied employees and positively contributing the every society

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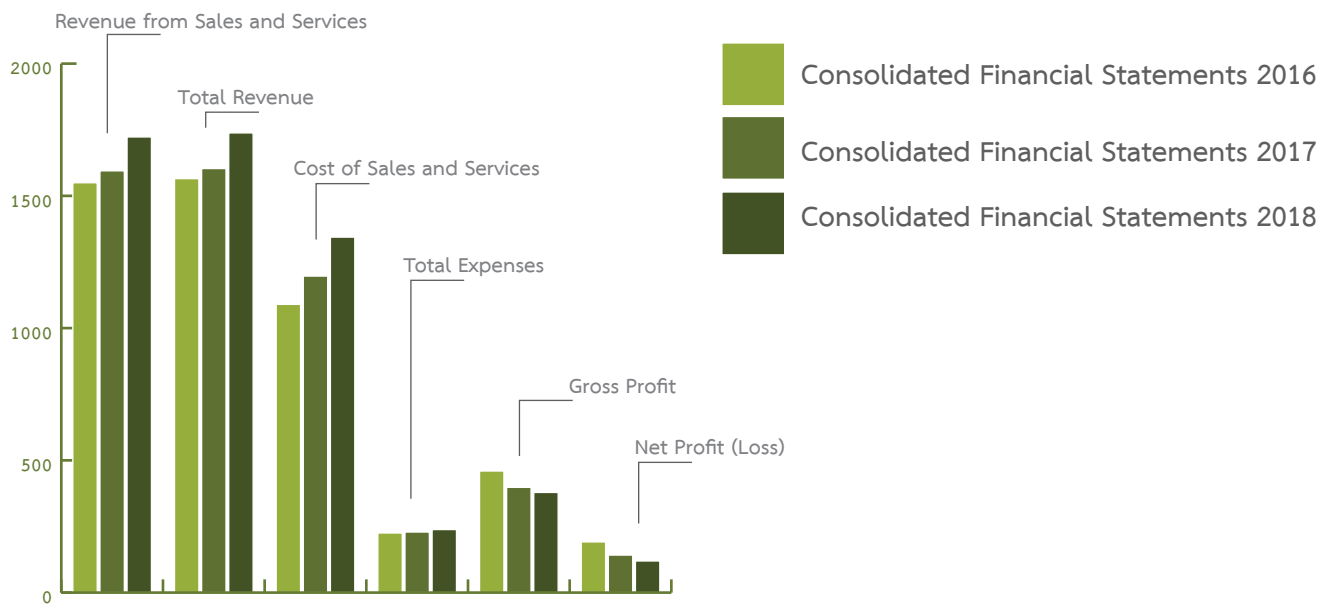
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# Financial Highlights

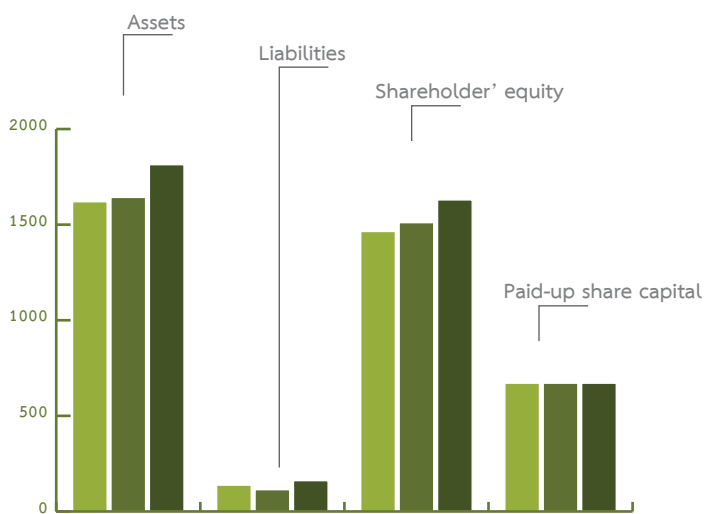
Consolidated Financial Statements				2016	2017	2018
Financial Performance (THB Million)						
-	Revenue from Sales and Services			1,549.52	1,594.61	1,722.70
-	Total Revenue			1,565.12	1,603.24	1,738.07
-	Cost of Sales and Services			1,089.83	1,196.69	1,344.00
-	Total Expenses			225.42	228.99	238.35
-	Gross Profit			459.69	397.92	378.71
-	Net Profit (Loss)			191.60	141.82	119.15
Financial Status (THB Million)						
-	Assets			1,619.65	1,642.39	1,813.45
-	Liabilities			137.57	113.75	161.05
-	Shareholder' equity			1,464.14	1,510.13	1,629.28
-	Paid-up share capital			670.79	670.79	670.79
-	Common Stock			958.27	958.27	958.27
Per Share (THB)						
-	Earnings (THB)			0.20	0.15	0.12
-	Dividend			1.53	1.58	1.70
Financial Ratio						
-	Gross Profit Margin (%)			29.67	24.95	21.98
-	Net Profit Margin (%)			12.37	8.89	6.94
-	Return on Equities (%)			13.09	9.39	7.34
-	Return on Assets (%)			11.83	8.63	6.59
-	Liquidity Ratio (Times)			7.16	9.19	7.48
-	Debt to Equity Ratio (Times)			0.09	0.08	0.10



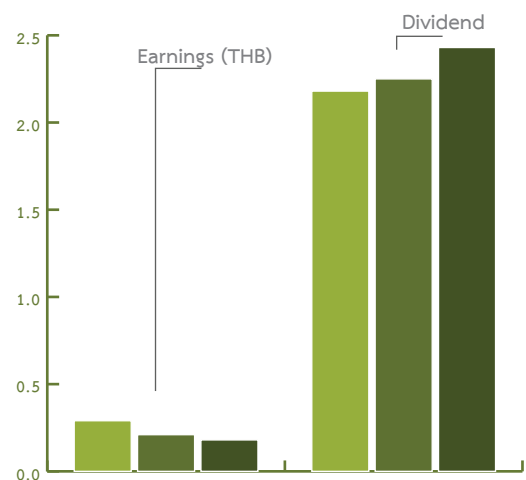
## Financial Performance (THB Million)



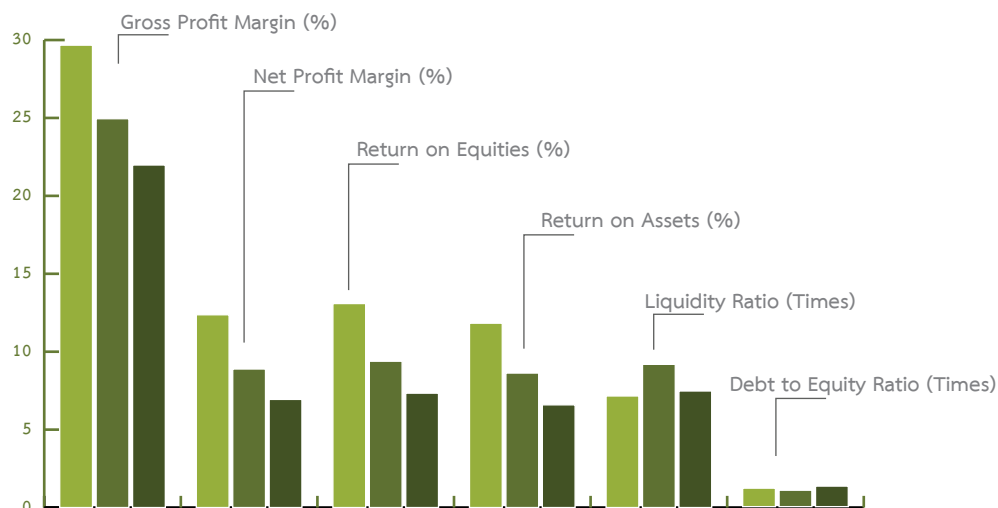
## Financial Status (THB Million)



## Per Share (THB)



## Financial Ratio



Message from Chairman of Board of Directors





**Mr. Suredpon Jungrungrangkit**

Chairman of Board of Directors

For business operations in year 2018, increased from year 2017 to support increased agricultural production, as a result of exports recovery according to the global economy and the appropriate climate factors. In addition, the food industry has received significant momentum from exports that demand for food continues to grow. Especially the main trading partners of Thailand such as the United States, the European Union, China and Japan.

The company has operating results for the year 2018, revenue from sales was 1,722.70 million baht, which is a 8.03 % increase from 2017, total revenue was 1,738.06 million baht, which is a 8.1% increase from 2017 and net profit was 127.37 million baht, increase of 12.47%. 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 to the sustainability development . 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.

## Management's Information



**Mr. Suredpon Jungrungrangkit**  
Chairman/President

**Date of Birth** 24 February 1983 **Age** 36 years  
**Address** 177 Soi Piyanon , Bangpongpan, Yan nawa, Bangkok 10120  
**Top Education** MBA. General Business University of Texas, San Antonio.  
**Training Programs for Director** -  
**Work Experience :**  
 2015-Present Qualimer Co., Ltd.  
 2011-Present Chairman  
 Agripure Holdings Public Company Limited.  
 2005- Present Construction Manager  
 Summit Pine Hurst Golf Club Limited  
  
**% of Shareholding** 35.36%  
**Number of years of in office :** 7 years

**Date of Birth:** 4 June 1983 **Age:** 36 years  
**Address:** 177 Soi Piyanon , Bangpongpan, Yan nawa, Bangkok 10120  
**Top Education:**  
 - Master of Business Administration (Accounting)  
 University of Texas at San Antonio  
 - Master of Post-Graduated Certificate Fordham University  
**Training Programs for Director:** -  
**Work Experience:**  
 2015- Present Director  
 Qualimer Co., Ltd.  
 2011-Present Director / Chief Executive Officer  
 Agripure Holdings Public Company Limited  
  
**Partnership Thong Aek Bangkok**  
**% of Shareholding** -  
**Number of years of in office :** 7 years



**Miss Sineemas Sotpiparnukul**  
Director /Chief Executive Officer



**Prof. Dr. Thammasuk Pongpichayamart**  
Chairman of the Audit Committee/Independent Director  
 // Chairman of the Nomination  
 and Remuneration Committee

**Date of Birth:** 4 April 1950 **Age:** 69 years  
**Address:** 600/1427 Moo. 14 Khu khot, Lum Lukka, Pathumtani 12130  
**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 Independent Director / Chairman of the Audit  
 Committee / Chairman of Nomination and  
 Remuneration Committee  
 Agripure Holdings Public Company Limited  
 2014-Present Member of National Reform Steering Assembly  
  
**% of Shareholding:** -  
**Number of years of in office :** 11 years





**Mr. Norawit Watwai**

independent director/Member of  
Audit Committee /Member of Nomination  
and Remuneration Committee

**Date of Birth:** 22 December 1982 **Age:** 37 years  
**Address:** 102/308 Moo 6, Bangrakpattana, Bang Bua Thong, Nonthaburi

**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:**

2013 – Present	Sales Leader, Kasikornbank Public Company Limited
2012 - Present	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee Agripure Holdings Public Company Limited.
2017 -2013	Senior Dealer Foreign Trade Department of Financial Management Bangkok Bank Public Company Limited.
2006 - 2007	Global Markets Operation Officer Deutsche Bank AG Bangkok, Thailand.

**% of Shareholding:** -  
**Number of years of in office :** 6 years

**Date of Birth:** 1 December 1954 **Age:** 65 years  
**Address:** 62/3 Moo 3 Soi Watdowruang , Bangpool, Prathumta

**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

**Work Experience:**

2011-Present	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee Agripure Holdings Public Company Limited
2008-Present	Level QA Specialist, The quality of agricultural products. Department of Agricultural Extension

**% of Shareholding:** -  
**Number of years of in office:** 7 years



**Mr. Sakda Sinives**

Independent Directors /  
Member of Audit Committee /  
Member of Nomination and  
Remuneration Committee



**Miss Savanut Boonyasuwat**

Independent Directors /  
Member of Audit Committee

**Date of Birth:** 8 September 1983 **Age:** 36 years  
**Address:** 114/12 Moo. 3 Watchalor, Bang Krui, Nonthaburi 11130

**Top Education:** Master of Business Analysis.  
University of Reading, United Kingdom

**Training Programs for Director:** DAP 112/2014 October 29, 2014, Thai Institute of  
Directors

**Work Experience:**

2014 – Present	Independent Director / Member of Audit Committee Agripure Holdings Public Company Limited
2012 - Present	Director Verasuwan Co.,Ltd./Petroleum Refining Company
2012-Present	Director S.N.B.United Chemical Co.,Ltd./ Chemical Company
2005 - 2008	Semi-Senior Assistant Auditor KPMG Phoomchai Audit Ltd./ Professional Service Company

**% of Shareholding -**  
**Number of years of in office :** 5 years

## Management's Information



**Mr. Pongsatat Kanchanapisoot**  
Independent Director

**Date of Birth :** 20 January 1983 **Age:** 36 years  
**Address:** 153 Amnuaysongkram RD., Dusit, Bangkok,  
**Top Education:**  
 Master of Science in Finance.  
 University of Illinois at Urbana-Champaign, U.S.A.  
**Training Programs for Director:** -  
**Work Experience:**  
 2013 – Present Independent Director  
 Agripure Holdings Public Company Limited  
 2008-Present Economist, Petroleum Economics  
 PTT Exploration and Production PCL, Thailand.  
 2009- 2013 Senior Analyst, Risk Monitoring and Analysis Team  
 Bank of Thailand, Bangkok, Thailand.  
**% of Shareholding -**  
**Number of years of in office :** 5 year

**Date of Birth :** 5 October 1982 **Age:** 37 years  
**Address :** 26/126 Sukhumvit 40, Sukhumvit Rd., Phraknong, Klongtoey, Bangkok  
**Top Education:**  
 Master of Business Administration.  
 Chulalongkorn University.  
**Training Programs for Director:** DAP 113/2014 November 18,2014,  
 Thai Institute of Directors  
**Work Experience:**  
 2014-Present Independent Director  
 Agripure Holdings Public Company Limited  
 2011-Present Senior Accountant  
 CEC International Ltd (Thailand  
 Branch)/Oil & Gas Company  
 2007-2011 Senior Accountant Nu Coastal (Thailand) Limited /  
 Oil & Gas Company  
**% of Shareholding -**  
**Number of years of in office :** 5 year



**Miss Bhornrat Bubphavanich**  
Independent Director



**Mrs. Saowanee Chitsuntisuk**  
Director

**Date of Birth :** 16 March 1960 **Age:** 59 years  
**Address :** 3 Soi Chokchai 4 Soi 78 separate 15 Chokchai 4 RD,Ladprao, Bangkok,  
 Thailand.  
**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  
**Shareholding Proportion of Issued** -  
**% of Shareholding** -  
**Number of years of in office :** 7 years



Mrs. Kittima Imprasert  
Director

**Date of Birth :** 27 August 1973 **Age:** 46 years  
**Address:** 105/65 Moo 7 Klong Nueng, Klong Luang Prathumtani 12120  
**Top Education:**  
Bachelor of Accounting  
St. John's University  
**Training Programs for Director:** DAP 112/2014 October 29, 2014, Thai Institute of  
**Work Experience:**  
2011-Present Director  
Agripure Holdings Public Company Limited  
2001 – Present Director and Accounting manager  
Summit Pine Hurst Golf Club Limited  
**% of Shareholding** -  
**Number of years of in office :** 7 years

# Policy and Overall Operating Business

## 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 31, 2018 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 6.70% shares of the issued and paid up capital of Sweet Corn Products, and the other 24 minority shareholders held 18.30% shares of the issued and paid up capital of Sweet Corn Products as of December 31, 2018 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 31, 2018 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 31, 2018 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 1.32% shares of the issued and paid up capital of Siam Del Monte as of December 31, 2018 as per the copy list of shareholders.
- 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, 2018, 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, 2018, 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, 2018 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.

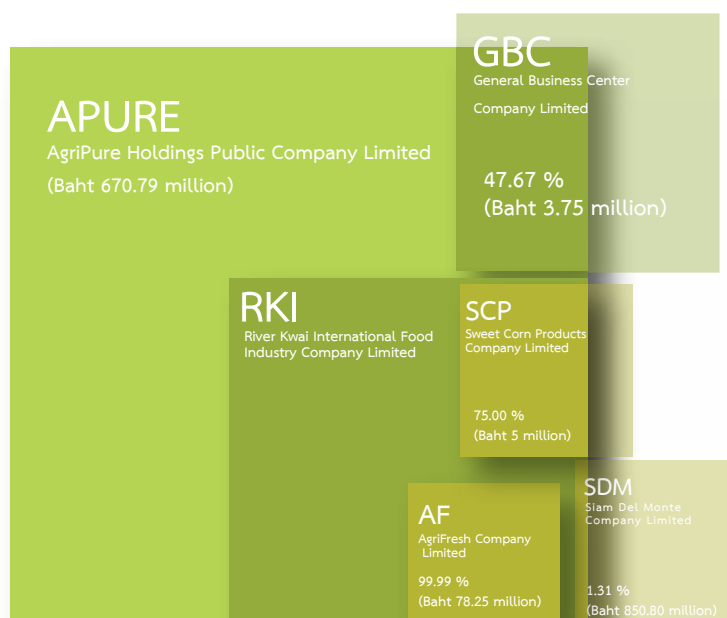
4. Siam Del Monte Company Limited established on January 28, 2005 with the initial registered capital of Baht 150 million in order to produce packed and sealed vegetables and fruits. Thus, accounting period of Siam Del Monte ended on March 31, Siam Del Monte had the issued and paid up capital of Baht 850.80 million.

Business of producing packed and sealed vegetables and fruits or packaging business "TETRA RECART" 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.

