

# Annual Report

## AgriPure 2019





## 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 products 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

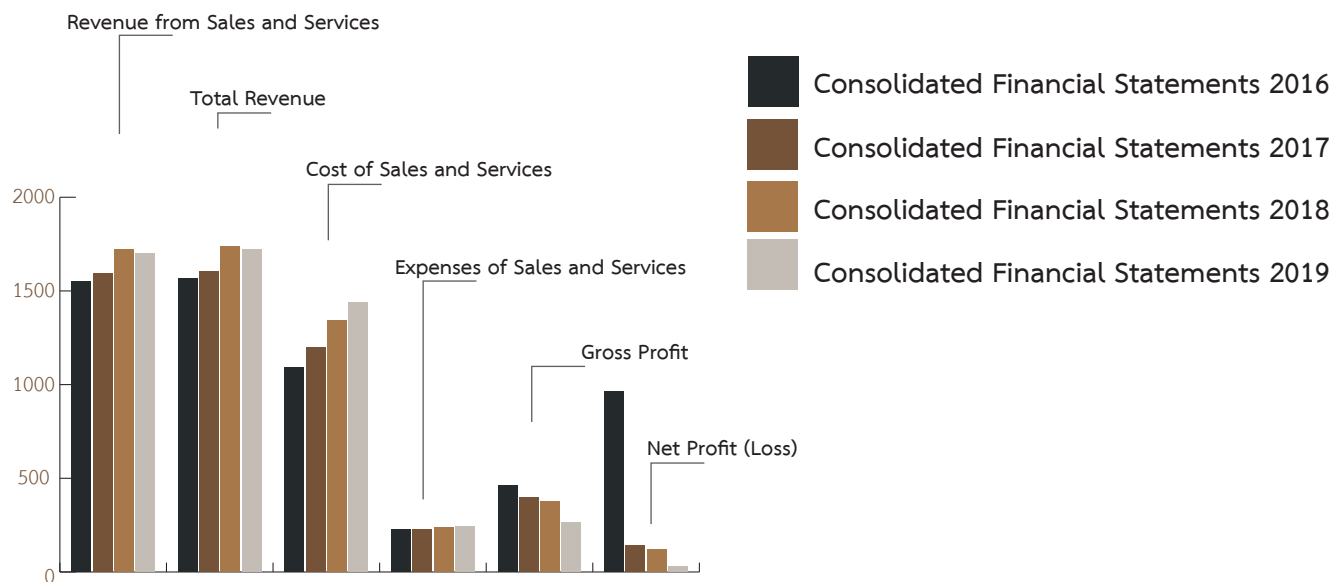
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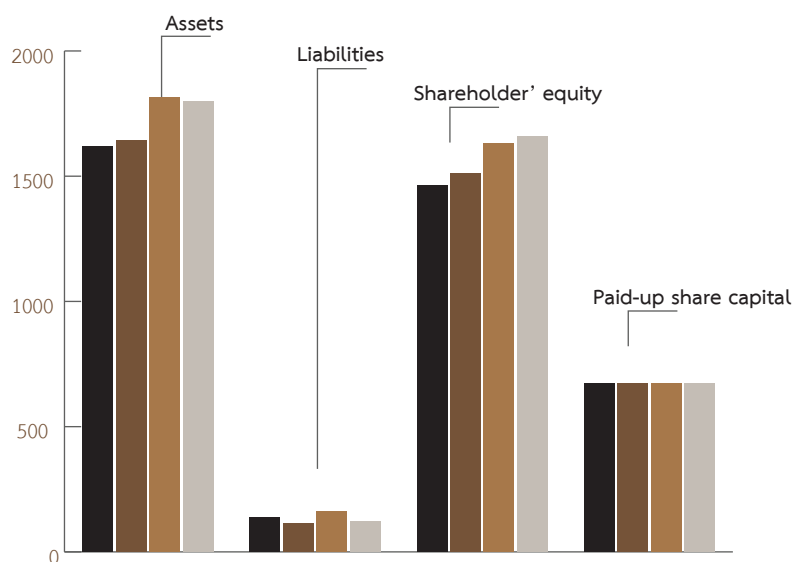
# Financial Highlights

Consolidated Financial Statements		2016	2017	2018	2019
Financial Performance (THB Million)					
-	Revenue from Sales and Services	1,549.52	1,594.61	1,722.70	1701.41
-	Total Revenue	1,565.12	1,603.24	1,738.07	1,719.52
-	Cost of Sales and Services	1,089.83	1,196.69	1,344.00	1,437.41
-	Expenses of Sales and Services	225.42	228.99	238.35	244.20
-	Gross Profit	459.69	397.92	378.70	264.00
-	Net Profit (Loss)	191.60	141.82	119.15	29.14
Financial Status (THB Million))					
-	Assets	1,619.65	1,642.39	1,813.45	1,798.74
-	Liabilities	137.57	113.75	161.05	120.00
-	Shareholder' equity	1,464.14	1,510.13	1,629.28	1,658.42
-	Paid-up share capital	670.79	670.79	670.79	670.79
-	Common Stock	958.27	958.27	958.27	958.27
Per Share (THB)					
-	Earnings (THB)	0.22	0.16	0.12	0.03
-	Book value	1.49	1.57	1.67	1.71
Financial Ratio					
-	Gross Profit Margin (%)	29.67	24.95	21.98	15.52
-	Net Profit Margin (%)	12.24	8.82	6.88	1.69
-	Return on Equities (%)	13.70	9.54	7.62	1.77
-	Return on Assets (%)	16.20	10.89	9.01	2.10
-	Liquidity Ratio (Times)	7.16	9.19	7.18	10.19
-	Debt to Equity Ratio (Times)	0.09	0.08	0.10	0.07

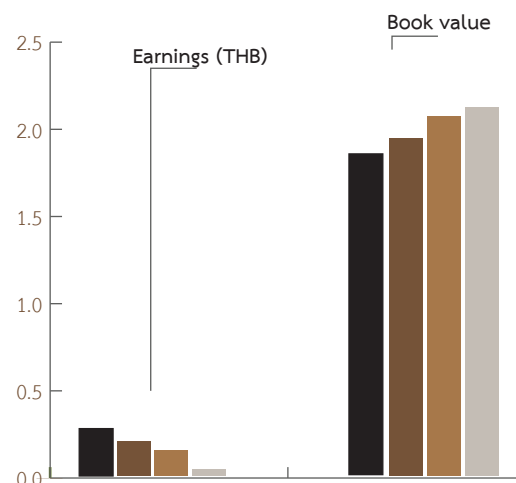
## Financial Performance (THB Million)



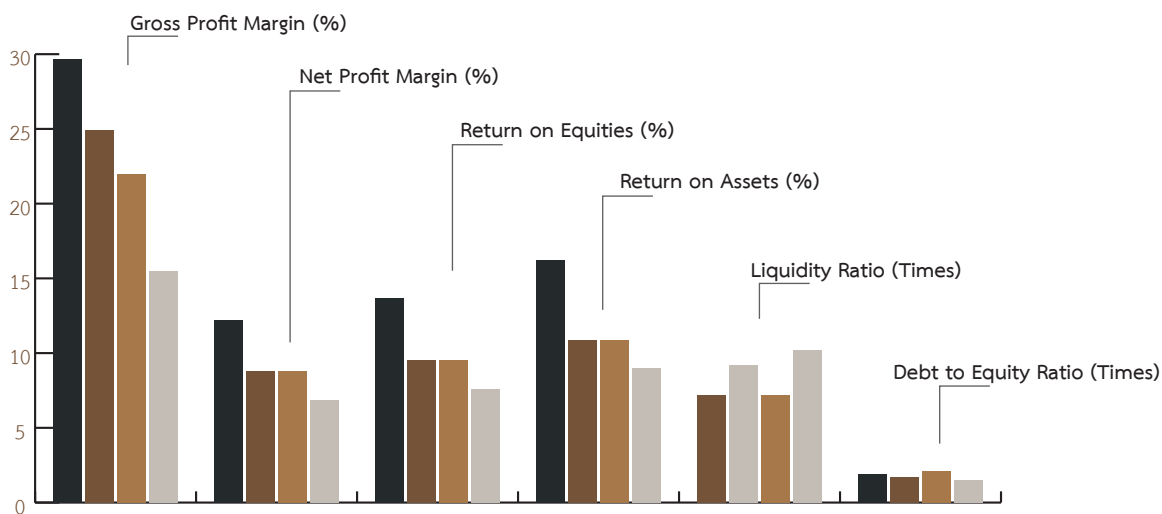
## Financial Status (THB Million)



## Per Share (THB)



## Financial Ratio



## Message from Chairman of Board of Directors



For business operations in year 2019, decreased from year 2018 as a result of pressure factors in Thai Baht strengthened to the US dollar including the instability of the global economy resulting from tax increases and the trade war of big countries that affect the world economy.

The company has operating results for the year 2019, revenue from sales was 1,701.41 million baht, which is a 1.24% decrease from 2018, total revenue was 1,719.52 million baht, which is a 1.07% decrease from 2018 and net profit was 31.34 million baht, decrease of 75.39%. 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.

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.

A handwritten signature in blue ink, appearing to read 'Suredpon Jungrungrangkit'.

Mr. Suredpon Jungrungrangkit

Chairman of Board of Directors

# Management's Information



**Mr. Suredpon Jungrungruangkit**  
Chairman/President  
(Director Authorized Signatory)

**Date of Birth:** 24 February 1983  
**Age:** 37 years  
**Address:** 177 Soi Piyanon, Bangpongpan, Yan nawa, Bangkok 10120  
**Top Education:** - MBA. General Business, University of Texas, San Antonio.  
 - Bachelor of Commerce and Accountancy, Thammasat University  
**Training Programs for Director:** -  
**Work Experience :**  
 2011-Present Chairman, Agripure Holdings Public Company Limited  
 2015-Present Chairman, Qualimer Company Limited  
 2011-Present Director, River Kwai International Food Industry Company Limited  
 2005- Present Construction Manager, Summit Pine Hurst Golf Club Limited  
**Number of Companies in which such person is a Director**  
 1 Listed Company  
 2 Other Companies  
**% of Shareholding Relation;** 35.36%  
**Years / Terms serving as a Company's Board :** 9 Years / 4 Terms  
**Date appointed as director :** 27 April 2011



**Miss Sineemas Sotpiparnukul**  
Director /Chief Executive Officer  
(Director Authorized Signatory)

**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  
 - Bachelor of Commerce and Accountancy, Thammasat University  
**Training Programs for Director:** -  
**Work Experience:**  
 2011-Present Director / Chief Executive Officer, Agripure Holdings Public Company Limited  
 2015- Present Director, Qualimer Co., Ltd.  
 2011-Present Director, River Kwai International Food Industry Company Limited  
**Number of Companies in which such person is a Director**  
 1 Listed Company  
 2 Other Companies  
**% of Shareholding Relation;** -  
**Years / Terms serving as a Company's Board :** 8 Years / 3 Terms  
**Date appointed as director :** 16 September 2011

## Management's Information (Cont.)



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

**Date of Birth:** 4 April 1950  
**Age:** 70 years  
**Address:** 91/125-126 Muban Patwikon 2 Soi Raminthra 44, Khannayao, Khannayao, Bangkok, 10230  
**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:**  
2007-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  
2008-2014 Dean of the Institute of Agricultural Technology, Walailak University  
**Number of other Companies in which such person is a Director by divided into listed companies and other companies:** -None-  
**% of Shareholding:** -  
**Relation;** -  
**Years / Terms serving as a Company's Board :** 13 Years / 5 Terms  
**Date appointed as director :** 18 April 2007