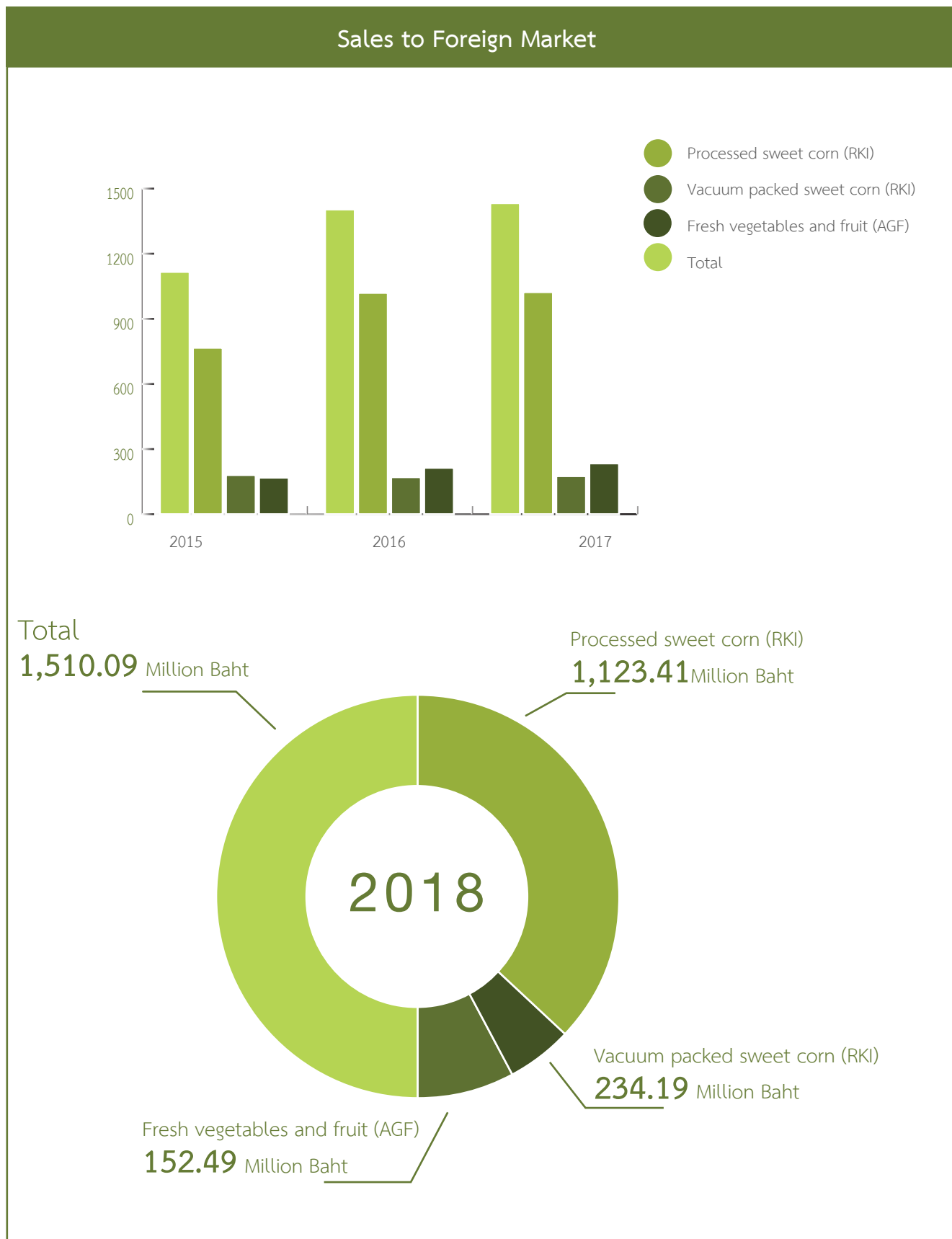
as per information of Department of Business Development, Siam Del Monte had (1) DEL MONTE ASIA (PTE) LTD. from Singapore by mainly holding 95.61% shares of the issued and paid up capital, and (2) Samroi yod Corporation Limited (Pineapple producer) held 3.07% shares of the issued and paid up capital, 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, 2018 in the reviewed financial statement of the Company and copy of lists of shareholders of the relevant companies).



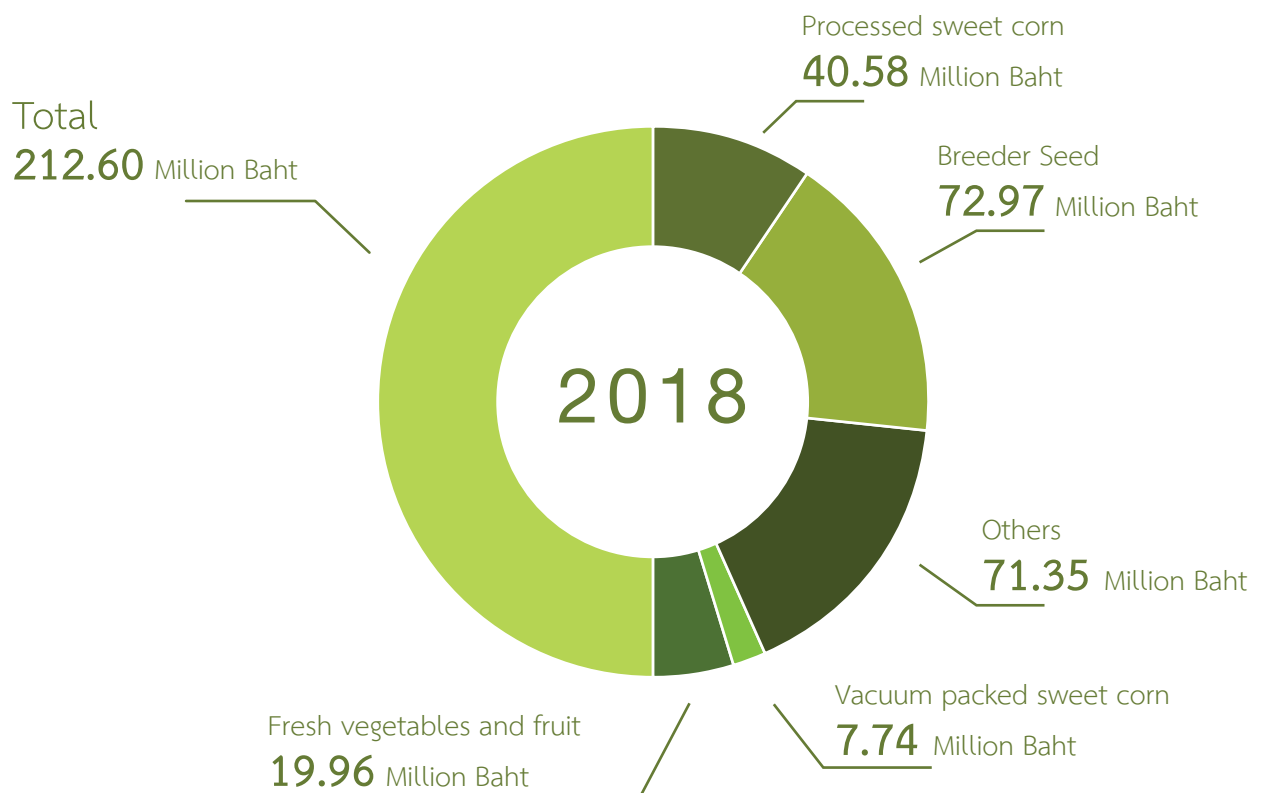
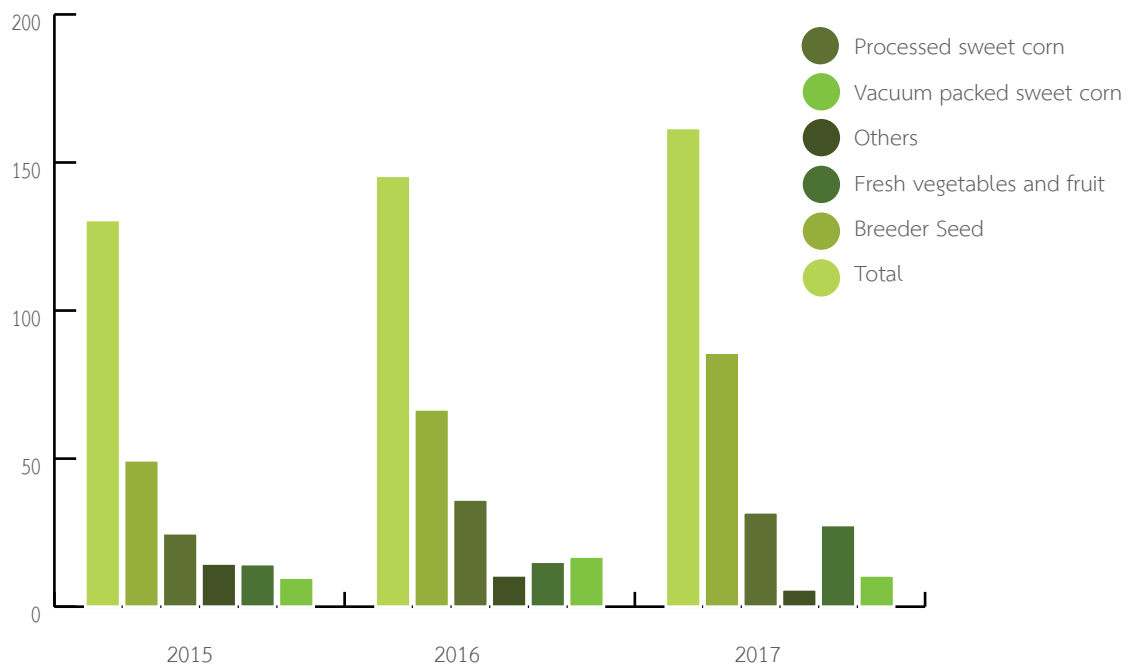
## Revenue Structure



หมายเหตุ

- RKI = River Kwai International Food Industry Company Limited
- AGF = Agrifresh Company Limited
- SCP = Sweet Corn Products Company Limited

## Sales to Domestic Market



# Types of Products and Services

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

CCANNED 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.



( SWEET CORN  
SEED )



(FRUITS AND  
VEGETABLES)



## Environmental Impact

-None-

## Benefits from Investment Promotion

The Company has received of promotional privileges under investment promotion act. B.E. 2520 for a project of manufacturing or preserving food, drink, food additive or food ingredient with high technology as following :

- Exemption from payment of import duty and business tax on machinery as approved by the Board of Investment.

- Exemption from payment of income tax on net profit derived from the promoted business which is not over 50% of investment value for a period of 3 years.



(CANNED KERNEL  
SWEET CORN)

(CANNED KERNEL  
SWEET CORN)

## Industry and Competition

### Industry of Processed Sweet Corn

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.

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. Domestic sweet corn industry has expanded and being more acceptable for consumer as such product could be kept for the long period.

<sup>1/</sup> Sweet corn exports and products in the period 11 months of 2018 (Jan-Nov) amounted to 236,775.6 tons, increase of 6.7%, value of 7,329.9 million baht, increase of 2.2%. which is export to Japan as the number one rank, accounting for 26.5%, followed by South Korea 10.2% and Taiwan 10.1% of export value and is confident that the full-year exports will be higher than 2017, with a total export volume of 237,559.6 tons, increase of 3.5%, value of 7,664.9 million baht, decreased 0.6% due to the stronger baht.

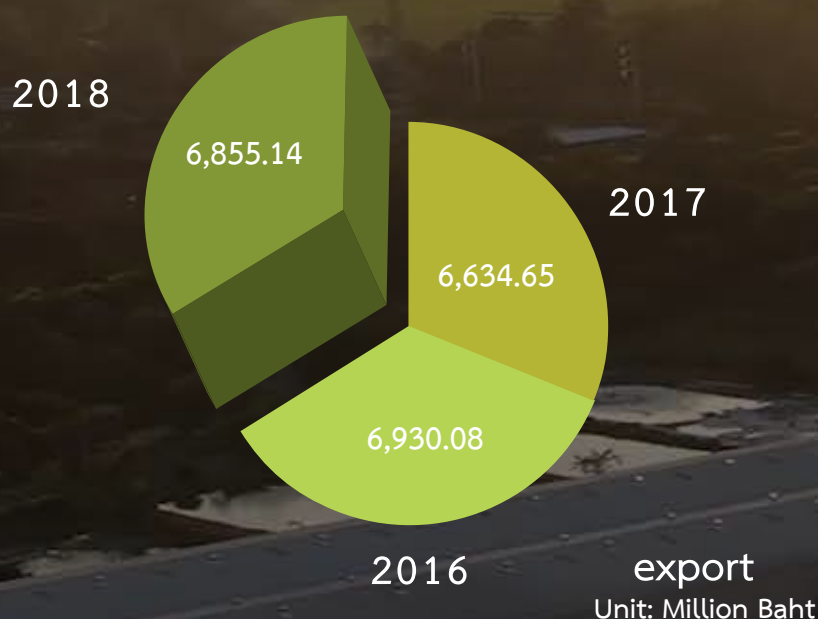
The result of sweet corn exports and increased products, making Thailand the number 1 export champion of the world in the past 10 years, with major competitors such as France, Hungary and the United States, but can't fight Thailand Because Thailand has the potential to produce quality sweet corn and have a better taste. As well as the development of species until being accepted in the world market and has advantages in terms of terrain and suitable climate for planting sweet corn, resulting in an advantage over the cultivation period that can be planted many times in a year. While rival countries can only grow once a year.

For competitors in Asia such as Vietnam and China with a climate like Thailand and sweet corn production for export but the quality is not standardized according to the needs of the world market. Therefore, the sweet corn of Thailand is still needed and accepted by the world market. The main export markets of Thailand are both Asian countries, Middle East and Russia.

Exports to the EU market, although Thailand has the problem of using anti-dumping measures (AD) since 2007 and is currently being charged AD tariffs at a rate of 3.1-14.3%, but does not affect exports. Thailand continues to export sweet corn to the European Union continuously. But there is not much quantity. By the 11 months of 2018, Thailand exported sweet corn and products to the European Union worth 634.4 million baht, accounting for 9.5% of global exports. Which is exported to the United Kingdom as the number one, accounting for 3.8%, followed by Sweden 1.7% and Germany 1.2%

### Key Statistical Data

During 2017 – 2018, Thailand exported canned sweet corn with total value of Baht 6,930.08 million, Baht 6,634.65 million and Baht 6,855.10 million, respectively (Information from the custom department), which River Kwai exported the processed sweet corn with Baht 1,233.42 million, Baht 1,256.34 and Baht 1,357.60 million, or 17.85 %, 18.99 % and 18.99 %, of total exporting value of processed sweet corn in 2017 - 2018, respectively, 10 major exporters to the country and the other in 2018 as following:



Although the EU market is not the main export market but the European Union is one of the important and potential markets in Thailand. and if in the future The United Kingdom separates from the European Union (Brexit), maybe makes Thailand to export more to the UK. Due to not being charged with AD duties, the Department will continue to follow this matter closely.

source 1/<https://www.thaipost.net/main/detail/27471>

## 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.

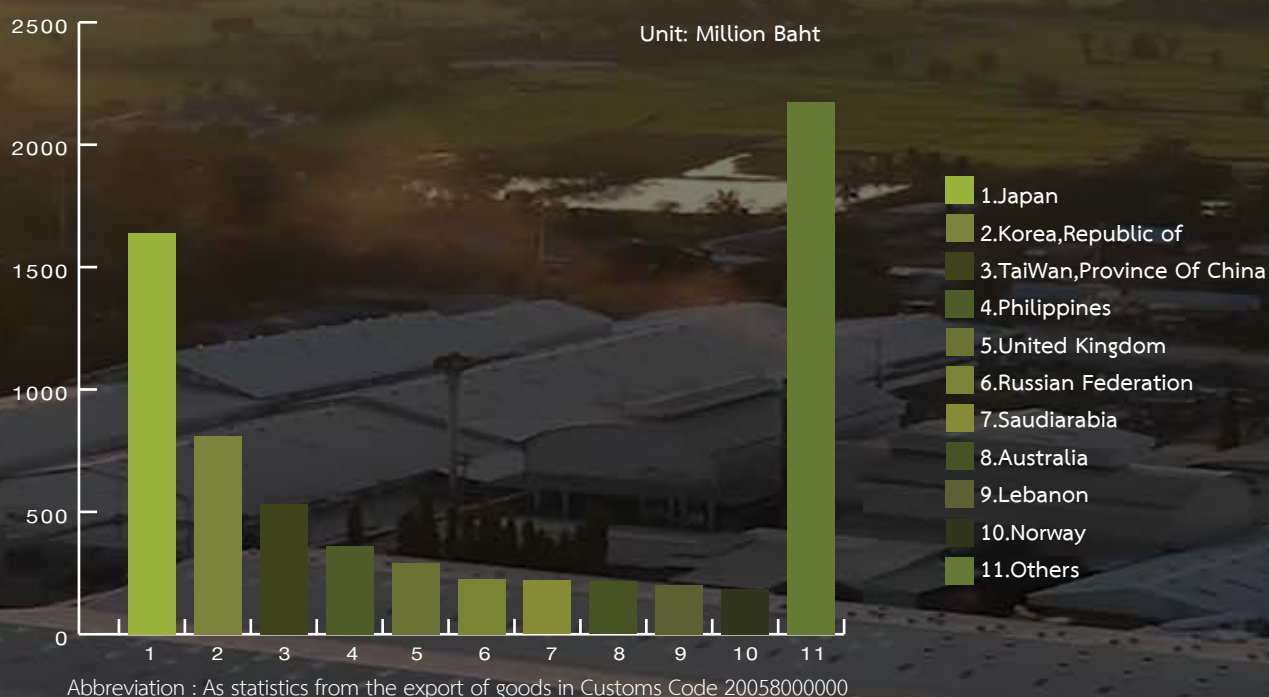
For the domestic customers, the Company distributes products under the brand of “TASTEE” and “River Kwai”, which the domestic distributing agent will distribute the products to the large and small shop including the convenience store.

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.

## 10 major exporters to the country and the other in 2018



# Risk Factors

## Risk in Business

### Risk of exchange rate changes

Company's main revenue comes from exporting goods to sell abroad, or 87.66 percent. Of total sales in the year 2018 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.

### Risk from volatility of the Economy

The Company's income is mainly from export of goods at 87.66 % of the total sales in 2018. 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

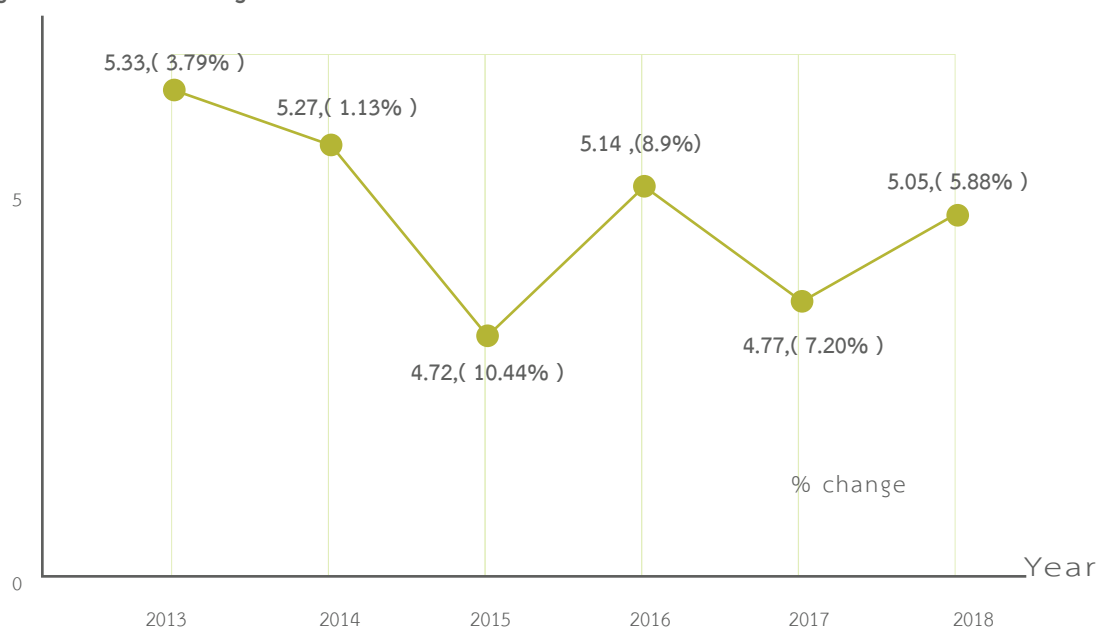
#### Risk associated with having major shareholders with more than 50% of shareholding

The company has the major shareholders, the Jungrungruangkij family with the total of 678.70 million shares, or 70.82% 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.

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. 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.

## Average sweet corn price and yearly percent change

### Average Price (baht/kg)



Remark: The price in 2018 ranged from a low of 4.60 baht/kg to 5.40 baht/kg



# 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 Website : [www.apureholdings.com](http://www.apureholdings.com) Email : [irs@apureholdings.com](mailto: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 : No. 99 Moo 1 Tanamtuen-Khaopoon Road, Kaengsian, Muang, Kanchanaburi 71000  
Tel. 034-910518 E-mail: [info@rkifood.com](mailto: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 : No. 99 Moo 1 Tanamtuen-Khaopoon Road, Kaengsian, Muang, Kanchanaburi 71000  
Tel. 034-910513-4 Fax. 034-910512  
E-mail: [export@agrifreshco.com](mailto:export@agrifreshco.com)

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 : 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 : 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.