**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.  
- Exchange Student at California State University, Fresno  
- Bachelor of Business Administration (International Program) Accounting Major with 1st Class Honors, Chulalongkorn University  
**Training Programs for Director:** -  
**Work Experience:**  
2011 - Present Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee, Agripure Holdings Public Company Limited.  
2013 – Present Sales Executive Assistant Kasikornbank Public Company Limited  
2008 -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.  
**Number of other Companies in which such person is a Director by divided into listed companies and other companies:** -None-  
**% of Shareholding:** -  
**Relation;** -  
**Years / Terms serving as a Company's Board :** 8 Years / 3 Terms  
**Date appointed as director :** 16 September 2011





**Mr. Sakda Sinives**

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

**Date of Birth:** 1 December 1954  
**Age:** 65 years  
**Address:** 62/3 Moo 3 Soi Watdowruang , Bangpool, Prathumtani, 12000  
**Top Education:**

- Master of Science Rural Development,  
Central Luzon State University, Philippines
- Bachelor's Degree, Promotion of Agriculture Graduate  
Sukhothai Thammathirat Open University.

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

**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

**Number of Companies in which such person is a Director**

- 1 Listed Company  
1 Other Companies

**% of Shareholding:** -

**Relation;** -

**Years / Terms serving as a Company's Board :** 9 Years / 4 Terms

**Date appointed as director :** 27 April 2011



**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 Kruai, Nonthaburi  
**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.
- 2019 – Present** Director, 9091 Logistics Company Limited
- 2016 – Present** Director, Primo Oil 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

**Number of Companies in which such person is a Director**

- 1 Listed Company  
4 Other Companies

**% of Shareholding :** -

**Relation;** -

**Years / Terms serving as a Company's Board :** 6 Years / 2 Terms

**Date appointed as director :** 30 April 2014

## Management's Information(Cont.)



Mr. Pongsat Kanchanapisoot  
Independent Director

**Date of Birth :** 20 January 1983  
**Age:** 37 years  
**Address:** 153 Amnuaysongkram RD., Thanon Nakhon Chai si, 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.  
 2016 – Present Portfolio Analyst, PTT Exploration and Production PCL, Thailand  
 2013 – 2016 Economist, Petroleum Economics  
 PTT Exploration and Production PCL, Thailand.  
 2009- 2013 Senior Analyst, Risk Monitoring and Analysis Team  
 Bank of Thailand, Bangkok, Thailand.  
**Number of other Companies in which such person is a Director by divided into listed companies and other companies:** -None-  
**% of Shareholding:** -  
**Relation;** -  
**Years / Terms serving as a Company's Board :** 6 Years / 2 Terms  
**Date appointed as director :** 13 November 2012



Miss Bhornrat Bubphavanich  
Independent Director

**Date of Birth :** 5 October 1982  
**Age:** 37 years  
**Address :** 26/126 Sukhumvit 40, Sukhumvit Rd., Phrakonong, Klongtoey, Bangkok 10110  
**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  
**Number of other Companies in which such person is a Director by divided into listed companies and other companies:** -None-  
**% of Shareholding:** -  
**Relation;** -  
**Years / Terms serving as a Company's Board :** 6 Years / 2 Terms  
**Date appointed as director :** 30 April 2014



Mrs. Saowanee Prasertwattanakul  
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 Company Limited  
 Number of other Companies in which such person is a Director by divided into listed companies and other companies: -None-  
 % of Shareholding : -  
 Relation; -  
 Years / Terms serving as a Company's Board : 8 Years / 4 Terms  
 Date appointed as director : 27 April 2011



Mrs. Kittima Imprasert  
Director  
(Director Authorized Signatory)

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 Directors  
 Work Experience:  
     2011-Present Director, Agripure Holdings Public Company Limited  
     2001 – Present Director and Accounting manager,  
     Summit Pine Hurst Golf Club Limited  
 Number of Companies in which such person is a Director  
     1 Listed Company  
     3 Other Companies  
 % of Shareholding: -  
 Relation; -  
 Years / Terms serving as a Company's Board : 9 Years / 4 Terms  
 Date appointed as director : 27 April 2011

# 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, 2019 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, 2019 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, 2019 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, 2019 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, 2019 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, 2019, 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, 2019, 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, 2019 Agri Fresh had the issued and paid up capital of Baht 78.25 million.

Initial Established  
under the name  
River Kwai  
International  
Company Limited

1986

Registered  
With SET

1993

Registered  
as a public  
company

1994

Rename as a  
Nithiventure  
Corporation  
Public Company  
Limited

1995



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

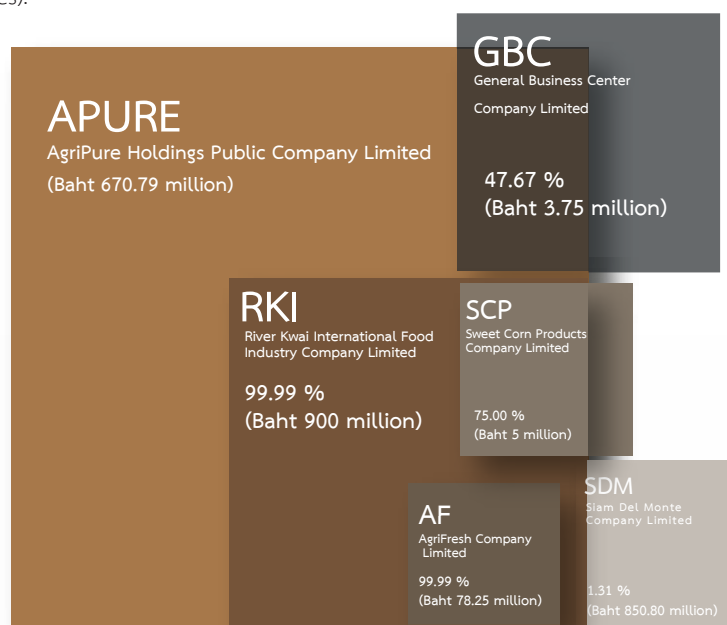
4. Siam Del Monte Company Limited established on January 28, 2005 with the initial registered capital of Baht 150 million in order to produce packed and sealed vegetables and fruits. Thus, accounting period of Siam Del Monte ended on March 31, Siam Del Monte had the issued and paid up capital of Baht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

Business of producing packed and sealed vegetables and fruits or packaging business "TETRA RECAP" 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) Samroiody 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, 2019 in the reviewed financial statement of the Company and copy of lists of shareholders of the relevant companies).