93 14th Floor ,Rachadapisek Road, Dindang,Bangkok 10400, Thailand

Tel: (66 2) 009 9000 Fax: (66 2) 009 9992

### Auditors

Mr. Thanawut Piboonsawat Certified Public Accountant Registration No. 6699  
Mr. Poj Atsawasuntichai Certified Public Accountant Registration No. 4891  
Ms. Wannisa Ngambuathong Certified Public Accountant Registration No. 6838  
Mr. Suwat Maneekanoksukul Certified Public Accountant Registration No. 8134  
Ms. Roongnapha Saengchan Certified Public Accountant Registration No. 10142

Mr. Peeradej Pongsatientsak Certified Public Accountant Registration No. 4752  
Ms. Sulalid Ardsawang Certified Public Accountant Registration No. 7517  
Ms. Thanyapom Tangtanopjai Certified Public Accountant Registration No. 9169  
Ms. Soraya Tintasuwan Certified Public Accountant Registration No. 8658

### Dharmniti Audit Co.,Ltd.

178 Dharmniti Building 6-7th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok, 10800 Thailand

Tel. 02-596-0500 Fax: 02- 596-0560 Website : [www.daa.co.th](http://www.daa.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, 2018, the Company had registered capital of Baht 737,864,463, which was divided into 1,054,092,090 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

**Remarks:**<sup>1/</sup> Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535 as of December 31, 2018,

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

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

<sup>4/</sup> Mr. Komol held shares more than 30% of the paid up capital of Summit Pinehurst Golf ClubCompany Limited

## Major Shareholders

(A) On December 31, 2018, the list of major shareholders of AgriPure Holdings Public Company

Prototype Junggrunruangkit  
by Mr. Suredpon Junggrunruangkit<sup>1/</sup>

**70.82** %

678,701,612.00 Shares

Mr. Komol Junggrunruangkit<sup>3/</sup>

**35.36** %

338,882,082.00 Shares

Mr. Komol Junggrunruangkit<sup>2/</sup>

**29.77** %

285,254,730.00 Shares

Summit Pinehurst Golf ClubCompany Limited<sup>4/</sup>

**5.69** %

54,564,800.00 Shares

Mr. Thaveechat Jurangkul

**3.85** %

36,899,880.00 Shares

Thai NVDR Co., Ltd.

**3.73** %

35,764,396.00 Shares

Mr. Chet Mhluemsom

**1.43** %

13,709,900.00 Shares

SIX SIS LTD

**0.92** %

8,780,000.00 Shares

Mrs. Supaporn Jansereewittaya

**0.63** %

6,000,000.00 Shares

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

Prototype Jungrungruangkit  
by Mr. Suredpon Jungrungruangkit<sup>1/</sup>

ร้อยละ **70.82**  
678,701,612.00 Shares

Mr. Komol Jungrungruangkit<sup>2/</sup>

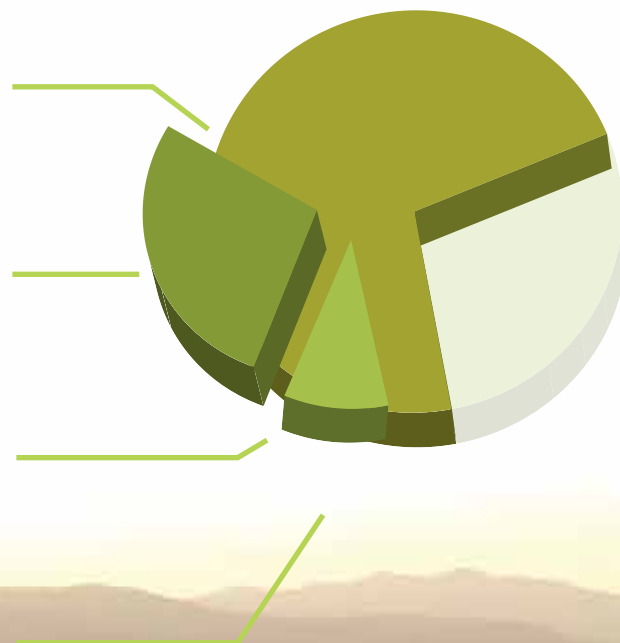
**35.36** %  
338,882,082.00 Shares

Mr. Komol Jungrungruangkit<sup>2/</sup>

**29.77** %  
285,254,730.00 Shares

Summit Pinehurst Golf Club Company Limited<sup>4/</sup>

**5.69** %  
54,564,800.00 Shares

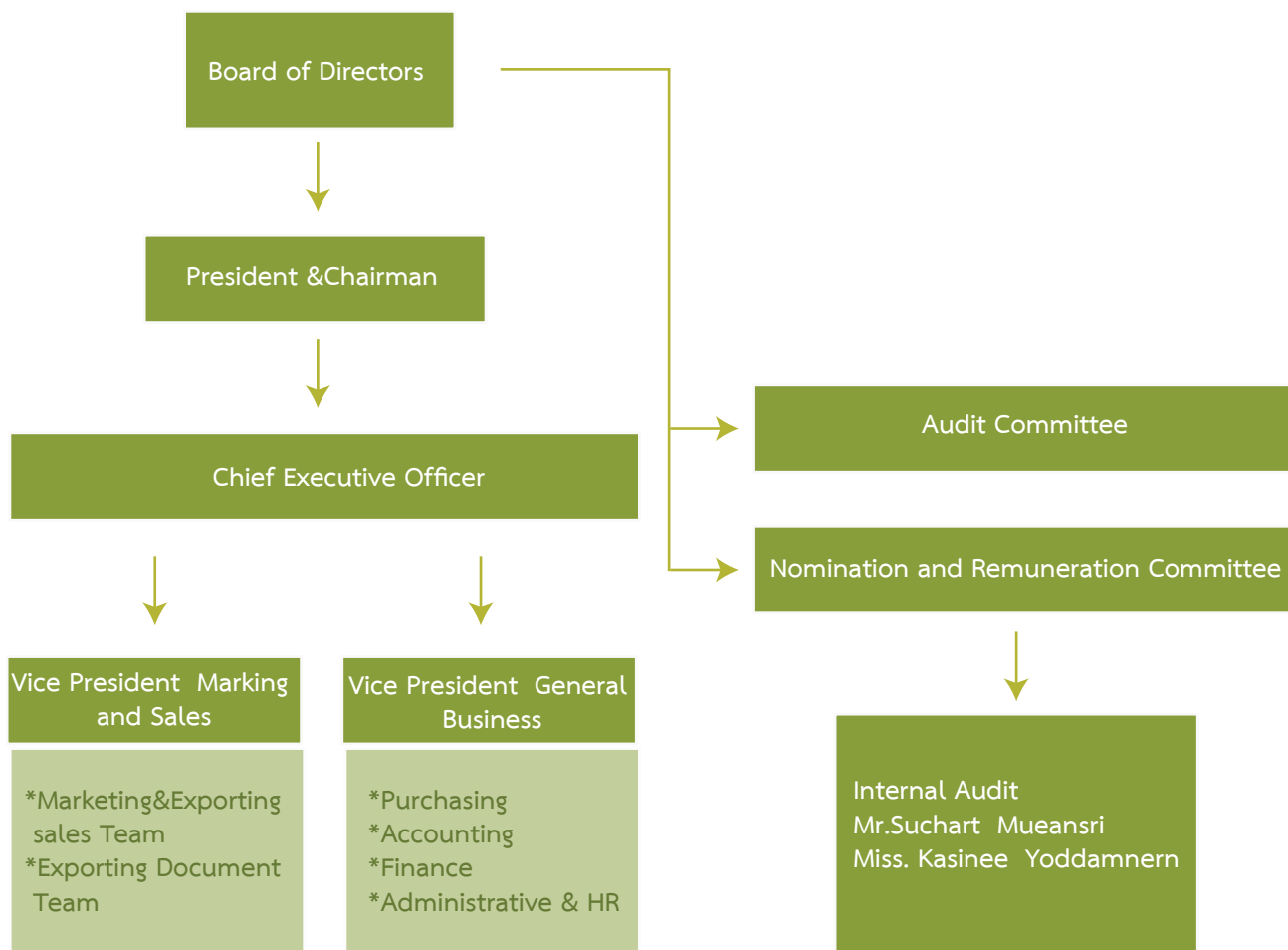


## Dividend Policy

The company has the policy to pay dividends after tax and legal reserves. The payment of dividends will, nonetheless, operational performance, depend on economic conditions, future performance and factors related to management, under the conditions of maximum benefit to the company and 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

Organization Structure  
as of December 31,2018



## The Board of Directors of the Company

As of December 31, 2018, the Board of Directors, as stated in the Company's affidavit, consisted of:

No.	Name	Position	Shareholding Proportion of Issued and Paid up Capital (%) <sup>1/</sup>
1.	Mr. Suredpon Jungrungruangkit <sup>1/2/3/</sup>	Chairman	70.82 <sup>4/</sup>
2.	Miss Sineemas Sotpiparpnukul <sup>2/3/</sup>	Director/Chief Executive Officer	-
3.	Prof. Dr. Thammasak Phongpichayamart	Independent Director/Chairman of the Audit Committee/Chairman of the Nomination and Remuneration Committee	-
4.	Mr. Norawit Watwai	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee	-
5.	Mr. Sakda Sinives	Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee	-
6.	Miss Savanut Boonyasuwat	Independent director / Member of Audit committee member	-
7.	Mr. Pongsatat Kanchanapisoot	Independent director	-
8.	Miss Bhomrat Bubphavanich	Independent director	-
9.	Mrs. Saowanee Prasertwattanakul <sup>3/</sup>	Director	-
10.	Mrs. Kittima Imprasert <sup>2/ 3/</sup>	Director	-

Remarks: <sup>1/</sup> Shareholding by such person included persons in clause 258 of the Securities and Exchange Act B.E. 2535 on December 31, 2018.

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

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

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

## Company Directors December 31, 2018

No.	Name	Position	Attendance Meeting	Total Meeting
1.	Mr. Suredpon Jungrungruangkit <sup>1/2/3/</sup>	Chairman (Director Authorized Signatory)	4	4
2.	Miss Sineemas Sotpiparpnukul <sup>2/3/</sup>	Director (Director Authorized Signatory)	4	4
3.	Prof. Dr. Thammasak Phongpichayamart	Independent Director/Chairman of the Audit Committee	4	4
4.	Mr. Norawit Watwai	Independent Director/ Member of Audit Committee	4	4
5.	Mr. Sakda Sinives	Independent Director/ Member of Audit Committee	4	4
6.	Miss Savanut Boonyasuwat	Independent Director/ Member of Audit Committee	4	4
7.	Mr. Pongsatat Kanchanapisoot	Independent Director	4	4
8.	Miss Bhomrat Bubphavanich	Independent Director	4	4
9.	Mrs. Saowanee Prasertwattanakul <sup>3/</sup>	Director	4	4
10.	Mrs. Kittima Imprasert <sup>2/ 3/</sup>	Director (Director Authorized Signatory)	4	4

Balance of power for non-executive Directors.

The Board of Company consist of 10 Directors as follows:

- 2 Executive Directors
- 8 Non-executive Directors

## Management Structure (Continued)

### Board of Directors of the Subsidiary December 31, 2018

No.	List of Directors	Position	Attendance Meeting	Total Meeting
1.	Mr. Suredpon Jungrugruangkit	Director (authorized signatory)	8	9
2.	Miss Sineemas Sotpiparpnukul	Director (authorized signatory)	8	9
3.	Mr. Prachak Buason	Director (authorized signatory)	9	9
4.	Mrs. Wilai Na Lamphoon	Director (authorized signatory)	9	9
5.	Miss Chompunut Mitsongkro	Director (authorized signatory)	9	9
6.	Miss Thiemjai Sasisart	Director	9	9
7.	Miss Kulchulee Satchawetha	Director	9	9

### Sub- Committee

#### Audit Committee

The Company's Audit Committee of 4 members as follows:

No.	List of Audit Committee	Position	Attendance Meeting	Total Meeting
1.	Prof.Dr. Thammasak Pongpichayamart	Chairman of the Audit Committee	4	4
2.	Mr. Sakda Sinives	Audit Committee member	4	4
3.	Mr. Norawit Watwai	Audit Committee member	4	4
4.	Miss Savanut Boonyasuwat	Audit committee member	4	4

### Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee of 3 members as follows:

No.	List of Audit Committee	Position	Attendance Meeting	Total Meeting
1.	Prof.Dr. Thammasak Pongpichayamart	Chairman of the Nomination and Remuneration Committee	1	1
2.	Mr. Sakda Sinives	Nomination and Remuneration Committee member	1	1
3.	Mr. Norawit Watwai	Nomination and Remuneration Committee member	1	1



## 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

## **The Management**

As of December 31, 2018, the executive and supervising directors of the Company consisted of:

No.	Name	Position	Shareholding Proportion of Issued and Paid up Capital (%) <sup>1/</sup>
1.	Mr. Suredpon Jungrungruangkit <sup>1/2/3/</sup>	Chairman	70.82 <sup>4/</sup>
2.	Miss Sineemas Sotpiparpnukul <sup>2/3/</sup>	Chief executive officer	-

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

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

<sup>3/</sup> 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.

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

## Management Structure (Continued)

### Nominate of Directors and Management

The Nomination Committee and the Board of Directors screen persons with suitable qualifications to be appointed to the Independent Director, Board of Directors, the Various Committees, Chairman, the Board of Executive Directors, Company Secretary, Secretary of the Board of Directors, Secretary of the Various Committee in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's Shareholders for consideration and approval. The Committee must ensure that the selection process is clear and transparent through the screening of persons with the necessary qualifications, expertise of various backgrounds, strong social standing, is a visionary, is an ethical person, is able to make independent contributions and has sufficient time to meaningful contribution to the Company and In consistence with the strategy in the company's business operation.

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](http://www.apureholdings.com) from 21 December 2018 until the closing for the nomination of the company's directors on 8 February, 2019.

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.

The Company has arranged to hold an orientation for new directors in order to allow the newly appointed directors to learn more about the Company's business, policy, as well as roles and responsibilities of the Company's Directors. Meeting with Chairman on the Board, the Board of Directors and the Sub-Committee will be arranged. In addition, important information necessary for the roles of directors will be given.

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.

### Remuneration of Directors and Executives

(a) Remuneration of Directors in value year 2018

No.	List Directors	Position	Board of Company	Remuneration (Baht)		Total
				Board of Audit Committee	Board of Nomination and Remuneration Committee	
1.	Mr. Suredpon Junggrungrangkit	Director/Chairman	140,000	-	-	140,000
2.	Miss Sineemas Sotpiparnukul	Director/Chief executive officer	100,000	-	-	100,000
3.	Prof.Dr. Thammasak Pongpichayamart,Ph.D	Independent Directors / Chairman of the Audit Committee		140,000		140,000
4.	Mr. Norawit Watwai	Independent Directors / Member of Audit Committee		100,000		100,000
5.	Mr. Sakda Sinives	Independent Directors / Member of Audit Committee		100,000		100,000
6.	Miss Savanut Boonyasuwat	Independent Directors / Member of Audit Committee		100,000		100,000
7.	Mr. Pongsatat Kanchanapisoot	Independent Directors	100,000	-	-	100,000
8.	Miss Bhornrat Bubphavanich	Independent Directors	100,000	-	-	100,000
9.	Mrs. Saowanee Chitsuntisuk	Director	100,000	-	-	100,000
10.	Mrs. Kittima Impraser	Director	100,000	-	-	100,000
	Total		640,000	440,000	-	1,080,000

## Remuneration of Directors and Executives in value Year 2017

No.	List Directors	Position	Board of Company	Remuneration (Baht)		Total
				Board of Audit Committee	Board of Nomination and Remuneration	
1.	Mr. Suredpon Jungrungruangkit	Director/Chairman	100,000	-	-	100,000
2.	Miss Sineemas Sotpiparnukul	Director/Chief executive officer	120,000	-	-	120,000
3.	Prof.Dr. Thammasak Pongpichayamart,Ph.D	Independent Directors / Chairman of the Audit Committee		170,000		170,000
4.	Mr. Norawit Watwai	Independent Directors / Member of Audit Committee		120,000		120,000
5.	Mr. Sakda Sinives	Independent Directors / Member of Audit Committee		120,000		120,000
6.	Miss Savanut Boonyasuwat	Independent Directors / Member of Audit Committee		100,000		100,000
7.	Mr. Pongsat Kanchanapisoot	Independent Directors	120,000	-	-	120,000
8.	Miss Bhomrat Bubphavanich	Independent Directors	95,000	-	-	95,000
9.	Mrs. Saowanee Chitsuntisuk	Director	120,000	-	-	120,000
10.	Mrs. Kittima Impraser	Director	120,000	-	-	120,000
	Total		675,000	510,000	-	1,185,000

### (b) Management Remuneration

With respect to the total management remuneration of the Company and its subsidiaries in 2017 and 2018, the Company paid remuneration consisting of salary and bonus, to 2 executives, totaling Baht 8.99 Million and Baht 8.85 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 2018 as same as 2017, the Company paid provident fund contribution for 2 executives, totaling 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](http://www.apureholdings.com)



## Right of Shareholders

The meeting all of shareholders shall take in to consideration the rights of all shareholders equally. With not only the law and regulations, but also with honesty, transparency and responsibility to all shareholders. Shareholder's meeting are conducted according to strict procedures to ensure compliance with regulations and guidelines and the company works to encourage meeting attendance from every shareholders. Moreover, the venue, date and time of the meeting are decided for maximum convenience to shareholder, therefor, the Meeting will not be held on public holidays, commercial bank holidays or beyond usual working hours (between 8.30-16.00) and the venue will be in an easily accessible location in Bangkok or other areas where the main office is locate. On the date of the meeting, services will be provided to assist with the registration and document check to ensure convenience for shareholders and meals will also be provided for all attendees.

The Company holds the annual general meeting of shareholders within 4 months from the date of balance sheet, The Company assigned Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send the notice of meeting, supporting documents for the agenda and map to the shareholders 22 business days prior to the meeting. The objective is to provide shareholders with time to review such information. Notice of the meeting was also placed in a daily newspaper for 3 consecutive days prior to the said meeting. And publish the same on the Company's website in advance prior to sending by post, 30 business days prior to the meeting. 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 shareholder can do so by appointing another person in their stead to ensure convenience. Proxies register for which the Company provided 2 hours in advance of the meeting and staff were also on hand to provided assistance throughout the meeting.

On 27 April 2018, the Annual General Meeting of Shareholders 2018 was held at 2:30 p.m. at 2 Sukhumvit 23, Klongtoey-nue, Wattana District, Bangkok 10110. There were 87 shareholders and proxies attending the meeting, holding the total of 681,711,384 shares, or 71.14% 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. For the issue on voting for Board members, the Company allowed shareholders to vote by person. The Chairman discussed key issues that have been submitted for shareholders to consider and vote upon per the sequence and only submitted issues as stipulated in 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 recording not only the issues and discussions but also including the voting outcome on each issue. 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 along with disclosing such information on the Company’s

Chair of stakeholders will be responsible for appointment and compensation of auditors based on recommendation of company’s Board of Directors. Auditor must not be Board, Employee, Contractor, or person who take any position in company. Independent auditors from Dharmniti Co., Ltd are invited to attend the meeting to discuss and share ideas with shareholders for purpose of voting transparency.

The Company has given the minority shareholders and opportunity to propose additional agenda as well as to name a proper individual to be a member of Company’s Director. Apure sent out letters to all minority shareholders to ask for any additional agenda they might have and the name of the individual to be elected to be a member of Company Board of Directors via SET’s channels of communication, all criteria and methodologies concerned were published in the company’s website and also through SET’s system on December 21, 2018 to February 8, 2019. The shareholders haven’t propose additional agenda.

**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:

<b>Customers</b>	Produce high quality products and provide excellent service to satisfy the needs of related customers and organizations.
<b>Employees</b>	Develop knowledge of and fairly treat employees in accordance with the human rights principles, and provide security.
<b>Partners</b>	Comply with honest and fair trade principles.
<b>Business Partners</b>	Pay appropriate and fair return.
<b>Community</b>	Operate the business fairly, support activities for the society and surrounding community.
<b>Shareholders</b>	Operate the business in accordance with good corporate governance principles for the highest benefits and return.
<b>Co-investors</b>	Treat co-investors fairly.
<b>Creditors</b>	Treat creditors with equality, fairness, transparency in accordance with the conditions and agreements.
<b>Government Agencies</b>	Support activities of government agencies and provide academic contribution.
<b>Mass media</b>	Disclose information transparently, accurately and promptly.
<b>Civil society and academics</b>	Listen to other’s opinion, jointly operate a sustainable business together with developing the community and society.
<b>Competitors</b>	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.
  - put in place that mandates full disclosure of shares trading by the directors and top executive to the Board, Investor Relations or Secretary Company at least 24 hours prior to transaction and to make quarterly reports on the purchases-sales of shares-holdings in company securities to the meeting of the board of directors.

### 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.

Independent Directors refer to persons possessing the qualities and is independent as per the definition stipulated by the SET regarding qualifications and responsibilities as a member of the Audit Committee.

The definition of the term "Independent Director" is similar to that of a member of the Audit Committee which complies with the Stock Exchange of Thailand' guidelines regarding the qualifications and responsibilities of members of the Audit Committee. The Independent Director's responsibility is to ensure that the interests of all shareholders are upheld. The Independent Directors are also to be allowed to freely provide thoughts and comments at Board meetings. The definition of the term "Independent Director" is similar to that of a member of the Audit Committee which complies with the Stock Exchange of Thailand' guidelines regarding the qualifications and responsibilities of members of the Audit Committee. The Independent Director's responsibility is to ensure that the interests of all shareholders are upheld. The Independent Directors are also to be allowed to freely provide thoughts and comments at Board meetings.

Board members may serve as a board member for other companies as long as such positions will not hamper the Board Member from fulfilling his/her duties as a member of the Company's Board and complies with the Stock Exchange of Thailand' guidelines



Upon reaching the term for retirement, the Nomination Committee may consider the appropriateness in re-selecting the outgoing Board member's performance and the value of contribution made to the Company in the previous term(S).

### **Sub-Committees**

The Board of Directors appointed qualified members of the Board to 2 committees tasked to undertake various activities including the Audit Committee, Nomination and Remuneration Committee. Although the company has not established a Risk Management Committee and Corporate Governance Committee, the company has established work groups clearly responsible for the aforementioned issues.

### **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

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

In 2018 Agripure Holdings Public Company Limited and its subsidiaries with the intention of preparing a report to disclose social and environmental operations. The report is prepared in the annual report under the topic of social responsibility to sustainability development, the company has tried into roles in all stakeholders. Assessment of important issues of the company, taking into account the factors that are important to the sustainable business operation of the company and accordance with the expectations of both direct and indirect stakeholders of the company.

## 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	2016	2017	2018
Canned Sweet Corn	1,019.67	1,025.18	1,123.41
Sweet Corn in Vacuum Bag	213.75	234.16	234.19
Fresh Vegetables and Fruits	170.58	175.58	152.49
Total	1,404.00	1,434.92	1,510.09



## 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.

### 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.



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

### Activities

#### Wading through the forest, making merit, creating a royal pavilion center in the Thung Yai forest

Mr. Prachak Buason, Managing Director of River Kwai Company International Food Industry Public Company Limited revealed that on November 17-18, the Faculty, which has Mr. Jirakit Phoomsawat, Governor of Kanchanaburi Province. The chairman assigned the delegation to travel by more than 20 cars and more than 100 lives. Went to Ban Pang Sanuk, Laiwo Subdistrict, Sangkha Buri District, Kanchanaburi, Province to make merit. Thanpuying Maneerat Bunnag included a total of THB800,000, being offered to the monastery at Ban Pang Sanan.



The convenience for trip of the group. Accommodation and food preparation. Our faculty has received great help from Mr. Somchai. Wutipimonwittaya. Chief Executive of the Laiwo Subdistrict Administrative Organization "Mr Prachak Buanong said



### 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.



In addition, the faculty also has activities to paint school buildings and bring necessary items to distribute to both children and adults such as aerosol shoes of Summit Footwear Co., Ltd, blankets, clothes, stationery, toys and many snacks as well, a group of Thung Samo 24 joined together to bring noodles to the villagers attending the event.

Create deliciousness and the fun for the children is very much, which many villagers travel by foot to join the event for over 10 kilometers. In addition, the faculty also has activities to paint school buildings and bring necessary items to distribute to both children and adults such as aerosol shoes of Summit Footwear Co., Ltd, blankets, clothes, stationery, toys and many snacks as well, a group of Thung Samo 24 joined together to bring noodles to the villagers attending the event. Create deliciousness and the fun for the children is very much, which many villagers travel by foot to join the event for over 10 kilometers





# 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.





## Complaint Management

Relevant Person	Process	Remark
Complainant	Seeing wrongdoing / Complaint / Clue	
Staff wrongdoing		Illegal act, articles of association, Code of Conduct and / or received damages due to the above complaints
Complaint recipient - Board of Directors - Chairman of the Executive Committee - Company Secretary - Human Resources	Accepting complaints	



→ Notify the complainant of the progress within 30 days (in the event of a complaint)



CEO set up fact audit team

Summary of examination results, corrections or mitigations to the CEO



← In case staff wrongdoing



→

- Facts
- Method / procedure
- Impact on the company
- Solutions
- Penalty

# Internal Control and Risk Management

## Internal control and risk management of the company.

As the resolution from the Audit Committee of the Company No. 1/2017 held on February 24, 2017. Appointment of an internal Audit, Mr. Suchart Mueansri and Miss Kasinee Yoddamnern 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.

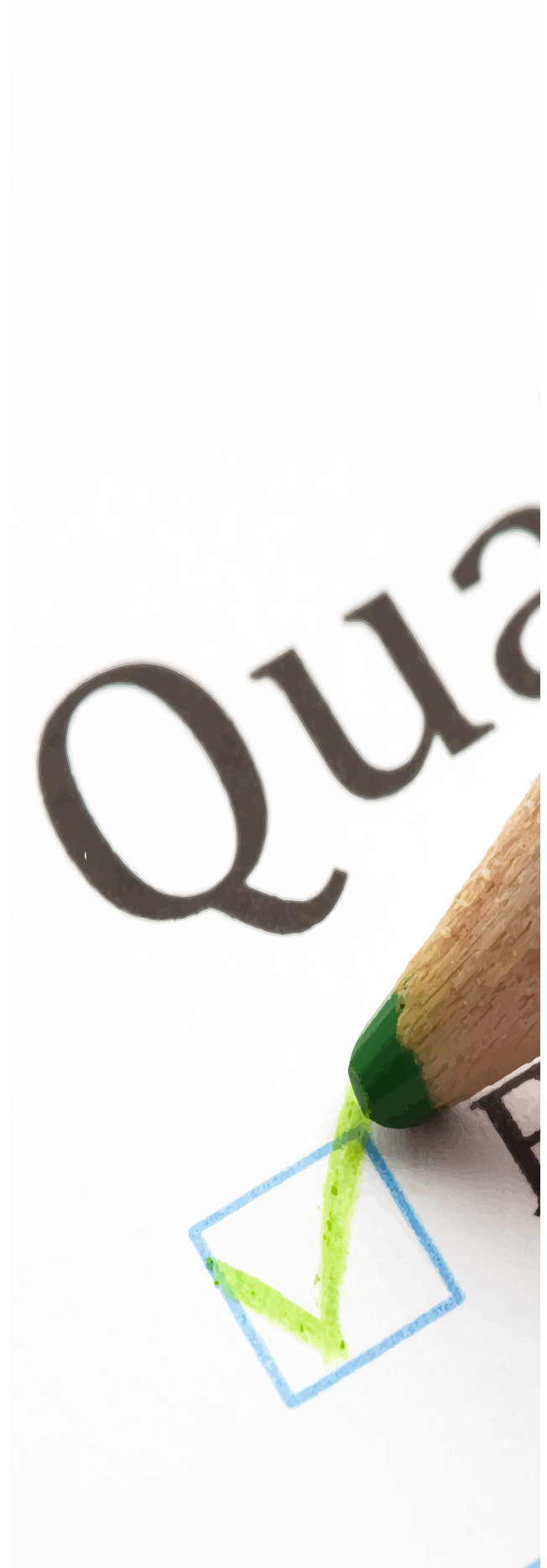
Internal audit included inspection, analysis, sufficiency evaluation, effectiveness of internal system, and quality assessment of assigned task which concluded bellowing list

- 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 Mr. Suchart Mueansri and Miss Kasinee Yoddamnern

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

# AUDIT COMMITTEE'S GOOD CORPORATE GOVERNANCE REPORT

To Shareholders

Apure's Board of Directors announced and defined corporate governance policy on November 13, 2013 to ensure that company's operations are complying with the principle of good corporate governance concepts and methodologies.

The essence of this policy was

- To create a structure and process of building the relationship between board of directors, management team and shareholders.
- To give direction to all operations of the company.
- To have right controlling system in order to examine and maximize the resources usages.
- To build competitive competency that world grow the company and increase long term shareholders' value.
- To build the company credibility in the view of shareholders, investors and business partners.

The policy was 6 items as follows:

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

Audit committee was appointed to be a subcommittee by Board of Directors in their meeting, Subcommittee was an independent mechanic in balancing the power of management. Internal audit department and system development department reported the efficiency of the existing control system to the audit committee. They also supported to make continuously self-audit happened in all levels of the company. This world build and audit culture and control environment. Then employee participation followed. Participated employees world keep or improved this audit system. Good audit system impacted directly to human resource development and was important fundamental to company's efficiency and effectiveness improvement.



Prof. Dr. Thammasak Phongpichayamart  
Chairman of the Audit Committee

# AUDIT COMMITTEE'S REPORT

## To Shareholders

Audit Committee of AgriPure Holdings Public Company Limited consists of independent directors who are qualified in Financial and Accounting, Organization Management, Internal Control and Risk Management, All committees are qualified according to requirements of the Securities and Exchange Commission of Thailand. And is not an employee or consultant of the company. The Audit Committee has a list of names and attended the meeting in 2018 as follows

- |   |   |
|---|---|
| 1. Prof. Dr. Thammasak Phongpichayamart | Independent Director /<br>Chairman of the Audit Committee |
| 2. Mr. Sakda Sinives                    | Independent Director / Member of the Audit Committee      |
| 3. Mr. Norawit Watwai                   | Independent Director / Member of the Audit Committee      |
| 4. Miss Savanut Boonyasuwat             | Independent Director / Member of the Audit Committee      |

In 2018, The Audit Committee met total of 4 times which includes fore person who has discussed and exchanged ideas with internal auditors and account auditors regarding operation and coordination with the relevant management. Summary of the duties as follow.

1. Reviewed the Company's quarterly and full year financial statements for fiscal year 2018. Significant accounting policies, accounting improvements to the financial statements, sufficient and complete disclosure of financial information and preparation in accordance with revised accounting standards.
2. Considered and Commented to related party transactions or conflict with the company benefits.
3. Reviewed the performance and effectiveness of the Company's internal control process which considered through the audit report made by Internal Audit Department and Auditor.
4. ensured the internal audit process to adherence that going to effectiveness for the company benefits.
5. Audit Committee has of meetings with the Company to reviewed Risk Management System, Internal Control System, Environment Management System about issues.
6. Assessed the Auditor who is independent, knowledges, abilities and experiences in the audit practice, access into all data base, as well as Executive' comment about Accounting, Internal Control, Risk Management to necessities and appropriates for company. The work of the auditor is satisfactory, beneficial to shareholders and the company and the Board of Directors.
7. Reviewed the effectiveness of the Company's good corporate governance by ensuring transparent information disclosure and follows the laws as stipulate by the guidelines of the Securities and Exchange Act. Which it is announce of SEC, SET and Laws related to business operations.
8. Reviewed the re-appointment consider, select, and propose and remuneration of Dharmniti Auditing Company Limited as the Company's financial auditors to be submitted for Board review before submitting for shareholder approval at the Company's 2018 AGM.
9. To undertake other related activities as assigned by the Company's Board of Directors.

The Audit Committee has performed duties according to the scope of authority and responsibility as Board of Directors assigned. Is independent and has no limited to access to information.

The Audit Committee has the opinioned that the Board of Directors and Executives of the Company are committed to performing their duties in accordance with the quality goals. Giving priority to operating under the system of good corporate governance. have appropriate internal control systems, report financial and operational information accurately and completely in accordance with accounting standards. Complying with relevant laws correctly and completely and this report of the Audit Committee have been reviewed and approved by the Audit Committee on 22 February 2019



Prof. Dr. Thammasak Phongpichayamart  
Chairman of the Audit Committee

## BOARD OF DIRECTORS' DUTIES ON FINANCIAL DISCLOSURE

### To Shareholders

As a publicly listed company on the Stock Exchange of Thailand (SET), The Company's Board of Directors understand the importance of ensuring integrity in information disclosure and ensuring complete, transparent, sufficient disclosure of the Company's financial statements. Such disclosure observes generally accepted accounting principles with discretion observed on the suitability, appropriateness and circumspect of accounting principles, which is applied on a consistent basis. Such robust accounting guidelines also serve to protect against fraud or abnormal transaction where due consideration was given in determining the appropriateness and comprehensiveness of guidelines to best reflect the Company's true financial performance.

The Company's Board of Directors appointed the Audit Committee with members including Independent Directors with qualifications as stipulated by the SET and was charged with the responsibility to oversee that the financial and operating information provided by the Company maintains integrity and is sufficient and to report its findings and suggestions to the Company's Board of Directors.

The Company is also responsible for the transparent, correct and complete disclosure of information regarding related party transactions and transactions that may have conflicts of interest. Ensuring a comprehensive risk management system, a robust internal audit process and a comprehensive and appropriate corporate governance policy along with having an effective assessment process on abiding with all applicable legal guidelines and that of the SET are all part of the Audit Committee's responsibility. A report by the Audit Committee has been provided in the Company's 2018 annual report.

The Company's Board of Directors believes the Company's overall internal audit process to be sufficient and should provide a level of comfort that the Company's financial statements and the consolidated financial statements for the period ending December 31, 2018 for which the company's Audit Committee, Company's management and the Company's financial auditors have reviewed and audited to be correct, complete, appropriate and employs generally accepted accounting principles and abides by all applicable laws and related guidelines.



Mr. Suredpon Jungrungrangkit  
Chairman



Miss Sineemas Sotpiparpnukul  
Chief Executive Officer



## CONNECTED TRANSACTIONS

(1) 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;

Items	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
Lessee	AgriPure Holdings Public Company Limited
Leaser	The Ruamjaipattana Foundation
Nature of Transaction	Lessee 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 1,836,000 (Average Baht 612,000 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

(2) The River Kwai International Food Industry Company Limited which is the subsidiaries of the Company had the connected transaction with Mr. Komol, which the Company rented the office from the Ruamjaipattana Foundation as the place to store products and assets of the company.

Items	Details
Type of Transaction	To rent some area on the 1st floor of the building of the Ruamjaipattana Foundation as the place to store products and assets of the company
The Date of Transaction	January 5, 2017
Lessee	River Kwai International Food Industry Company Limited
Leaser	The Ruamjaipattana Foundation
Nature of Transaction	Lessee and Leaser agreed on the rental agreement of the some area on the 1st floor of the building of the Ruamjaipattana Foundation, with the total area 120 square meter at monthly rent of Baht 18,000 (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 648,000 (Average Baht 216,000 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 store products and assets 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;

Items	Details																																			
Type of Transaction	Normal supporting business																																			
The Date of Transaction	January 1, 2016																																			
Leasee	RKI																																			
Leaser	(1) Summit Pinehurst Golf Club Company Limited (“SPGC”) (2) Summit Starhome Company Limited (“SSH”)																																			
Nature of Transaction	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. <table><tr><td>(1) SSH</td><td>Trailer</td><td>Number</td><td>1 car</td></tr><tr><td></td><td>10 wheels crane</td><td>Number</td><td>1 car</td></tr><tr><td>(2) SPGC</td><td>Forklift</td><td>Number</td><td>1 car</td></tr><tr><td></td><td>Farming Truck</td><td>Number</td><td>2 cars</td></tr><tr><td></td><td>10 wheels Truck</td><td>Number</td><td>1 car</td></tr><tr><td></td><td>6 wheels Shuttle Bus</td><td>Number</td><td>1 car</td></tr><tr><td></td><td>Trailer</td><td>Number</td><td>1 car</td></tr><tr><td></td><td>Golf cart</td><td>Number</td><td>2 cars</td></tr></table>				(1) SSH	Trailer	Number	1 car		10 wheels crane	Number	1 car	(2) SPGC	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) SSH	Trailer	Number	1 car																																	
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	10 wheels Truck	Number	1 car																																	
	6 wheels Shuttle Bus	Number	1 car																																	
	Trailer	Number	1 car																																	
	Golf cart	Number	2 cars																																	
Relationship	1. Mr. Komol is the father of Mr. Suredpon Jungrungruangkit 2. Mr. Komol held shares more than 30% of the paid up capital of SPGC, SF, SSH, and SH (either directly or indirectly)																																			
Term of Lease	Started from January 1, 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	<table><tr><td>(1) SSH</td><td>Trailer</td><td>Rental Fee Baht</td><td>75,000 per month per car</td></tr><tr><td></td><td>10 wheels crane</td><td>Rental Fee Baht</td><td>120,000 per month per car</td></tr><tr><td>(3) SPGC</td><td>Forklift</td><td>Rental Fee Baht</td><td>16,000 per month per car</td></tr><tr><td></td><td>Farming Truck</td><td>Rental Fee Baht</td><td>9,000 per month per car</td></tr><tr><td></td><td>10 wheels Truck</td><td>Rental Fee Baht</td><td>36,000 per month per car</td></tr><tr><td></td><td>6 wheels Shuttle</td><td>Bus Rental Fee Baht</td><td>18,000 per month per car</td></tr><tr><td></td><td>Trailer</td><td>Rental Fee Baht</td><td>75,000 per month per car</td></tr><tr><td></td><td>Golf cart</td><td>Rental Fee Baht</td><td>7,000 per month per car</td></tr></table> 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.				(1) SSH	Trailer	Rental Fee Baht	75,000 per month per car		10 wheels crane	Rental Fee Baht	120,000 per month per car	(3) SPGC	Forklift	Rental Fee Baht	16,000 per month per car		Farming Truck	Rental Fee Baht	9,000 per month per car		10 wheels Truck	Rental Fee Baht	36,000 per month per car		6 wheels Shuttle	Bus Rental Fee Baht	18,000 per month per car		Trailer	Rental Fee Baht	75,000 per month per car		Golf cart	Rental Fee Baht	7,000 per month per car
(1) SSH	Trailer	Rental Fee Baht	75,000 per month per car																																	
	10 wheels crane	Rental Fee Baht	120,000 per month per car																																	
(3) SPGC	Forklift	Rental Fee Baht	16,000 per month per car																																	
	Farming Truck	Rental Fee Baht	9,000 per month per car																																	
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	Trailer	Rental Fee Baht	75,000 per month per car																																	
	Golf cart	Rental Fee Baht	7,000 per month per car																																	
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																																			

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

Items	Details
Type of Transaction	Receive service from the connected person
The Date of Transaction	April 28, 2012
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	Start 28 April 2012 and End when told.
Value of Compensation	Baht 50,000 per month (totally Baht 600,000/year) 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

## 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

AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

### INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of  
Agripure Holdings Public Company Limited

### Opinion

I have audited the consolidated financial statements of Agripure Holdings Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Agripure Holdings Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Agripure Holdings Public Company Limited and its subsidiaries as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Agripure Holdings Public Company Limited as at December 31, 2018, and its financial performance and its 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 Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in our 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 and separate 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 debts

As at December 31, 2108, the Group has recorded the allowance for doubtful debts of trade accounts receivable and other receivable in the statement of financial position in a significant amount (approximately 3 percent of total assets of the Group). The management has to use significant judgement in estimating the allowance for doubtful debts by considering the aging of receivable, analysis of the debt payment history, expectation of future debt payment of accounts receivable. This caused the risk in connection with the valuation of the estimate of the allowance for doubtful debts. Therefore, I identified that the valuation of the allowance for doubtful debts is a significant debt that requires special attention in the audit. The group has disclosed the accounting policy and amount pertaining to the allowance for doubtful debts in Notes 3.3 and 7 respectively.