## Corporate Objectives

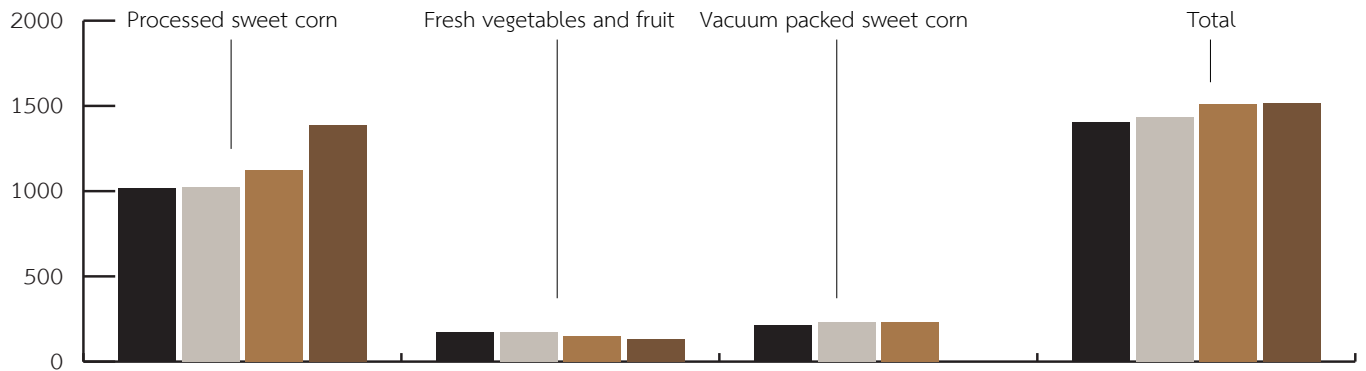
The company is committed to becoming a strong company in the agricultural industry. By focusing on producing high quality products and excellent service to response to customers demand and various organizations involved along with social and environmental responsibility by focusing on the development of production procedures continuously in order to present the product with good quality and can reduce the production cost including finding high quality raw materials to present to customers into sustainable development.



# Revenue Structure

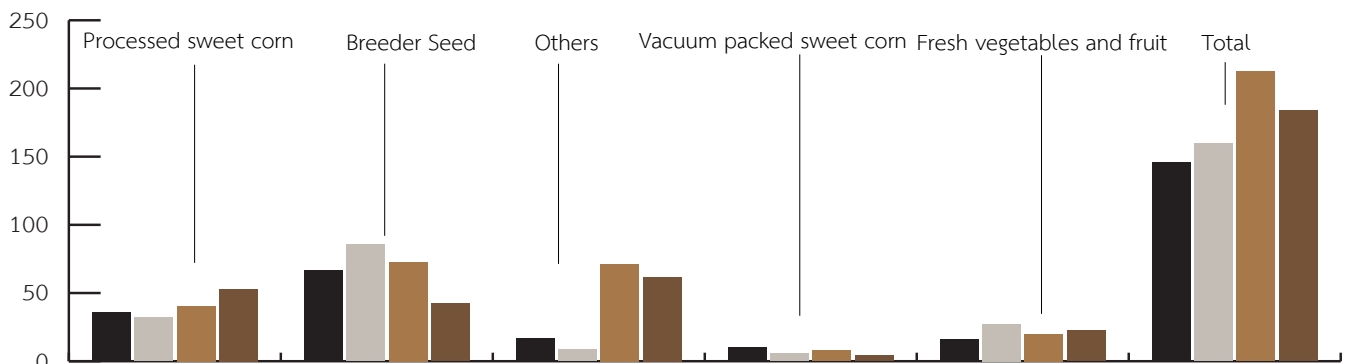
Revenue Structure from domestic and foreign sale could be shown as follows:

## มูลค่าการจำหน่ายต่างประเทศ



Business Type / Revenue	By	2016		2017		2018		2562	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<u>Sales to Foreign Market</u>									
- Processed sweet corn	RKI	1,019.67	65.81	1,025.18	64.29	1,123.41	65.21	1,387.60	81.56
- Fresh vegetables and fruit	AGF	170.58	11.01	175.58	11.01	152.49	8.85	129.89	7.63
- Vacuum packed sweet corn	RKI	213.75	13.79	234.16	14.68	234.19	13.59	-	-
<b>รวม</b>		<b>1,404.00</b>	<b>90.61</b>	<b>1,434.92</b>	<b>89.99</b>	<b>1,510.09</b>	<b>87.66</b>	<b>1,517.49</b>	<b>89.19</b>

## มูลค่าการจำหน่ายในประเทศ



Business Type / Revenue	By	2016		2017		2018		2019	
		Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<u>Sales to Domestic Market</u>									
- Processed sweet corn	RKI	36.20	2.34	31.88	2.00	40.58	2.36	53.11	3.12
- Breeder Seed	SCP	66.64	4.30	85.79	5.38	72.97	4.24	42.37	2.49
- Others	RKI	16.92	1.09	8.77	0.55	71.35	4.14	61.84	3.63
- Vacuum packed sweet corn	RKI	10.57	0.68	5.86	0.37	7.74	0.45	4.09	0.24
- Fresh vegetables and fruit	AGF	15.19	0.98	27.39	1.72	19.96	1.16	22.50	1.32
<u>Total</u>		145.52	9.39	159.69	10.01	212.60	12.34	183.91	10.81
<u>Grand Total Sale</u>		1,549.52	100.00	1,594.61	100.00	1,722.69	100.00	1,701.39	100.00

Abbreviation:

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

# 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
- CANNED CREAM STYLE CORN
- WHOLE KERNEL CORN IN RETORTABLE POUCH
- CORN ON THE COB IN RETORTABLE POUCH

## Domestic Products

Under the trademark TASTEE and RIVER KWAI, namely

- CANNED KERNEL SWEET CORN
- CANNED CREAM STYLE CORN
- WHOLE KERNEL CORN IN RETORTABLE POUCH
- FRESH PACK
- SWEET CORN FRESH PACK
- SWEET CORN SEED
- CORN ON THE COB IN RETORTABLE POUCH

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

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

## Environmental Impact

-None-

## Benefits from Investment Promotion

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.