Regarding my audit methods on such matter, I made an understanding and assessed the internal control system of the company in relation to the estimate of the allowance for doubtful debt. I also inquired the management and assessed the reasonableness of the assumption used by the management for the estimate. Furthermore, I tested the detail of the allowance for doubtful debts by analyzing the average collection period and carried out sampling of trade accounts receivable to test the correctness of aging analysis report. In addition, I inquired the management about the long outstanding receivable or receivable that may not pay off the debts and audited the evidence of debt follow-up, settlement and appropriateness of the allowance for doubtful debts as required under the accounting policy as well as audited subsequent events after the period. Moreover, I considered the adequacy and appropriateness of information disclosure in the financial statements and notes.

- Allowance for the decline in value of inventory

As at December 31, 2018, the Group had material amount of inventory in the statement of financial position (approximately 19 percent of the Group's total assets). Presently, the value of such inventory may have reduced. Inventory is stated at cost or net realisable value, whichever is lower. The management has to use significant judgment in considering the allowance for the decline in value of old and obsolete inventory by determining the allowance from the percentage of the carrying value of slow-moving or obsolete inventory. The management will set higher percentage according to the inventory aging and analyse the individual obsolete stock. Therefore, I have identified that the measurement of inventory is a significant risk which requires special attention in the audit. The group has disclosed the accounting policy for inventory and inventory details in Notes 3.4 and 9, respectively.

According to my audit approach on such matter, I obtained an understanding and assessed the internal control with respect to the estimate of the allowance for decline in value of inventory by inquiring the management and assessing the reasonableness of the assumptions used by the management to determine the net realisable value in each inventory aging. Furthermore, I audited the supporting evidence of such assumptions. In addition, I tested the details of the allowance for decline in value of inventory as at the end of the accounting period by observing the physical count, sampling of inventory to test the correctness of the preparation of the inventory aging report, verifying the correctness of the calculation of the allowance for the decline in value of inventory as well as auditing subsequent sales. Additionally, I considered the adequacy and appropriateness of the information disclosure in the financial statements and related notes.

#### **Other Matter**

The consolidated statements of financial statements of Agripure Holdings Public Company Limited and its subsidiaries, and the separate statements of financial statements of Agripure Holdings Public Company Limited as at December 31, 2017, presented herewith for comparative information, were audited by another auditor who expressed an unqualified opinion on those statement in report dated February 23, 2018.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company 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 Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 and separate 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 and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Roongnapha Saengchan.



(Miss Roongnapha Saengchan)  
Certified Public Accountant  
Registration No. 10142

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 22, 2019



# FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE

## Financial Statements as at December 31,2018 Assets

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017 (Restated)
Current assets					
Cash and cash equivalents	5	242,760,873	248,123,448	153,679,349	136,497,403
Temparary investment	6	27,006,440	22,679,227	-	-
Trade and other receivables	7	241,292,447	222,495,403	3,234,080	3,126,433
Current portion of long-term loan	13	600,000	600,000	-	-
Short-term loan	8	24,000,000	24,000,000	50,000,000	-
Inventories	9	343,538,062	189,940,250	-	-
Revenue department receivable		29,571,159	14,154,171	-	-
Other current assets		6,595,846	5,719,533	1,282,008	999,288
Non-current assets held for sale		74,086	631,088	-	-
Total current assets		915,438,913	728,343,120	208,195,437	140,623,124
Non-current assets					
Investments in associates	10	-	-	-	-
Investments in subsidiaries	11	-	-	899,999,930	899,999,930
Other long-term investments	12	39,170,165	23,470,165	23,470,163	23,470,163
Long-term loan	13	50,000	650,000	-	-
Property, plant and equipment	14	853,977,432	845,201,632	2,564,674	3,350,613
Intangible assets	15	398,861	1,230,408	-	-
Deferred tax assets	16	571,952	342,642	115,919	-
Advance payment for shares subscription	17	-	30,000,000	-	15,000,000
Other non-current assets		3,846,067	13,155,602	83,000	83,000
Total non-current assets		898,014,477	914,050,449	926,233,686	941,903,706
Total assets		1,813,453,390	1,642,393,569	1,134,429,123	1,082,526,830

Notes to the financial statements form an integral part of these financial statements.

# FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE

## LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017 (Restated)
Current liabilities					
Bank overdraft and short-term loans from financial					
institutions	18	-	-	-	-
Trade and other payables	19	104,343,868	69,566,931	452,672	376,663
Current portion of liabilities under finance lease agreements	20	695,532	301,103	511,957	301,103
Income tax payable		14,985,021	6,987,621	-	263,797
Other current liabilities		2,314,407	2,376,017	953,010	1,042,569
Total current liabilities		122,338,828	79,231,672	1,917,639	1,984,132
Non-current liabilities					
Deferred tax liabilities	16	28,813,077	28,518,692	-	-
Liabilities under finance lease agreements	20	1,261,941	1,945,001	1,261,941	1,945,001
Employee benefit obligations	21	8,636,175	4,053,481	579,594	960,865
Total non-current liabilities		38,711,193	34,517,174	1,841,535	2,905,866
Total liabilities		161,050,021	113,748,846	3,759,174	4,889,998
Shareholders' equity					
Share capital	23				
Authorized share capital					
974,300,926 ordinary shares, Baht 0.70 each		682,010,648	682,010,648	682,010,648	682,010,648
Issued and fully paid-up share capital					
958,265,537 ordinary shares, Baht 0.70 each		670,785,876	670,785,876	670,785,876	670,785,876
Premium on share capital		387,396,467	387,396,467	387,396,467	387,396,467
Retained earnings					
Appropriated					
Legal reserve	24	12,975,000	12,975,000	12,975,000	12,975,000
Unappropriated		410,664,931	294,455,840	59,520,790	6,487,673
Other components of equity		147,459,534	144,515,854	(8,184)	(8,184)
Total equity attributable to owers of the parent		1,629,281,808	1,510,129,037	1,130,669,949	1,077,636,832
Non-controlling interest		23,121,561	18,515,686	-	-
Total shareholders' equity		1,652,403,369	1,528,644,723	1,130,669,949	1,077,636,832
Total liabilities and shareholders' equity		1,813,453,390	1,642,393,569	1,134,429,123	1,082,526,830

Notes to the financial statements form an integral part of these financial statements.

# FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE

## Statements of Comprehensive Income For the year ended December 31,2018

		Baht			
		Consolidated financial statements		Separate financial statements	
	หมายเหตุ	2018	2017(Restated)	2018	2017(Restated)
Revenues					
Sales and service income	4	1,722,702,760	1,594,609,354	-	-
Other income	4	15,362,753	8,626,445	82,839,713	131,939,630
Total revenues		1,738,065,513	1,603,235,799	82,839,713	131,939,630
Expenses					
Cost of sales and service	4	1,343,997,650	1,196,688,175	-	-
Selling expenses	4	123,564,798	111,230,630	-	-
Administrative expenses	4	114,785,127	117,756,921	29,284,273	27,682,606
Finance costs		170,948	1,968,202	164,863	220,890
Total expenses		1,582,518,523	1,427,643,928	29,449,136	27,903,496
Profit before income tax expenses		155,546,990	175,591,871	53,390,577	104,036,134
Income tax expenses	26	28,178,153	30,079,324	765,366	1,373,258
Profit for the year		127,368,837	145,512,547	52,625,211	102,662,876
Other comprehensive income for the year					
Items that will not be reclassified to profit or loss					
Gain (loss) from changing actuarial estimates		(4,132,535)	-	509,883	-
Income tax relating not to be reclassified		703,667	-	(101,977)	-
		(3,428,868)	-	407,906	-
Items that may be reclassified subsequently to profit or loss					
Gain on land revaluation		3,679,600	-	-	-
Income tax relating to be reclassified		(735,920)	-	-	-
		2,943,680	-	-	-
Other comprehensive income (loss) - net of tax		(485,188)	-	407,906	-
Total comprehensive income for the year		126,883,649	-	53,033,117	102,662,876
Profit attributable to				52,625,211	102,662,876
Owners of the parent		119,548,546	141,817,082	-	-
Non-controlling interests		7,820,291	3,695,465	-	-
		127,368,837	145,512,547	52,625,211	102,662,876
Total comprehensive income attributable to					
Owners of the parent		119,152,771	141,817,082	53,033,117	102,662,876
Non-controlling interests		7,730,878	3,695,465	-	-
		126,883,649	145,512,547	53,033,117	102,662,876
Basic earnings per share					
Attributable to owners of the parent (Baht per share)	27	0.12	0.15	0.05	0.11

Notes to the financial statements form an integral part of these financial statements.

## Statements of Change in Shareholders' Equity For the year ended December 31, 2018

	Consolidated financial statements (Bath)								Non-controlling interest	Total shareholders' equity	
	Note	Ordinary shares, issued and paid-up	Thousand Baht Premium on share capital	Retained earnings		Other components of equity					Total equity attributable to owners of the parent
				Appropriated Legal reserve	Unappropriated	Capital surplus from land revaluation	Fair value changes in available-for-sale investments	Total other components of equity			
Beginning balance, as at January 1, 2017		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
Legal reserve		-	-	5,335,000	(5,335,000)	-	-	-	-	-	-
Dividend		-	-	-	(95,826,354)	-	-	-	(95,826,354)	(3,125,000)	(98,951,354)
Total comprehensive income for the year											
Profit for the year		-	-	-	141,817,082	-	-	-	141,817,082	3,695,465	145,512,547
Other comprehensive income for the period - net of tax		-	-	-	-	-	-	-	-	-	-
Ending 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
Beginning balance, as at January 1, 2018		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
Dividend		-	-	-	-	-	-	-	-	(3,125,003)	(3,125,003)
Total comprehensive income for the year											
Profit for the year		-	-	-	119,548,546	-	-	-	119,548,546	7,820,291	127,368,837
Other comprehensive income for the year - net of tax											
Gain on land revaluation		-	-	-	-	2,943,680	-	2,943,680	2,943,680	-	2,943,680
Loss from changing actuarial estimates		-	-	-	(3,339,455)	-	-	-	(3,339,455)	(89,413)	(3,428,868)
Ending balance, as at December 31, 2018		670,785,876	387,396,467	12,975,000	410,664,931	147,467,718	(8,184)	147,459,534	1,629,281,808	23,121,561	1,652,403,369

Notes to the financial statements form an integral part of these financial statements.

## Statements of Change in Shareholders' Equity (continued)

### For the year ended December 31, 2018

Separate financial statements (Bath)							
Note	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings		Other components of equity		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Total other component of equity	
Beginning balance, as at January 1, 2017	670,785,876	387,396,467	7,640,000	4,986,143	(8,184)	(8,184)	1,070,800,302
Legal reserve	24	-	-	5,335,000	(5,335,000)	-	-
Dividend	24	-	-	(95,826,346)	-	-	(95,826,346)
Profit for the year	-	-	-	102,662,876	-	-	102,662,876
Other comprehensive income for the year	-	-	-	-	-	-	-
Ending balance, as at December 31, 2017	670,785,876	387,396,467	12,975,000	6,487,673	(8,184)	(8,184)	1,077,636,832
Beginning balance, as at January 1, 2018	670,785,876	387,396,467	12,975,000	6,487,673	(8,184)	(8,184)	1,077,636,832
Profit for the year	-	-	-	52,625,211	-	-	52,625,211
Other comprehensive income for the year	-	-	-	-	-	-	-
Gain on changing actuarial estimates	-	-	-	407,906	-	-	407,906
Ending balance, as at December 31, 2018	670,785,876	387,396,467	12,975,000	59,520,790	(8,184)	(8,184)	1,130,669,949

Notes to the financial statements form an integral part of these financial statements.



## Statements of Cash Flows

### For the year ended December 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit for the period	127,368,837	145,512,547	52,625,211	102,662,876
Reconciliations of profit for the period to net cash provided by (used in) operating activities:				
Bad debt and allowance for doubtful accounts	4,707,478	9,405,023	-	-
Loss on declining in value of inventories (reversal)	(715,606)	3,498,155	-	-
(Gain) loss on assets and liabilities written off	(1,317,607)	-	441	-
Depreciation and amortization	67,942,396	63,164,439	833,667	929,664
Gain on disposal of fixed assets	(118,209)	(325,923)	-	-
Loss on sale of other non-current assets held for sale	3,493	1,327	-	-
Unrealized loss on exchange rate	1,639,784	32,262	-	-
Interest income	(3,473,089)	(2,232,931)	(1,269,091)	(1,772,137)
Dividend income	(567,500)	(567,500)	(49,167,496)	(97,767,492)
Employee benefit expenses	450,160	210,449	128,612	(117,952)
Interest expenses	453,199	1,352,678	164,863	220,890
Income tax expense	28,178,153	30,079,324	765,366	1,373,258
Profit provided by operating activities before changes in operating assets and liabilities	224,551,489	250,129,850	4,081,573	5,529,107
(Increase) decrease in operating assets				
Trade and other receivables	(48,125,790)	(26,049,902)	(9,565)	(63,537)
Inventories	(152,936,206)	59,984,508	-	-
Advance payment for purchasing materials	22,652,336	(21,400,254)	-	-
Other current assets	(15,909,289)	(10,508,818)	(5,180)	-
Other non-current assets	10,047,335	(12,141)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	9,379,899	5,603,751	76,009	145,020
Other current liabilities	(61,609)	(210,542)	(89,559)	(354,389)
Employee benefit obligation	-	(510,000)	-	(510,000)
Cash received from operations	49,598,165	257,026,452	4,053,278	4,746,201
Interest income received	918,838	-	714,680	-
Income tax expense paid	(20,477,815)	(61,358,030)	(1,524,599)	(1,109,461)
Net cash provided by operating activities	30,039,188	195,668,422	3,243,359	3,636,740

Notes to the financial statements form an integral part of these financial statements.

## Statements of Cash Flows

### For the year ended December 31,2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Cash payments for purchase of temporary investment	(4,327,213)	(99,690)	-	-
Cash receipts from short-term loan to other company	88,000,000	96,000,000	-	-
Cash payments for short-term loan to other company	(88,000,000)	(88,000,000)	-	-
Cash receipts from short-term loan to related company	-	-	80,000,000	255,000,000
Cash payment for short-term loan to related company	-	-	(130,000,000)	(155,000,000)
Cash receipts from disposal of other non-current assets held for sale	532,709	1,127,322	-	-
Cash payments for purchase of other long-term investments	(15,700,000)	(4)	-	(2)
Cash receipts from long-term loan	600,000	-	-	-
Cash payments for purchase of fixed assets	(46,873,111)	(64,677,188)	(48,169)	(958,909)
Cash receipts from disposal of fixed assets	1,223,808	353,129	-	-
Cash payments for purchase of intangible assets	(60,038)	(83,160)	-	-
Cash payments for purchasing marketable securities	-	(30,000,000)	-	(15,000,000)
Cash receipt from return on share subscription	30,000,000	-	15,000,000	-
Cash payments for long-term loan-other person	-	(1,500,000)	-	-
Cash receipt from long-term loan	-	250,000	-	-
Dividend income received	567,500	567,500	49,167,496	97,767,492
Interest income received	2,898,355	2,310,543	456,329	1,772,137
Net cash provided by (used in) investing activities	(31,137,990)	(83,751,548)	14,575,656	183,580,718
Cash flows from financing activities				
Cash payments for repayment of liabilities under				
finance lease agreement	(685,571)	(541,287)	(472,206)	(541,287)
Dividend paid	-	(95,781,322)	-	(95,781,322)
Interest expenses paid	(453,199)	(1,352,678)	(164,863)	(220,890)
Dividend paid for non-controlling interest	(3,125,003)	(3,125,008)	-	-
Net cash used in financing activities	(4,263,773)	(100,800,295)	(637,069)	(96,543,499)
Net increase (decrease) in cash and cash equivalents	(5,362,575)	11,116,579	17,181,946	90,673,959
Cash and cash equivalents - beginning of year	248,123,448	237,006,869	136,497,403	45,823,444
Cash and cash equivalents - ending of year	242,760,873	248,123,448	153,679,349	136,497,403
Supplement disclosures of cash flows information				
Reconciliation of cash paid for acquisition of property, plant and equipment				
Acquisition of property, plant and equipment for the year	(73,970,051)	-	-	-
Increase in liabilities under financial lease contract	396,940	-	-	-
Increase in payable from acquisition of assets	26,700,000	-	-	-
Cash paid for acquisition of property, plant and equipment	(46,873,111)	-	-	-

Notes to the financial statements form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

### 1. GENERAL INFORMATION

#### (a) Legal status and address

The Company had registered to be a limited company with the Ministry of Commerce on December 9, 1986. The Company's status had been changed to be the public company limited and registered with the Ministry of Commerce on June 9, 1994.

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

#### (b) Nature of the business operation

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. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.

#### 2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Agripure Holdings Public Company Limited and its subsidiaries as follow:

Name	Type of business	Country of Type of business	Percentage of shareholding (%)	
			As at December 31, 2018	As at December 31, 2017
<b>Direct holdings</b>				
River Kwai International Food Industry Co., Ltd.	Manufacturing and distribution of canned sweet corns, fresh vegetable and fruit products	Thailand	99.99	99.99
<b>Indirect holdings through</b>				
River Kwai International Food Industry Co., Ltd. Sweet Corn Products Co., Ltd.	Breeding and distribution of corn seeds	Thailand	75.00	75.00
Agrifresh Co., Ltd.	Manufacturing and distribution of fresh vegetable and fruit products	Thailand	99.99	99.99

- 2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.
- 2.2.5 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.2.6 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

### 2.3 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenue and expenses recognition

The Company and its subsidiaries recognizes the revenues on sales when significant risks and rewards of ownership of the goods are transferred to the buyer. The revenues on sales are recorded on invoicing price net of output tax, rebate and discounts.

The Company and its subsidiaries recognized the revenue on service when service are rendered.

The Company and its subsidiaries recognized the interest income on the period and accrual basis.

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

Rental income is recognised as revenue on straight-line basis over the period of the lease term.

The Company and its subsidiaries recognized other income and expenses on the accrual basis.

### 3.2 Cash and cash equivalents

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

### 3.3 Trade accounts receivable and others receivable

Trade and other accounts receivable (including balances with related parties) are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any) based on a review of all outstanding amounts at year end. The allowance for doubtful accounts is the difference between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the income statement as part of administrative expenses

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowances made are based on historical write-off patterns and the aging of accounts receivable. Bad debts are written off when incurred.

### 3.4 Investment

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated by moving average method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete 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 selected at cost. It will be allocated to cost of vegetables and fruits each period constituting harvesting in order to produce as inventory.

Allowance for obsolete stocks is set up based on the outstanding inventories balance at the end of year which estimated from consideration of states and quality of inventories.

### 3.5 Investment

#### Investments in associates

Associates are those companies in which the Company has significant influence over the associates, that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associated are stated by equity method in consolidated financial statements. In case of the Cassociates have capital deficiencies the recognition of Company's portion on such investments will be equal to zero only.

#### Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

#### Investment in subsidiaries in separate financial statement

Investment in subsidiary is accounted for under the cost method less allowance for impairment loss on the investment, (if any). The Company recognizes impairment loss (if any) on the investment in the statement of comprehensive income.



#### Other long-term investments

Related parties are those companies in which the Company has shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons.

Other companies are those companies in which the Company has shareholding but has no power to govern or participate in setting up any policy.

### **3.6 Property, plant and equipment and depreciation**

#### Land is stated at cost

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

#### 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 fairvalues 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.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded and added to the carrying amount of the fixed asset, if it is certainly probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Building and building improvement	10 - 33	years
Machinery and equipment	5 - 20	years
Furniture and fixtures and office equipment	3 - 10	years
Vehicles	5	years
Other assets	5 - 10	years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

### **3.7 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.

### **3.8 Impairment of assets**

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

### **3.9 Trade accounts payable and others payable**

Trade and other accounts payable (including balances with related parties) are stated at cost.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3.10 Finance lease

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessors will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding liability obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life.

## 3.11 Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## 3.12 Financial instruments

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

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 31.

## 3.13 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

### Impairment of investment in subsidiary

The Company reviews the impairment of investment in the subsidiary, which requires management to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

### Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review

### Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate

## 3.14 Related parties

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

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

### 3.15 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

### 3.16 Employee benefits

#### Short-term employment benefits

The Company and its subsidiaries recognizes salary, wage, bonus and contributions to social security fund as expenses when incurred.

#### Post-employment benefits (Defined contribution plans)

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

#### Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's and its subsidiaries's article and the labor law and other employee benefit plans. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retained earnings.

### 3.17 Operating Lease

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

### 3.18 Income tax

Income tax comprises current income tax and deferred tax.

#### Current tax

The Company and its subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

#### Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. 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 joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3.19 Basic earning per share

Basis earnings per share is determined by dividing profit (loss) for the year by the weighted average number of ordinary shares held by outsiders and outstanding during the year.

## 4. RELATED PARTIES TRANSACTION

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.

### 4.1 Nature of relationship

Company	Relationship
<b>Subsidiaries</b>	
River Kwai International Food Industry Co., Ltd.	Direct owned by the Company
Sweet Corn Product Co., Ltd.	Indirect owned through a subsidiary
Agrifresh Co., Ltd.	Indirect owned through a subsidiary
<b>Associate</b>	
General Business Center Co., Ltd.	Direct owned by the Company and common directors
<b>Related parties</b>	
Siam Del Monté 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.	Common shareholder and director
Summit Footwre Co., Ltd.	Common shareholder and director
Summit Housing Co., Ltd.	Common shareholder and director
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 Jungrunruangkit	Shareholder and director of the Company
Mr. Komol Jungrunruangkit	Shareholder of the Company
Dr. Taweesak Pulam	Director of a subsidiary
Mr. Pongkawin Jungrunruangkit	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 seeds	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 and asset rental	SAs identified in contract

#### 4.2 Revenue and expense with related parties

Revenue and expense transactions with related parties for the year ended December 31, 2018 and 2017 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Revenue from sales</b>				
Siam Del Monté Co., Ltd.	6,166,771	6,719,772	-	-
Chiangrai Frozen Foods Co., Ltd.	1,350,000	825,000	-	-
<b>Revenue from service</b>				
Thaiseeds Research and Development Co., Ltd.	10,736,719	8,283,300	-	-
<b>Revenue from marketing and distribution</b>				
River Kwai International Food Industry Co., Ltd.	-	-	32,400,000	32,400,000
<b>Interest income</b>				
River Kwai International Food Industry Co., Ltd.	-	-	464,658	1,316,781
International Engineering Public Co., Ltd.	179,506	-	89,753	-
<b>Dividend income</b>				
River Kwai International Food Industry Co., Ltd.	-	-	48,599,996	97,200,000
<b>Other income</b>				
Siam Del Monté Co., Ltd.	126,921	121,189	-	-
<b>Sale of assets</b>				
Chiangrai Frozen Foods Co., Ltd.	810,000	-	-	-
<b>Purchase of goods</b>				
Siam Del Monté Co., Ltd.	13,239,727	12,616,166	-	-
Thaiseeds Research and Development Co., Ltd.	1,650,000	2,200,000	-	-
Sweet Corn Products Co., Ltd.	12,517,500	-	-	-
<b>Purchase of assets</b>				
Summit Pinenurst Golf Club Co., Ltd.	-	325,000	-	-
Chiangrai Frozen Foods Co., Ltd.	1,687,396	-	-	-
<b>Seed royalty expense and purchase of seeds</b>				
Sweet Seeds Co., Ltd.	12,307,167	8,232,466	-	-
<b>Manufacturing expense</b>				
Summit Starhome Co., Ltd.	2,340,000	2,340,000	-	-
Summit Pinenurst Golf Club Co., Ltd.	2,538,000	3,996,000	-	-
<b>Management fee</b>				
Thaiseeds Research and Development Co., Ltd.	27,504,050	20,156,750	-	-
Dr. Taweesak Phulam	2,000,400	2,000,400	-	-
<b>Expenses</b>				
Summit Pinenurst Golf Club Co., Ltd.	408,600	840,600	-	-
The Ruamjaipattana Foundation	828,000	636,000	612,000	420,000
Mr. Komol Jungrungruangkit	600,000	600,000	-	-
<b>Land and asset rental</b>				
Chiangrai frozen foods Co., Ltd.	720,000	720,000	-	-
Mr. Pongkawin Jungrungruangkit	742,105	742,105	-	-



# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## Remuneration of Directors and Executives

For the year ended December 31, 2018 and 2017 the Group's cost of employee benefits and executive director as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term benefits	15,657,916	15,689,170	8,855,000	8,985,000
Post-employment benefits	50,401	47,932	12,818	12,068
Total	15,708,317	15,737,102	8,867,818	8,997,068

## Dividend income from subsidiaries

At a meeting of the Board of Directors of a subsidiary on August 10, 2018, the Board of Directors passed a resolution to pay additional dividend of Baht 0.54 per share, amounting to Baht 48.60 million, payable within September 8, 2018.

At a meeting of the Board of Directors of a subsidiary on August 11, 2017, the Board of Directors approved the payment of interim dividend for the year 2017 at the rate of Baht 0.54 per share, amounting to Baht 48.60 million, payable within September 9, 2017.

## 4.3 Balance with related parties

Balance with the related parties as December 31, 2018 and 2017 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2019	2018	2019
<b>Trade accounts receivable</b>				
Thaiseeds Research and Development Co., Ltd.	537,785	2,089,414	-	-
Siam Del Monté Co., Ltd.	1,190,795	755,541	-	-
Chiangrai frozen foods Co., Ltd.	450,000	225,000	-	-
Total	2,178,580	3,069,955	-	-
<b>Other account receivable</b>				
River Kwai International Food Industry Co., Ltd.	-	-	2,987,082	2,889,000
Siam Del Monté Co., Ltd.	24,543	-	-	-
Chiangrai frozen foods Co., Ltd.	866,700	-	-	-
Total	891,243	-	2,987,082	2,889,000
<b>Short-term loan</b>				
River Kwai International Food Industry Co., Ltd.	-	-	50,000,000	-
<b>Advance payment for shares subscription</b>				
International Engineering Public Co., Ltd.	-	30,000,000	-	15,000,000
<b>Trade accounts payable</b>				
Siam Del Monté Co., Ltd.	652,768	653,570	-	-
Sweet Seeds Co., Ltd.	764,622	633,253	-	-
Thaiseeds Research and Development Co., Ltd.	-	900,000	-	-
Sweet Corn Co., Ltd.	753,750	-	-	-
Total	2,171,140	2,186,823	-	-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Other accounts payable</b>				
Thaiseeds research and Development Co., Ltd.	1,429,200	1,183,650	-	-
Summit Pinehurst Golf Club Co., Ltd.	394,830	844,230	-	-
Summit Starhome Co., Ltd.	417,300	417,300	-	-
Chiangrai frozen foods Co., Ltd.	64,200	128,400	-	-
Mr. Komol Jungrungruangkit	107,000	107,000	-	-
Mr. Pongkawin Jungrungruangkit	310,526	223,684	-	-
<b>Total</b>	<b>2,723,056</b>	<b>2,904,264</b>	<b>-</b>	<b>-</b>

#### 4.4 Agreements with related parties

##### Commitments

1) On July 25, 2017, Sweet Corn Product Co., Ltd. has entered into a management agreement with Thaiseeds Research and Development Co., Ltd., which is effective on January 1, 2018 to December 31, 2018. The subsidiary agrees to pay annual compensation of Baht 5 million and has additional compensation for manufacturing quantities and sales volume which is more than 45,000 kgs. at the rate of Baht 75 - 150 per kg.

2) Sweet Corn Product Co., Ltd. has entered into a management agreement with Dr.Taweesak Pulam, which is effective on January 1, 2017 to December 31, 2017 and on January 1, 2018 to December 31, 2018. The subsidiary agrees to pay

3) 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 researcher and developer. The grantee intends to be assigned as the breeder and distributor in those sweet corns in Thailand.

On January 1, 2018, both parties have entered into an agreement, which is effective on January 1, 2018 to December 31, 2018. The grantee has to pay compensation to the right on license technology as follows :

- Annual fee

1. If sale volume is more than 1,000 kgs but not over than 2,500 kgs, annual fee is charged by Baht 100,000 per product.

2. If sale volume is over 2,500 kgs, annual fee is charged 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.

4) On March 7, 2017, Sweet Corn Product Co., Ltd. has entered into storage rental agreement with River Kwai International Food Industry Co.,Ltd., without term of agreement in the amount of Baht 20,000 per month.

5) 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 from January 1, 2016 onwards. The rental fee is paid in the amount of Baht 20,000 per month.

6) On July 25, 2016, Agrifresh Co., Ltd. has entered into a vehicle rental agreement with River Kwai International Food Industry Co., Ltd. from August 1, 2016 onward. The rental fee is paid in the amount of Baht 15,000 per month. If any party wishes to terminate the agreement must notify in writing at least 15 days in advance.

7) 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 from September 1, 2016 onwards. The rental fee is paid in the amount of Baht 37,500 per year.

8) River Kwai International Food Industry Co., Ltd. and Agrifresh Co., Ltd. have entered into 9 vehicle rental agreements with 2 related parties. The rental fee is paid in the amount of Baht 14,000 to Baht 120,000 per month and can be cancelled by notification in writing at least 15 days in advance.

9) On December 1, 2017, the Company has entered into the marketing and distribution management agreement with River Kwai International Food Industry Co., Ltd. It has been charged at the rate of Baht 2,700,000 per month for a period of one year, starting from January 2018 onwards. The agreement can be renewable to another term of one year.

10) On April 1, 2015 River Kwai International Food Industry Co., Ltd. has entered into a land rental agreement with related persons for doing its business from April 1, 2015 to March 31, 2018 with rental rate of Baht 35,000 per month. Later, on June 27, 2016, the agreement has been renewed which has 3 years long since August 1, 2016 with rental rate of Baht 25,000 per month.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

11) On August 1, 2016, River Kwai International Food Industry Co., Ltd. has entered into machine rental agreement for 3 units with Chiangrai frozen foods Co., Ltd. which is effective for 1 year from August 1, 2016 to July 31, 2017 with rental rate of Baht 20,000 per month and per unit.

On August 25, 2017, the Company has renewed 3 machine lease agreements with Chiangrai frozen foods Co., Ltd., which is effective from August 1, 2017 to July 31, 2018 at the rental rate of Baht 20,000 per month.

Later, the Company has renewed the agreement for 1 year starting from August 1, 2018 to July 31, 2019 with rate of Baht 20,000 per month and per unit.

12) On September 1, 2017, the Company has entered into an office rental agreement with The Ruamjaipattana Foundation. This agreement is for 3 years starting from September 1, 2017 to August 31, 2020 with rental rate including utilities of Baht 51,000 per month.

13) On January 5, 2017, River Kwai International Food Industry Co., Ltd. has entered into a land rental agreement with The Ruamjaipattana Foundation for products and assets storage of the Company with rental rate of Baht 18,000 per month and water fee in the rate of Baht 1,000 per month. This agreement is for 3 years starting from January 5, 2017 to January 5, 2020.

14) 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 18) by mortgaging subsidiaries' lands and property (Note 14) which is pledged on behalf of the Company and its subsidiaries without charge any guarantee fee.

### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Cash and deposits at bank				
Cash on hand	723,665	793,907	197,616	243,286
Deposits at bank - current accounts	18,305,058	3,399,167	79,324	67,218
- savings accounts	218,237,122	238,489,412	153,402,409	136,186,899
- fixed accounts	5,495,028	5,440,962	-	-
Total	242,760,873	248,123,448	153,679,349	136,497,403

### 6. CURRENT INVESTMENTS

As at December 31, 2018 and 2017, a subsidiary has 5 - 12 months and 6 - 7 months fixed deposits with local financial institutions in the amount of Baht 27.01 and Baht 22.68 million, respectively, bear interest rate at 0.90% - 1.65% per annum and 0.90% - 1.25% per annum, respectively and have no any restriction.

## 7. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Trade accounts receivable - related parties	2,178,580	3,069,955	-	-
Trade accounts receivable - other parties	192,302,367	184,256,182	-	-
Trade accounts receivable - farmers	14,455,030	15,416,303	-	-
Less allowance for doubtful accounts	(46,601,123)	(45,691,647)	-	-
Trade accounts receivable - net	162,334,854	157,050,793	-	-
Other accounts receivable - related parties	891,243	-	2,889,000	2,889,000
Other accounts receivable - other parties				
Prepaid Expenses	2,194,698	2,052,164	225,079	237,433
Advance payment for purchasing materials	28,725,274	51,377,610	-	-
Other deposits	37,578,340	-	-	-
Other accounts receivable	470,970	1,973,896	21,362	-
Advance payment to farmer	8,623,666	9,431,111	-	-
Accrued interest income	149,041	-	98,082	-
Advance payment	346,557	791,468	557	-
Others	228,152	68,709	-	-
Less allowance for doubtful accounts	(250,348)	(250,348)	-	-
Other accounts receivable - net	78,957,593	65,444,610	3,234,080	3,126,433
Total trade and other current accounts receivable - net	241,292,447	222,495,403	3,234,080	3,126,433

Trade accounts receivable can be aged as follows:

	Baht	
	Consolidated financial statements	
	2018	2017
Within credit term	85,852,170	62,143,069
Overdue :		
Not over 3 months	71,788,411	81,776,407
3 - 6 months	4,561,779	12,081,778
Over 6 months	46,733,617	46,741,186
Total	208,935,977	202,742,440
Less allowance for doubtful debts	(46,601,123)	(45,691,647)
Net	162,334,854	157,050,793

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Trade accounts receivable classified by currency consisted of :-

	Consolidated financial statements			
	Foreign currency		Baht	
	2018	2017	2018	2017
Baht			75,322,221	67,533,193
US. Dollars	3,765,731	3,615,987	121,575,876	117,572,371
Pound Sterling	166,244	206,678	6,751,455	8,994,585
Euro	9,923	33,233	364,786	1,284,811
Yen	15,573,361	24,590,620	4,504,050	7,032,475
Singapore Dollars	17,833	13,446	417,589	325,005
	-	-	208,935,977	202,742,440

Movements of allowance for doubtful accounts were as follows:

	Baht	
	Consolidated financial statements	
	2018	2017
Beginning balance of the period	45,941,995	36,536,972
Additional during the period	4,707,479	9,405,023
Deduction during the period	(3,798,003)	-
Ending balance at end of period	46,851,471	45,941,995

During the year 2018, a subsidiary has advance payment for purchasing materials to a non-related party without collateral. Movements of advance payment for purchasing materials were as follows:

	Baht	
	Consolidated financial statements	
	2018	2017
Beginning balance of the period	51,377,610	29,977,356
Additional during the period	81,995,957	128,866,832
Deduction during the period	(104,648,293)	(107,466,578)
Ending balance at end of period	28,725,274	51,377,610

### 8. SHORT-TERM LOANS

Movements of short-term loans were as follows:

	Baht			
	Consolidated financial statements			
	As at Dec 31, 2017	Increase	(Decrease)	As at Dec 31, 2018
Metal one Co.,Ltd.	24,000,000	88,000,000	(88,000,000)	24,000,000
Total	24,000,000	88,000,000	(88,000,000)	24,000,000

As at December 31, 2018, a subsidiary company has entered into short-term loans agreement to non-related parties amounted Baht 24 million. The interest rate has been charged at 5% per anum in the term 120 days without collateral.

	Baht			
	Separate financial statements			
	As at Dec 31, 2017	Increase	(Decrease)	As at Dec 31, 2018
River Kwai International Food Industry Co., Ltd.	-	130,000,000	(80,000,000)	50,000,000
Total	-	130,000,000	(80,000,000)	50,000,000

As at December 31, 2018, the Company has short-term loans, in the form of 3 promissory notes to related party amounted Baht 50 million. The interest rate has been charged at 2% per annum in the term of 120 days.

## 9. INVENTORIES

Inventories consisted of:

	Baht	
	Consolidated financial statements	
	2018	2017
Finished goods	54,566,149	32,991,624
Work in process	56,038,687	23,275,085
Semi-products	184,151,798	86,518,365
Raw materials	3,061,121	3,709,933
Packaging	45,791,968	41,278,327
Spare parts and supplies	11,149,649	13,562,632
Plantation costs	198,910	740,109
Total	354,958,282	202,076,075
Less allowance for declining in value	(11,420,220)	(12,135,825)
Net	343,538,062	189,940,250

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

	Baht	
	Consolidated financial statements	
	2018	2017
Beginning balance of the period	12,135,825	8,637,670
Additional during the period	3,557,369	3,498,155
Deduction during the period	(4,272,974)	-
Ending balance at end of period	11,420,220	12,135,825
Decline in value of inventory recognized as cost of goods sold for the period	3,557,369	3,498,155
Reversal of the decline in values of inventory for the period	4,272,974	-



# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 10. INVESTMENT IN ASSOCIATE

Investment in subsidiaries consisted of:

			Baht			
			Equity Method		Cost Method	
	Paid-up capital (Baht)	Percentage of shareholding (%)	2018	2017	2018	2017
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			-	-	-	-

## 11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

			Baht	
			2018	2017
	Paid-up capital (Baht)	Percentage of shareholding (%)		
River Kwai International Food Industry Co., Ltd.	900,000,000	100	899,99,930	899,99,930
Less allowance for impairment loss			-	-
Net			899,99,930	899,99,930

The subsidiary that has material non-controlling interests

The Company has consolidated a subsidiary, Sweet Corn Products Co.,Ltd., which is a subsidiary of Riverkwai International Food Industry Co.,Ltd. It has material non-controlling interest:

Name of Company	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Baht			
				Profit(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018	2017	2018	2017	2018	2017
Sweet Corn Products Co.,Ltd.	Thailand	75.00	75.00	7,730,878	3,695,465	23,121,495	15,390,617
Total				7,730,878	3,695,465	23,121,495	15,390,617

Summarized financial information in respect of Sweet Corn Products Co.,Ltd. represents amounts before intragroup eliminations.