# Industry and Competition

## Industry of Processed Sweet Corn

Overall, the production decreases following the reduction of cultivated land. In which the harvested area decreased because the amount of natural water sources during the dry season is less than last year resulting to insufficient water for cultivation, farmers therefore free the space. The sweet corn in the country is mainly grown in Chiang Rai, Chiang Mai, Lampang, Nakhon Sawan, Kanchanaburi, and the produce comes from June to August, with a lot in July.

Looking at the consumption of sweet corn in the country, it is found that at present, the consumption of hybrid sweet corn tends to decrease due to the development of new varieties of sweet corn, such as Tubtim Siam that can be consumed fresh without ripening, while native sweet corn varieties, such as Waxy Corn still continue to be popular with consumers.

In this regard, Thailand has been regarded as the No. 1 sweet corn exporter in the world for many years. Because hybrid varieties of sweet corn are the main raw materials for production and there is a need for flavored sweet corn for export. Especially Japan, Korea, and Saudi Arabia. However, for domestic production. Farmers should take care of product quality and monitoring diseases and pests that are spread in some areas, such as cutworm, leaf disease, blast disease, so as not to affect the quantity and quality of products as needed.

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.

## Industry of Fresh vegetables and fruits

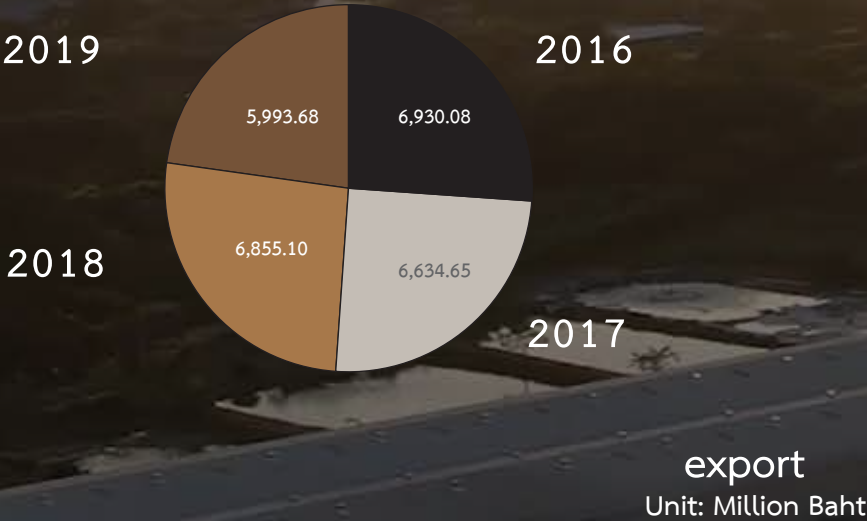
<sup>1/</sup> Ministry of Agriculture and Cooperatives and the Thai Chamber of Commerce develop and solve agricultural problems to have a tangible and continuous result as well as approve the plan to promote asparagus and baby corn production. Pilot area, Kanchanaburi province and plan to promote the production of golden bananas. Surat Thani Province.

Mr Thana Chirawinit, Secretary to the Minister of Agriculture and Cooperatives revealed after the meeting has ordered to enable the cooperation between the public and private sectors to develop and solve agricultural problems to have a concrete and continuous result. In this meeting have approved the plan to promote asparagus and baby corn production, Kanchanaburi pilot area. Asparagus and baby corn are high value alternatives. Able to generate income for farmers and increase the competitiveness of agricultural products of the country. It is also a plant that has production potential and is needed by the market. Can produce all year round .Which Kanchanaburi is an important source of asparagus and baby corn, should promote and support production in Kanchanaburi as a pilot province.

In addition, they also agreed to the promotion plan for the production of banana “Hom Thong”, Surat Thani Province which is a product that the market needs. In 2015 - 2019, Surat Thani province has cultivated area and the production of banana “Hom Thong” has

## Key Statistical Data

During 2016– 2019, Thailand exported canned sweet corn with total value of Baht 6,930.08 million, Baht 6,634.65 million, Baht 6,855.10 million and Baht 5,993.68 million, respectively (Information from the custom department), which River Kwai exported the processed sweet corn with Baht 1,233.42 million, Baht 1,259.34 million, Baht 1,357.60 million and Baht 1,387.59 million or 17.80%, 18.98%, 19.80% and 23.15%, of total exporting value of processed sweet corn in 2016 - 2019, respectively, 10 major exporters to the country and the other in 2019 as following:





a tendency to increase by 17.07%, 15.75% and 15.74% per year respectively. There are also many private sectors wanting to buy many tons. To be sold at convenience stores and exported abroad. "however has assigned to the agricultural and cooperatives in every province make a concrete action plan and to integrate with the provincial chamber of commerce to create a list of agricultural products that can generate income and are needed of the market. To consider further support agricultural development. In addition, all departments under the pilot areas have been assigned to support operations, "Mr Thana said.