	Baht	
	2018	2017
Current assets	75,848,903	73,829,550
Non-current assets	27,587,250	6,669,840
Current liabilities	9,426,732	5,480,435
Non-current liabilities	1,410,981	844,028
Non-controlling interests	23,121,495	15,390,617
Revenue	125,391,609	86,223,972
Profit attributable to the non-controlling interests	7,820,291	3,695,465
Other comprehensive income (loss) to the non-controlling interests	(89,413)	-
Dividends paid to non-controlling interests	3,125,000	3,125,000
Net cash provided by operating activities	27,895,283	883,184
Net cash used in investing activities	(26,445,817)	(2,383,397)
Net cash used in financing activities	(12,500,000)	(12,532,408)
Net cash increase (decrease)	(11,050,534)	(14,032,621)

## 12. OTHER LONG-TERM INVESTMENTS

Other long-term investments consisted of:

	Baht	
	Consolidated financial statements	
	2018	2017
Investment in government saving lottery	15,700,000	-
General investments	23,470,165	23,470,165
Total	39,170,165	23,470,165

Investment in government saving lottery has 314,000 units with Baht 50 each, totaling Baht 15.70 million. It has return to maturity (3 years) at 0.40% per annum.

General investments consisted of:

			Baht			
			Consolidated financial statement		Separate financial statement	
			2018	2017 (Restated)	2018	2017 (Restated)
	Paid-up capital (Baht)	Percentage of shareholding (%)				
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.	1,719,000,000	0.70	12,000,000	12,000,000	12,000,000	12,000,000
Agro Town Co., Ltd.	30,000,000		3,138,000	3,138,000	3,138,000	3,138,000
Siam Del Monté Co., Ltd. *	850,800,000	1.30	11,250,000	11,250,000	-	-
International Engineering Public Co., Ltd.	2,493,357,781	1.32 0.00	4	4	2	2
Total			57,438,004	57,438,004	46,188,002	46,188,002
Less 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 Monté Co., Ltd.			(11,250,000)	(11,250,000)	-	-
Total			(33,967,839)	(33,967,839)	(22,717,839)	(22,717,839)
Net			23,470,165	23,470,165	23,470,163	23,470,163

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

## 13. LONG-TERM LOAN

Long-term loan consisted of:

	Baht	
	Consolidated financial statements	
	2018	2017
Long-term loan	650,000	1,250,000
Less current portion	(600,000)	(600,000)
Long-term loan-net	50,000	650,000

As at December 31, 2018 and 2017, a subsidiary provided long - term loans to other person without interest. The repayment is at the rate of Baht 50,000 on monthly basis for 3 years. The completion of repayment will be done on May 29, 2020 and it has been pledged by a personal truck registration book.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 14.PROPERTY PLANT AND EQUIPMENT

รายการเปลี่ยนแปลงของบัญชีที่ดิน อาคารและอุปกรณ์สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2561 มีดังนี้

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec 31, 2017	Movement during the year			Balance per book as at Dec 31, 2018
		Additions	Deduction	Transferred in (out)	
<u>At cost/At revaluation</u>					
Land - revaluation	217,106,520	2,962,600	-	-	220,069,120
Building and building improvement	286,907,756	1,240,626	(266,273)	927,201	288,809,310
Machines and equipment	671,175,474	45,383,003	(1,703,272)	6,783,985	721,639,190
Furniture and fixture and office equipment	35,384,018	603,552	(4,860,000)	-	31,127,570
Vehicles	40,306,759	6,272,242	(2,237,245)	-	44,341,756
Other assets	7,724,778	587,153	(1,660,229)	-	6,651,702
Assets in progress	6,922,124	19,883,474	-	(7,711,186)	19,094,412
Total	1,265,527,429	76,932,650	(10,727,019)	-	1,331,733,060
<u>Accumulated depreciation</u>					
Building and building improvement	(80,494,644)	(9,379,608)	266,261	-	(89,607,991)
Machines and equipment	(275,875,026)	(52,758,100)	747,409	-	(327,885,717)
Furniture and fixture and office equipment	(30,832,582)	(1,484,715)	4,859,691	-	(27,457,606)
Vehicles	(26,235,518)	(3,202,164)	2,237,240	-	(27,200,442)
Other assets	(6,888,027)	(226,222)	1,510,377	-	(5,603,872)
Total	(420,325,797)	(67,050,809)	9,620,978	-	(477,755,628)
Property, plant and equipment, net	845,201,632				853,977,432

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec 31, 2016	Movement during the year			Balance per book as at Dec 31, 2017
		Additions	Deduction	Transferred in (out)	
<u>At cost/At revaluation</u>					
Land - revaluation	217,106,520	-	-	-	217,106,520
Building and building improvement	281,624,662	3,984,991	-	1,298,103	286,907,756
Machines and equipment	614,725,837	54,140,671	(3,650,985)	5,959,951	671,175,474
Furniture and fixture 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
Other assets	7,707,984	16,794	-	-	7,724,778
Assets in progress	14,292,315	927,200	-	(8,297,391)	6,922,124
Total	1,206,353,066	67,234,781	(7,021,081)	(1,039,337)	1,265,527,429
<u>Accumulated depreciation</u>					
Building and building improvement	(71,309,888)	(9,184,756)	-	-	(80,494,644)
Machines and equipment	(232,424,014)	(48,368,842)	3,648,697	1,269,133	(275,875,026)
Furniture and fixture 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)
Other assets	(6,669,814)	(218,213)	-	-	(6,888,027)
Total	(366,308,018)	(62,280,787)	6,993,875	1,269,133	(420,325,797)
Property, plant and equipment, net	840,045,048				845,201,632

	Baht				
	Separate financial statements				
	Balance per book as at Dec 31, 2017	Movement during the year			Balance per book as at Dec 31, 2018
		Additions	Deduction	Transferred in (out)	
<u>At cost</u>					
Furniture and fixture and office equipment	6,029,111	32,309	(4,860,000)	-	1,201,420
Vehicles	7,932,286	-	-	-	7,932,286
Other assets	1,450,429	15,860	(1,415,229)	-	51,060
Total	15,411,826	48,169	(6,275,229)	-	9,184,766
<u>Accumulated depreciation</u>					
Furniture and fixture and office equipment	(5,614,809)	(118,747)	4,859,691	-	(873,865)
Vehicles	(5,012,156)	(701,100)	-	-	(5,713,256)
Other assets	(1,434,248)	(13,820)	1,415,097	-	(32,971)
Total	(12,061,213)	(833,667)	6,274,788	-	(6,620,092)
Equipment, net	3,350,613				2,564,674

	Baht				
	Separate financial statements				
	Balance per book as at Dec 31, 2016	Movement during the year			Balance per book as at Dec 31, 2017
		Additions	Deduction	Transferred in (out)	
<u>At cost</u>					
Furniture and fixture and office equipment	5,788,307	240,804	-	-	6,029,111
Vehicles	6,160,407	3,505,500	(1,733,621)	-	7,932,286
Other assets	1,450,429	-	-	-	1,450,429
Total	13,399,143	3,746,304	(1,733,621)	-	15,411,826
<u>Accumulated depreciation</u>					
Furniture and fixture and office equipment	(5,500,252)	(114,557)	-	-	(5,614,809)
Vehicles	(5,935,066)	(810,707)	1,733,617	-	(5,012,156)
Other assets	(1,429,848)	(4,400)	-	-	(1,434,248)
Total	(12,865,166)	(929,664)	1,733,617	-	(12,061,213)
Equipment - net	533,977				3,350,613

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Depreciation for the year				
Cost of sales	61,487,095	56,988,518	-	-
Selling and administrative expenses	5,563,714	5,292,269	833,667	929,664
Total	67,050,809	62,280,787	833,667	929,664

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

A subsidiary hired a local independent appraiser namely; T.A. Management Corporation (1999) Co., Ltd. to appraise the value of land again based on fair market value by using the market approach. The land has cost amounting to Baht 102.06 million and the reappraisal value amounting to Baht 105.74 million, which the value is higher than the book value of Baht 3.68 million.

	Million Baht		
	Cost	Fair Market Value	Revaluation Surplus
Land presented in property, plant and equipment	100.86	103.82	2.96
Non-operating Land presented in other non-current assets	1.20	1.92	0.72
	102.06	105.74	3.68

A subsidiary has recognized the gain on land revaluation in other comprehensive income for the year ended December 31, 2018. The increment on land valuation in the amount of Baht 3.68 million is presented as land revaluation surplus under the shareholders' equity amounting to Baht 2.94 million net of deferred tax liabilities of Baht 0.74 million.

As at December 31, 2018 and 2017, the Company and its subsidiaries has fully depreciated fixed assets which is still in active use at gross carrying amount totaling of Baht 194.15 million and Baht 188.43 million, respectively (the separate amounting to Baht 5.02 million and Baht 11.29 million, respectively).

As at December 31, 2018 and 2017, the Company and its subsidiaries has vehicles under the finance lease agreement which has the net book value of Baht 3.27 million and Baht 2.92 million, respectively (the separate amount to Baht 2.22 million and Baht 2.92 million, respectively).

As at December 31, 2018 and 2017, a subsidiary has land with its construction which are pledged for the credit line with a local bank (Note 18). It has net book value totaling of Baht 165.84 million and Baht 171.85 million, respectively.

### 15. INTANGIBLE ASSETS

Movements of the intangible assets for the year ended December 31, 2018 was summarized as follows:

	Baht			
	Consolidated financial statement			
	Balance as at			Balance as at
	Dec 31, 2017	Increase	(Decrease)	Dec 31, 2018
Program computer	16,539,992	60,037	-	16,600,029
Less accumulated amortization	(15,309,584)	(891,584)	-	(16,201,168)
Net	1,230,408			398,861

	Baht			
	Consolidated financial statement			
	Balance as at			Balance as at
	Dec 31, 2016	Increase	(Decrease)	Dec 31, 2017
Program computer	16,456,832	83,160	-	16,539,992
Less accumulated amortization	(14,425,932)	(883,652)	-	(15,309,584)
Net	2,030,900			1,230,408

## 16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities can be shown as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Deferred tax assets	571,952	342,642	115,919	-
Deferred tax liabilities	(28,813,077)	(28,518,692)	-	-
	(28,241,125)	(28,176,050)	115,919	-

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2018 and 2017, were summarized as follows:

	Baht			
	Consolidated financial statement			
	As at Dec 31,  2017	Income (expense) during the year		As at Dec 31,  2018
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Allowance for decline in value of obsolete stock	1,742,145	541,899	-	2,284,044
Allowance for impairment of other current assets	477,162	(46,572)	-	430,590
Allowance for impairment of other non-current assets held for sale	300,000	(180,000)	-	120,000
Employee benefit obligation	429,741	289,099	703,667	1,422,507
Total	2,949,048	604,426	703,667	4,257,141
Deferred tax liabilities :				
Revaluation surplus	(23,827,800)	-	(735,920)	(24,563,720)
Accumulated depreciation from changing the useful life	(7,297,298)	(637,248)	-	(7,934,546)
Total	(31,125,098)	(637,248)	(735,920)	(32,498,266)
Deferred tax assets (liabilities) - net	(28,176,050)			(28,241,125)

	Baht			
	Consolidated financial statement			
	As at Dec 31,  2016	Income (expense) during the year		As at Dec 31,  2017
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Allowance for decline in value of obsolete stock	1,679,599	62,546	-	1,742,145
Allowance for impairment of other current assets	477,162	-	-	477,162
Allowance for impairment of other non-current assets held for sale	300,000	-	-	300,000
Employee benefit obligation	406,901	22,840	-	429,741
Total	2,863,662	85,386	-	2,949,048
Deferred tax liabilities :				
Revaluation surplus	(23,827,800)	-	-	(23,827,800)
Accumulated depreciation from changing the useful life	(6,910,111)	(387,187)	-	(7,297,298)
Total	(30,737,911)	(387,187)	-	(31,125,098)
Deferred tax assets (liabilities) - net	(27,874,249)			(28,176,050)



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Baht			
	Separate financial statement			
	As at Dec 31,	Income (expense) during the year		As at Dec 31,
	2017	In profit or loss	In other comprehensive income	2018
Deferred tax assets :				
Employee benefit obligation	-	217,896	(101,977)	115,919
Total	-	217,896	(101,977)	115,919

### 17. ADVANCE PAYMENT FOR SHARES SUBSCRIPTION

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

On May 21, 2018, the Company received advance payment for share subscription in return plus interest of 1.40% per annum on December 15, 2017 to May 20, 2018 of Baht 15.09 million. (as consolidated financial amounted of Baht 30.18 million)

### 18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2018, the subsidiaries have short-term credit facilities in the amount of Baht 368.70 million and USD 40.00 million as follow:

Type of short-term credit facilities	Interest rate (% per annum)	Credit amount (Million Baht)
(1) Overdrafts	MOR	42.20
(2) Loan for export	MLR-1.75	265.00
(3) Promissory notes for short-term loan	MLR-1.00	50.00
(4) Letter of guarantee	2.00	11.50
		(Million USD)
(5) Forward contract		40.00

The above credit facilities are guaranteed by mortgaging land and construction of a subsidiary (Note 14) and guaranteed by the subsidiaries and Mr. Komol Jungrungrangkit. (Shareholders of the Company). There are no any charges on the such guarantee.

## 19. TRADE AND OTHER ACCOUNTS PAYABLES

Trade and other accounts payable consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017 (Restated)
Trade accounts payable - related parties	2,171,140	2,186,823	-	-
Trade accounts payable - other parties	45,833,572	26,725,898	-	-
Cheques on hand	1,518,148	2,781,070	-	-
Total trade accounts payable	49,522,860	31,693,791	-	-
Other accounts payable - related parties	2,723,056	2,904,264	-	-
Other accounts payable - other parties	49,936,266	34,968,876	452,672	376,663
Cheques on hand	2,161,686	-	-	-
Total other accounts payable	54,821,008	37,873,140	452,672	376,663
Total trade and other accounts payable	104,343,868	69,566,931	452,672	376,663

## 20. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	2,203,842	2,654,451	2,017,382	2,654,451
Less deferred interest	(246,369)	(408,347)	(243,484)	(408,347)
	1,957,473	2,246,104	1,773,898	2,246,104
Less current portion	(695,532)	(301,103)	(511,957)	(301,103)
Liabilities under finance lease agreements - net	1,261,941	1,945,001	1,261,941	1,945,001

	Baht					
	Consolidated financial statements					
	2018			2017		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	1,957,473	695,532	2,653,005	2,246,104	301,103	2,547,207
Over 5 years	-	-	-	-	-	-
Total	1,957,473	695,532	2,653,005	2,246,104	301,103	2,547,207

As at December 31, 2018, the Company has finance lease agreements of rental vehicles with 2 local leasing companies in the total lease amount of Baht 2.82 million. Installments are due on a monthly basis over 22 - 60 months in monthly of Baht 0.07 million.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Baht					
	Consolidated financial statements					
	2018			2017		
	2018	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	1,773,898	511,957	2,285,855	2,246,104	301,103	2,547,207
Over 5 years	-	-	-	-	-	-
Total	1,773,898	511,957	2,285,855	2,246,104	301,103	2,547,207

As at December 31, 2018, the Company has finance lease agreements of rental vehicles with a local leasing companies in the total lease amount of Baht 2.41 million. Installments are due on a monthly basis over 60 months in monthly of Baht 0.05 million.

The Company shall have to comply with certain conditions and restrictions as specified in the lease agreements.

### 21.EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Beginning balance	4,053,481	4,353,032	960,865	1,588,817
Benefits paid by the plan during the year	-	(510,000)	-	(510,000)
Employee benefit obligation reversal	-	(239,467)	-	(239,467)
Current service costs and interest during the year	450,160	449,916	128,612	121,515
Actuarial (gain) loss	4,132,534	-	(509,883)	-
Ending balance	8,636,175	4,053,481	579,594	960,865

Expense recognized in the statements of comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Current service costs				
Administrative expenses	338,897	346,179	90,945	88,005
Interest on obligation	111,263	103,737	37,667	33,510
Total	450,160	449,916	128,612	121,515

Actuarial (gain) loss

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Actuarial (gain) loss arising from				
Changes in demographic assumptions	1,187,065	-	(386,530)	-
Changes in financial assumptions	2,052,938	-	(138,536)	-
Experience adjustments	892,531	-	15,183	-
Total	4,132,534	-	(509,883)	-

### Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 and 2017 are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2019
Discount rate				
0.5% increase	(323,006)	(138,182)	(28,531)	(54,925)
0.5% decrease	348,192	147,812	30,634	59,413
Salary increase rate				
0.5% increase	337,255	176,904	29,273	65,091
0.5% decrease	(188,993)	(115,288)	(27,520)	(60,489)
Turnover rate				
1% increase	(675,502)	(390,440)	(64,406)	(141,140)
1% decrease	773,434	451,595	74,337	167,806

### Principal assumptions in actuarial estimates

	2018		2017	
	Percentage		Percentage	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate	1.92 - 4.03	3.44	1.59 - 3.34	3.34
Salary increase rate	0.00 - 6.12	3.97	0.00 - 7.73	7.73
Employee turnover rate	0.00 - 22.00	11.00	9.00 - 33.00	9.00
Disability rate	10.00*	10.00*	10.00**	10.00**
Mortality rate	100.00*	100.00*	100.00**	100.00**

\* Reference to mortality rate in B.E. 2017

\*\* Reference to mortality rate in B.E. 2008

### Employee benefits obligations

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefits obligations approximately Baht 4.64 million, resulting in the decrease in profit approximately Baht 3.71 million, respectively (the separate amounting to Baht 0.17 million and Baht 0.14 million, respectively).

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 22. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2018 and 2017, the Group's debt-to-equity ratio was 0.10 : 1 and 0.07 : 1, respectively.

## 23.SHARE CAPITAL

According to the resolutions of the Board of Directors Meeting No. 1/2018 on February 23, 2018, has significant resolutions (approved in the shareholders' meeting on April 27, 2018) as follow:

### 23.1 Capital decrease

The Board of Directors' meeting 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.

### 23.2 Capital increase

The Board of Directors' meeting passed a resolution approving the increase of the registered capital of the Company, specified the purpose of utilizing proceeds, in the amount of Baht 67,078,587.10 from the prior registered capital of Baht 670,785,875.90 (958,265,537 shares) to be 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.

### 23.3 Allotment of new shares

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

Type of Warrants	Warrant to purchase ordinary shares of AgriPure Holdings Public Company Limited No.2 ("warrant" or "APURE-W2")
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	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 May 2, 2018 which is the date to record the names of shareholders who are entitled to be receive the Warrant (Record Date), and May 3, 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. 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. 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.

#### Exercise Period

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.

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.

The last exercise date shall be the date which is the third anniversary from the issuance and offering date of APURE-W2. 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-W2

## 24. APPROPRIATION OF RETAINED EARNINGS

### Legal reserve

Under the provision to the Public Limited Companies, the Company is required to set aside as statutory reserve at least 5% of its net income after deduction accumulated deficit bought forward (if any), until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

### Dividend payment

At the Board of Directors' meeting on August 11, 2017. It was unanimously resolved as the reservation amount of Baht 2.60 million, and pay the interim dividend in the rate of Baht of 0.05 per share for 958.27 million shares totaling of Baht 47.91 million. The dividend will be paid within September 8, 2017, and approved the appropriated - legal reserve amount of Baht 4.30 million.

At the Board of shareholders meeting 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 to December 31, 2016 of Baht 0.05 per share for 958.27 million shares totaling of Baht 47.91 million. The dividends will be paid within May 25, 2017 and approved the appropriated - legal reserve amount of Baht 1.70 million.

## 25. SEGMENT INFORMATION EXPENSES BY NATURE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials, packaging and supplies and supplies used	1,099,770,342	783,343,946	-	-
Changes in finished goods, semi-products and work in process	(152,687,165)	84,057,782	-	-
Employee benefit expenses	222,247,058	156,396,964	18,820,985	19,035,799
Sub-contract costs	25,475	36,921,074	-	-
Transportation expenses	84,217,089	82,274,494	-	-
Depreciation and amortisation	67,942,393	63,206,018	833,667	996,396
Depreciation fee and Product distribution	92,985,679	107,544,092	-	-
Repair and maintenance expenses	54,612,611	52,051,357	275,732	272,443
Utility expense	37,845,758	29,641,922	285,115	221,669
Fuel expenses	46,316,913	36,031,606	-	-
Office expense	16,568,494	14,383,631	1,197,331	1,211,744
Rental fee	7,011,469	8,913,894	-	-
Allowance for doubtful accounts	4,707,478	9,405,023	-	-
Decrease allowance for diminution in value of inventories	(686,162)	7,386,605	-	-



# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 26. TAX EXPENSE (TAX INCOME)

### 26.1 Major component of tax expense (income)

Major components of tax expense (income) for the years ended December 31, 2018 and 2017 included :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	28,145,331	29,777,523	983,262	1,373,258
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	32,822	301,801	(217,896)	-
Total	28,178,153	30,079,324	765,366	1,373,258
Income tax relating to components of other comprehensive income:				
Gain on land revaluation	735,920	-	-	-
Actuarial gain (loss)	(703,667)	-	101,977	-
Total	32,253	-	101,977	-

### 26.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) for the year	155,546,990	175,591,871	53,390,577	104,036,134
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	31,109,398	35,118,374	10,678,115	20,807,227
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,657,024	304,399	112,923	119,529
Tax effect of income that are required in determining tax profit :				
- Exemption of non-taxable dividend income	(113,500)	(113,500)	(9,833,499)	(19,553,498)
- Expenses allowed as additional in determining tax profit	(3,960,985)	(4,390,665)	-	-
Loss on taxable profit that are not recorded as deferred tax assets	(672,160)	-	(192,173)	-
Others	158,376	(839,284)	-	-
Total reconciliation items	(2,931,245)	(5,039,050)	(9,912,749)	(19,433,969)
Total tax expense (income)	28,178,153	30,079,324	765,366	1,373,258

### 26.3 A numerical reconciliation between tax average effective tax rate and the application tax rate

A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017 were summarized as follows:

	Consolidated financial statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	155,546,990		175,591,871	
Tax expense (income) at the applicable tax rate	31,109,398	20.00	35,118,374	20.00
Reconciliation items	(2,931,245)	(1.88)	(5,039,050)	(2.87)
Tax expense (income) at the average effective tax rate	28,178,153	18.12	30,079,324	17.13

	Separate financial statement			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	53,390,577		104,036,134	
Tax expense (income) at the applicable tax rate	10,678,115	20.00	20,807,227	20.00
Reconciliation items	(9,912,749)	(18.57)	(19,433,969)	(18.68)
Tax expense (income) at the average effective tax rate	765,366	1.43	1,373,258	1.32

## 27. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the parent company for the period by the weighted average number of ordinary shares which are issued during the period and held by outside party.

However, the Company did not include the warrant APURE-W2 in calculating the diluted earnings (loss) per shares from warrant because the average share price during this period was lower than the exercise price.

For the year ended December 31, 2018 and 2017 as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the period attributable to equity holders of the parent company (Baht)	119,548,546	141,817,082	52,625,211	102,662,876
Weighted average number of ordinary shares (shares)	958,265,537	958,265,537	958,265,537	958,265,537
Basic earnings per share of the parent company (Baht per share)	0.12	0.15	0.05	0.11

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 28. 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 year ended December 31, 2018 and 2017 as follows:

	Baht					
	Consolidated financial statements					
	2018					
	Canned sweet corn	Fresh vegetable and fruit	Commercial seed	Total	Eliminate	Total
External revenue	1,410,424,946	165,072,672	147,205,142	1,722,702,760	-	1,722,702,760
Inter - segment revenue	854,955	4,858,249	40,990,500	46,703,704	(46,703,704)	-
Total revenue	1,411,279,901	169,930,921	188,195,642	1,769,406,464	(46,703,704)	1,722,702,760
Segment profit (loss) before income tax	165,583,012	(609,473)	39,355,853	204,329,392	(48,782,402)	155,546,990
Segment assets	2,584,014,140	83,499,260	103,436,153	2,770,949,553	(957,496,163)	1,813,453,390

	Baht					
	Consolidated financial statements					
	2017					
	Canned sweet corn	Fresh vegetable and fruit	Commercial seed	Total	Eliminate	Total
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

### 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.

	Baht	
	Consolidated financial statements	
	2561	2560
Overseas	1,510,098,496	1,432,952,559
Domestic	212,604,264	161,656,795
Total	1,722,702,760	1,594,609,354

### Major customers

Revenue from a major customer from canned sweet corn for the year ended December 31, 2018 and 2017, amounted Baht 180.74 million (2017 : a major customer amounted Baht 151.74 million from total revenue of the group, respectively).u)

## 29. PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

The Company has received of promotional privileges under investment promotion act. B.E.2520 for a project of manufacturing or preserving food, drink, food addictive or food ingredient with high technology as following :-

- Exemption from payment of import duty and business tax on machinery as approved by the Board of Investment.
- Exemption from payment of income tax on net profit derived from the promoted business which is not over 50% of investment value for a period of 3 years

## 30. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.พ.ศ.2530

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act.

The Company's contributions for the years ended December 31, 2018 and 2017 were amounted to Baht 0.91 million and Baht 0.93 million, respectively. (the separate amounting to Baht 0.72 million and Baht 0.72 million, respectively).

## 31. FINANCIAL INSTRUMENTS

### 31.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

### 31.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term and machine payable. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2018 and 2017, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

Baht				
Consolidated financial statements				
As at December 31, 2018				
	Floating interest rate	Fixed interest rate	Interest free	Total
Financial assets				
Cash and cash equivalents	218,237,122	5,495,028	19,028,723	242,760,873
Temporary investment	-	27,006,440	-	27,006,440
Trade and other accounts receivable	-	-	241,292,447	241,292,447
Short-term loan	-	24,000,000	-	24,000,000
Long-term loan	-	650,000	-	650,000
Investment in government saving lottery	-	15,700,000	-	15,700,000
Financial liabilities				
Trade and other accounts payable	-	-	104,343,868	104,343,868
Liabilities under finance lease agreement	-	1,957,473	-	1,957,473

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Baht			
	Consolidated financial statements			
	As at December 31, 2017			
	Floating interest rate	Fixed interest rate	Interest free	Total
<u>Financial assets</u>				
Cash and cash equivalents	238,489,412	5,440,962	4,193,074	248,123,448
Temporary investment	-	22,679,227	-	22,679,227
Trade and other accounts receivable	-	-	222,495,403	222,495,403
Short-term loan	-	24,000,000	-	24,000,000
Long-term loan	-	1,250,000	-	1,250,000
<u>Financial liabilities</u>				
Trade and other accounts payable	-	-	69,566,931	69,566,931
Liabilities under finance lease agreement	-	2,246,104	-	2,246,104

	Baht			
	Separate financial statements			
	As at December 31, 2018			
	Floating interest rate	Fixed interest rate	Interest free	Total
<u>Financial assets</u>				
Cash and cash equivalents	153,402,409	-	276,940	153,679,349
Trade and other accounts receivable	-	-	3,234,020	3,234,080
Short-term loan	-	50,000,000	-	50,000,000
<u>Financial liabilities</u>				
Trade and other accounts payable	-	-	452,672	452,672
Liabilities under finance lease agreement	-	1,773,898	-	1,773,898

	Baht			
	Separate financial statements			
	As at December 31, 2017			
	Floating interest rate	Fixed interest rate	Interest free	Total
<u>Financial assets</u>				
Cash and cash equivalents	136,186,899	-	310,504	136,497,403
Trade and other accounts receivable	-	-	3,126,433	3,126,433
<u>Financial liabilities</u>				
Trade and other accounts payable	-	-	376,663	376,663
Liabilities under finance lease agreement	-	2,246,104	-	2,246,104

### 31.3 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily relating to trade accounts receivable. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

### 31.4 Foreign currency risk

The Company and its subsidiary companies incurred risk foreign currencies exchange due to the Company and its subsidiary companies constitutes cash at banks, trade accounts receivable, trust receipts and trade accounts payable in foreign currencies which the Company had hedged as they believed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As of December 31, 2018 and 2017, the Company and its subsidiary has no outstanding foreign exchange contracts and constitutes foreign currencies assets and liabilities which mainly due within one year as follows:

	Baht			
	Consolidated financial statements			
	As at December 31, 2018		As at December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Foreign currency				
US Dollar	121,575,872	2,753,341	117,572,339	2,299,698
Euro	364,789	-	1,284,811	-
Pound sterling	6,751,468	11,335	8,994,585	12,136
Yen	4,504,050	3,669,619	7,032,475	28,482
Singapore Dollar	417,586	-	325,005	-
Australia Dollar	-	50,041	-	55,727

A subsidiary exposure to foreign currency risk related to its export sale. During the period, a subsidiary primarily utilizes forward exchange contracts to hedge exchange rate.

As at December 31, 2018, a subsidiary had the forward contract was amount to be received and contractual exchange rates of the outstanding contracts as follow:

Maturity date	Amount of buying/selling on contract	Exchange rates of contracts per unit	Amount to be received/ Delivered on contract
April 9 - 30, 2019	USD 280,000	32.8254 - 32.3850	Baht 9,111,840

### 31.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

### 31.6 Fair value

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.



# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 as follows:

	Baht				
	Consolidated financial statements				
	Balance as at Dec 31, 2017	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at Dec 31, 2018
			Increase	Acquisition of Subsidiary	
Liabilities under finance lease agreement	2,246,104	(685,571)	396,940	-	1,957,473
Total	2,246,104	(685,571)	396,940	-	1,957,473

	Baht				
	Consolidated financial statements				
	Balance as at Dec 31, 2016	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at Dec 31, 2017
			Increase	Acquisition of Subsidiary	
Liabilities under finance lease agreement	-	(541,287)	2,787,391	-	2,246,104
Total	-	(541,287)	2,787,391	-	2,246,104

	Baht				
	Separate financial statements				
	Balance as at Dec 31, 2017	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at Dec 31, 2018
			Increase	Acquisition of Subsidiary	
Liabilities under finance lease agreement	2,246,104	(472,206)	-	-	1,773,898
Total	2,246,104	(472,206)	-	-	1,773,898

	Baht				
	Separate financial statements				
	Balance as at Dec 31, 2016	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at Dec 31, 2017
			Increase	Acquisition of Subsidiary	
Liabilities under finance lease agreement	-	(541,287)	2,787,391	-	2,246,104
Total	-	(541,287)	2,787,391	-	2,246,104

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

## 33. COMMITMENTS

33.1 As at December 31, 2018 the Group has a commitment as follow :

	Baht	
	Consolidated financial statements	
	2018	2017
Machine purchase agreement		
- Thai currency (THB)	33,060,000	5,981,000
- United states of America currency (USD)	1,652,870	25,975

33.2 As at December 31, 2018 the Group has a commitment from operating lease lease as follow :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Paid within				
Not over 1 year	5,177,805	1,955,500	2,625,000	612,000
1 - 5 years	1,434,953	1,236,000	756,000	1,020,000
Total	6,612,758	3,191,500	3,381,000	1,632,000

### 34. CONTINGENT LIABILITIES

34.1 As at December 31, 2018, subsidiaries have contingent liabilities from bank guarantee of electricity in normal operation of the business totaling of Baht 3.53 million.

34.2 A subsidiary has contingent liabilities from loan guarantee and credit facilities to another subsidiary which are from financial institutions totaling Baht 28 million.

34.3 A subsidiary has a lawsuit against the defendant. About import tariffs in Europe. The Court of First Instance judged to use tax rate of 12.8% (3.6% 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.

### 35. RECLASSIFICATION

Certain amounts in the financial statements for the year 2017 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications were as follow:

	Baht		
	Consolidated financial statements		
	As previously reported	Reclassified increase (decrease)	As reclassified
Statement of financial position			
As at December 31, 2017			
Trade and other accounts receivable	239,324,083	(16,828,680)	222,495,403
Short-term loan	24,600,000	(600,000)	24,000,000
Current portion of long-term loan	-	600,000	600,000
Revenue department receivable	-	14,154,171	14,154,171
Other current assets	44,410,733	(38,691,200)	5,719,533
Investment in subsidiaries	4	(4)	-
Other long-term investment	23,470,161	4	23,470,165
Advance payment for share subscription	-	30,000,000	30,000,000
Other non-current assets	1,789,893	11,365,709	13,155,602
Trade and other accounts payable	69,936,802	(369,871)	69,566,931
Other current liabilities	2,006,146	369,871	2,376,017
Statement of financial position			
For the year ended December 31, 2017			
Other income	13,135,441	(4,508,996)	8,626,445
Selling expenses	130,348,335	(19,117,705)	111,230,630
Administrative expenses	103,148,212	14,608,709	117,756,921

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Baht		
	Consolidated financial statements		
	As previously reported	Reclassified increase (decrease)	As reclassified
Statement of financial position			
As at December 31, 2017			
Other current assets	15,999,288	(15,000,000)	999,288
Investment in subsidiaries	899,999,932	(2)	899,999,930
Other long-term investment	23,470,161	2	23,470,163
Advance payment for share subscription	-	15,000,000	15,000,000
Trade and other accounts payable	746,534	(369,871)	376,663
Other current liabilities	672,698	369,871	1,042,569

### 36. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations

TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018)
TFRIC 10 (revised 2018)	Financial Reporting in Hyperinflationary Economics
TFRIC 12 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2018)	Service Concession Arrangements
TFRIC 17 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 20 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 21 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

### 37. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's executive committee on February 22, 2019.

## The remuneration of the auditors

The Company and its subsidiaries' audit fee for paid to the Dharmniti Audit Co., Ltd. for the year 2018 Baht 2,420,000, non-audit fee such as transportation fee and over time fee for the accounting period is Baht 127,710.02

The Company and its subsidiaries' auditors consist of

(1) Mr.Peeradate Phongsathainsak	Certified Public Accountant Registration No. 4752
(2) Mr. Pojana Asavasontichai	Certified Public Accountant Registration No. 4891
(3) Mr. Thanawut Piboonsawat	Certified Public Accountant Registration No. 6699
(4) Ms. Wannisa Ngambuathong	Certified Public Accountant Registration No. 6838
(5) Ms. Sulalid Ardsawang	Certified Public Accountant Registration No. 7517
(6) Mr. Suwat Maneeakanoksukol	Certified Public Accountant Registration No. 8134
(7) Ms. Soraya Tintasuwan	Certified Public Accountant Registration No. 8658
(8) Ms. Thanyaporn Tangtanopjai	Certified Public Accountant Registration No. 9169
(9) Ms. Roongnapha Saengchan	Certified Public Accountant Registration No. 10142

### Audit fee

Items	Payers	Audit fee
1	AgriPure Holdings PCL	620,000.00
2	River Kwai International Food Industry Company Limited	1,100,000.00
3	Sweet Corn Products Company Limited	350,000.00
4	AgriFresh Company Limited	350,000.00
		2,420,000.00

### Non - Audit fee

Items	Payers	Audit fee
1	AgriPure Holdings PCL	33,305.00
2	River Kwai International Food Industry Company Limited	47,378.01
3	Sweet Corn Products Company Limited	25,072.00
4	AgriFresh Company Limited	21,955.01
		127,710.02

### 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.

  
 (.....)  
 ( Ms.Roongnapha Saengchan )  
 Certified Public Accountant No. 10142  
 Dharmniti Audit Co., Ltd.

# Financial Position and Operating Performance of year 2018

## Revenue from Sales

The Company and its subsidiaries' total revenue from sales for the year 2018 totaled 1,549.52 million baht, 1,594.61 million baht, and 1,722.70 million baht for year 2016, 2017, and 2018 respectively. As can be seen, the revenue from sale increased continuously every year. In the year 2018, increased orders and the market expansion in other countries of canned sweet corn and pouched sweet corn. However, the sale price per unit decreased, the severe price competition in the market and Thai Baht strengthen. As a result revenue from sales of year 2018 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

	2016	2017	2018
<b>Export Sale</b>			
• Canned sweet corn (RKI)	1,019.67	1,025.18	1,123.41
• Fresh vegetable and fruit (AF)	170.58	175.58	152.49
• Pouched sweet corn (RKI)	213.75	234.16	234.19
<b>รวม</b>	<b>1,404.00</b>	<b>1,434.92</b>	<b>1,510.09</b>
<b>Domestic Sales</b>			
• Canned sweet corn (RKI)	36.20	31.88	40.58
• Seeds (SCP)	66.64	85.79	72.97
• Others (RKI)	16.92	8.77	71.35
• Pouched sweet corn (RKI)	10.57	5.86	7.74
• Fresh vegetable and fruit (AF)	15.19	27.39	19.96
<b>Total</b>	<b>145.52</b>	<b>159.69</b>	<b>212.60</b>
<b>Total domestic and export sales</b>	<b>1,549.52</b>	<b>1,594.61</b>	<b>1,722.69</b>

## Costs of Sale

The company has cost of sales of 1,089.83 million baht, 1,196.69 million baht, and 1,343.99 million baht in year 2016, 2017, and 2018 respectively. The cost of sales to revenue from sale ratio is 70.33%, 75.05% and 78.02%, for year 2016, 2017 and 2018 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 2018.

## Gross profit

The company has gross profit of 459.69 million baht, 397.92 million baht and 378.71 million baht in year 2016, 2017 and 2018 respectively. Gross profit margin is 29.67%, 24.95% and 21.98% for year 2016, 2017 and 2018 respectively. due to the severe competition in the market, as a result decrease in sales price per unit and Thai baht strengthen against US Dollar (which is major currency in sale price) and effect from the cost 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 225.42 million baht, 233.49 million baht and 238.35 million baht in year 2016, 2017 and 2018 respectively. SG&A ratio is 14.55%, 14.64% and 13.83% for year 2016, 2017 and 2018 respectively. Selling expenses increased as same as sales. Although the Company will has been better administration for cost of sales and control expenses than previous year, as a result to revenue recognition and gross profit was decrease.

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

The company has net profit (Attributable to Equity Holders of the Company) of 191.60 million baht, 141.82 million baht and 119.55 million baht in year 2016, 2017 and 2018 respectively. Net Profit margin is 12.37%, 8.89 and 6.94% for year 2016, 2017 and 2018 respectively. The reason for decrease in net profit are Thai baht strengthen against US Dollar, decrease in sale price and increase in cost of sales, which mentioned and explained above.