Source 1/<https://www.ryt9.com/s/prg/3096775>

### 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.

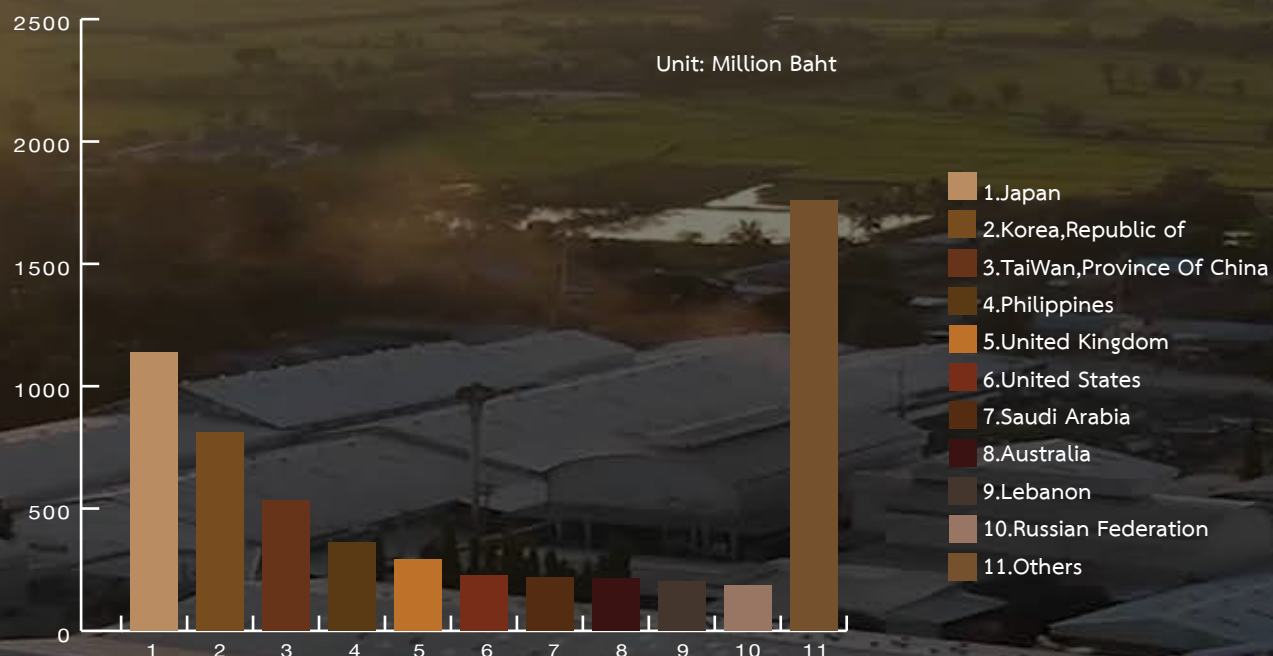
The Company produces products for exporting under the brand of “TASTEE” and “RIVER KWAI”, which the Company emphasizes on maintaining the good relationship with the large customers as well as after sale services in order to satisfy to the customers. The group of the foreign customers could be divided 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 2019



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

# Risk Factors

## Risk in Business

### Risk of exchange rate changes

Company's main revenue comes from exporting goods to sell abroad, or 95 percent. Of total sales in the year 2019 with revenues to U.S. dollars, euros and pounds are mainly Fluctuations in the exchange rate economy. Affect the performance of the company.

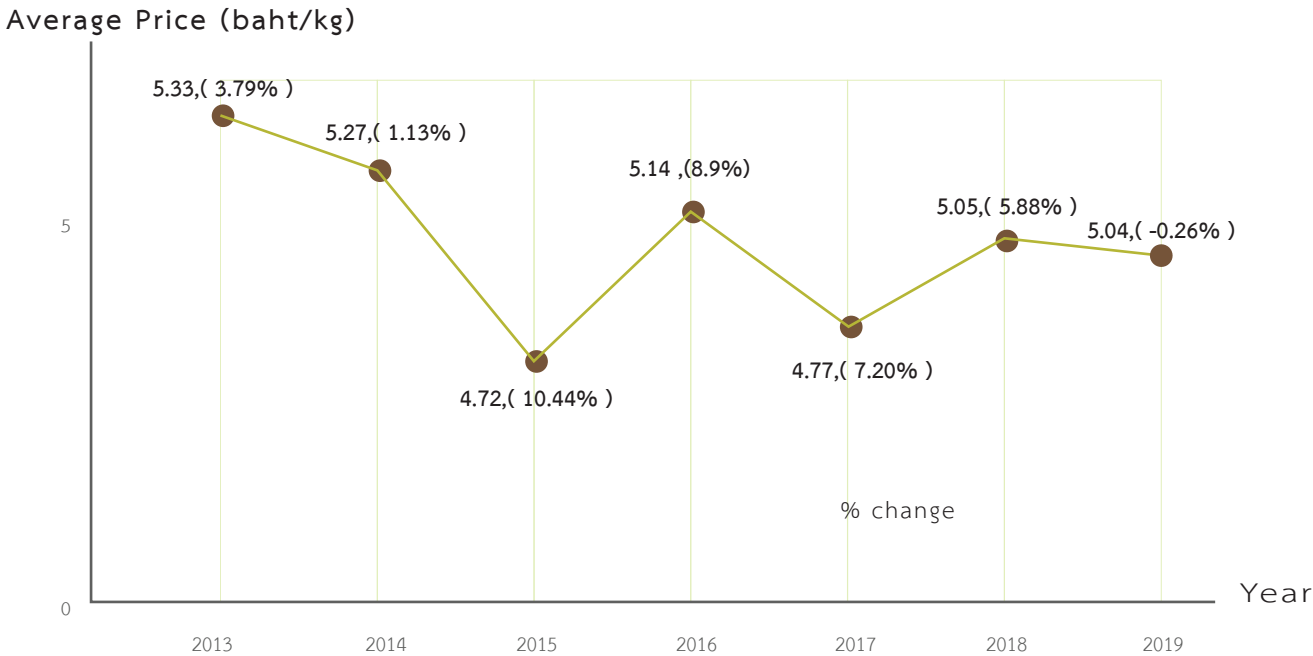
However, the Company. Has been to prevent such risk. The adoption of financial instruments used. Forward Contract including the reported addition and be made to an Foreign Currency Deposit Account (FCD account) , the company is tracking the movement of international currency markets closely, and try to adjust the currency. With existing customers and new customers to appropriate.

### Risk of supply fluctuations

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

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

Average sweet corn price and yearly percent change



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 Maneekanoksukol 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. Thanyaporn 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,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 30, 2019, the Company had registered capital of Baht 737,864,463, which was divided into 958,265,537 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 30, 2019,

<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 Club Company Limited

### Major Shareholders

(A) On December 30, 2019, the list of major shareholders of AgriPure Holdings Public Company

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

**72.63** %

696,035,412 Shares

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

**36.53** %

350,050,130 Shares

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

**35.36** %

338,882,082 Shares

Mr. Thaveechat Jurangkul

**3.85** %

36,899,880 Shares

Thai NVDR Co., Ltd.

**1.77** %

16,971,137 Shares

Mr. Chet Mhluemsom

**1.39** %

13,300,000 Shares

CACEIS BANK, PARIS, SUCCURSALE DE NYON /SUISSE

**0.92** %

8,780,000 Shares

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

**0.74** %

7,103,200 Shares

Mr. Anan Raveesangsoon

**0.73** %

7,000,000 Shares

Others

**18.71** %

179,279,108 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>

**72.63** %

696,035,412 Shares

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

**36.53** %

350,050,130 Shares

Mr. Suredpon Jungrungruangkit<sup>3/</sup>

**35.36** %

338,882,082 Shares

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

**0.74** %

7,103,200 Shares

## Dividend Policy

The company has the policy to pay dividends a rate of no more than 50% of the Company's net profit each year 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.

## Directors and Executives holding APURE shares

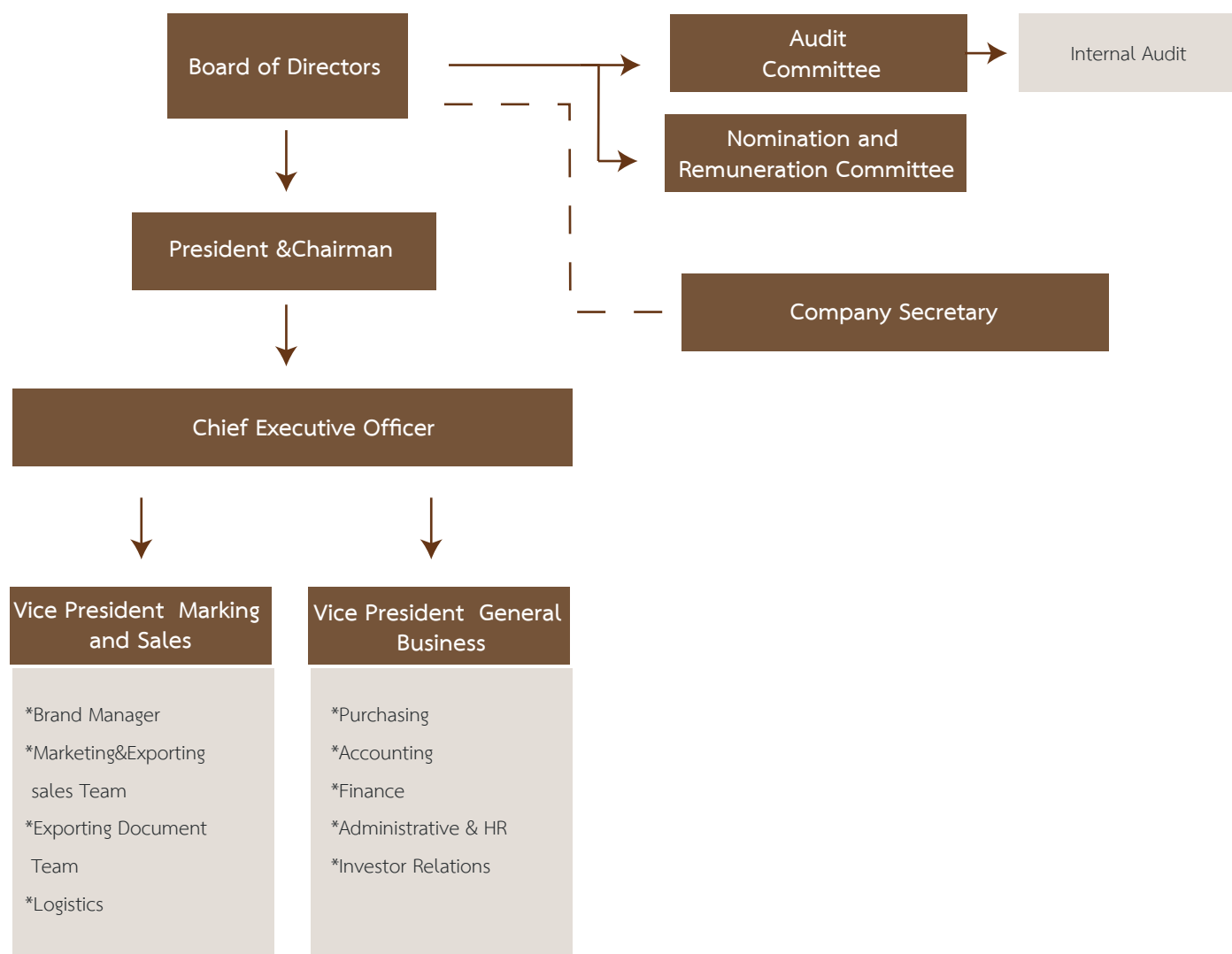
at 1 January 2019 - 31 December 2019 are as follows:

No.	Name	Position	No. of Shares As at 1 January 2019			Changes in No. of Shares Increased/Decreased during 2019			No. of Shares As at 31 December 2019			Shareholding (%) As at 31 December 2019	
			Direct	Indirect	Total	(Month)	Indirect	Total	Direct	Indirect	Total	Direct	Indirect
1	Mr. Suredpon Jungrunruangkit	Chairman	338,882,082	-	338,882,082	-	-	-	338,882,082	-	338,882,082	35.36	-
2	Miss Sineemas Sotpiparnukul	Director/Chief Executive Officer	-	338,882,082	338,882,082	-	-	-	-	338,882,082	338,882,082	-	35.36
3	Prof. Dr. Thammasak Phongpichayamart	Director/Independent Director/ Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	-	-	-	-	-	-	-	-	-	-	-
4	Mr. Norawit Watwai	Director/Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee	-	-	-	-	-	-	-	-	-	-	-
5	Mr. Sakda Sinives	Director/Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee	-	-	-	-	-	-	-	-	-	-	-
6	Miss Savanut Boonyasuwat	Director/Independent director / Member of Audit committee	-	-	-	-	-	-	-	-	-	-	-
7	Mr. Pongsat Kanchanapisoot	Director/Independent director	-	-	-	-	-	-	-	-	-	-	-
8	Miss Bhornrat Bubphavanich	Director/Independent director	-	-	-	-	-	-	-	-	-	-	-
9	Mrs. Saowanee Prasertwattanakul 3/	Director	-	-	-	-	-	-	-	-	-	-	-
10	Mrs. Kittima Impraser 2/ 3/	Director	-	-	-	-	-	-	-	-	-	-	-

Remarks : Indirect securities held, it's mean securities held by a spouse and/or children under the legal age of directors or executive officers.

# Management Structure

Organization Structure  
as of December 30,2019



## The Board of Directors of the Company

As of December 30, 2019, 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	72.63 <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	-
7.	Mr. Pongsat Kanchanapisoot	Independent director	-
8.	Miss Bhornrat 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 30, 2019.

<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 30, 2019

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. Pongsat Kanchanapisoot	Independent Director	3	4
8.	Miss Bhornrat Bubphavanich	Independent Director	3	4
9.	Mrs. Saowanee Prasertwattanakul <sup>3/</sup>	Director	3	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 (6 Independent Director)



## Management Structure (Continued)

### Board of Directors of the Subsidiary December 30, 2019

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

### 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 30, 2019, 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 Jungrunruangkit <sup>1/2/</sup>	Chairman	72.63 <sup>3/</sup>
2.	Miss Sineemas Sotpiparpnukul <sup>2/</sup>	Chief executive officer	-

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

<sup>2/</sup> Authorized directors were Mr. Suredpon Jungrunruangkit 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 Jungrunruangkit, who is Mr. Suredpon Jungrunruangkit's father and the person who acts and/or co-act for Mr. Suredpon Jungrunruangkit.

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

## Management Structure (Cont.)

### 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 25 December 2019 until the closing for the nomination of the company's directors on December, 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.

### Company Secretary

The Board of Director passed a resolution to appoint Miss Araya Boonyasu to hold secretary office according to the meeting resolution of Board of Directors no.1/2019 on February 22, 2019, has acted as the company secretary since February 22, 2019 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at E-mail Address: [IRS@apureholdings.com](mailto:IRS@apureholdings.com) or phone number 02-516-0941-45 ext. 103

#### Required Qualifications and Experience for Company Secretary

1. Being knowledgeable in and having an understanding of the laws and regulations concerning the company and regulatory body in relation to the law on public limited companies and the law on securities and stock exchange; passing a training course on company secretary duty performance.
2. Being knowledgeable and having an understanding of good corporate governance and corporate governance best practices.

#### Company Secretary's scope of duties and responsibilities:

1. To produce and keep
  - Record of Directors.
  - Notice of Board of Directors meeting, minutes of Board of Directors meeting and company's annual report.
  - Notice and minutes of all shareholders' meeting.
2. To keep all interest or conflicts of interest report reported by directors or any members of management team.
3. To perform any other action as determined by Capital Markets Supervisory Board.

## Remuneration of Directors and Executives

(a) Remuneration of Directors in value year 2019

List Directors	Position	Remuneration (Baht)			
		Board of Company	Board of Audit Committee	Board of Nomination and Remuneration	Total
Mr. Suredpon Jungrungruangkit	Director/Chairman	140,000	-	-	140,000
Miss Sineemas Sotpiparpnukul	Director/Chief Executive Officer	100,000	-	-	100,000
Prof.Dr. Thammasak Pongpichayamart,Ph.D	Independent Directors / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration	100,000	48,000	-	148,000
Mr. Norawit Watwai	Independent Directors /Member of Audit Committee/Member of Nomination and Remuneration	100,000	40,000	-	140,000
Mr. Sakda Sinives	Independent Directors /Member of Audit Committee/ Member of Nomination and Remuneration	100,000	40,000	-	140,000
Miss Savanut Boonyasuwat	Independent Directors /Member of Audit Committee	100,000	40,000	-	140,000
Miss Bhornrat Bubphavanich	Independent Directors	75,000	-	-	75,000
Mr. Pongsatat Kanchanapisoot	Independent Directors	75,000	-	-	75,000
Mrs. Saowanee Prasertwattanakul	Director	75,000	-	-	75,000
Mrs. Kittima Imprasert	Director	100,000	-	-	100,000
Total		965,000	168,000	-	1,133,000

That the directors' remuneration for the year 2019 (resolutions of the 2019 Annual General Shareholders' Meeting April 29, 2019) as follows: Not more than 1,500,000 Baht and will be allocated by the Board of Directors

- Meeting allowance for the Board of Director
  - Chairman THB 35,000/meeting
  - Member THB 25,000/meeting
- Member allowance for the Audit Committee
  - Chairman THB 12,000/meeting
  - Member THB 10,000/meeting
- Meeting allowance for the Nomination and Remuneration Committee
  - Chairman THB 12,000/meeting
  - Member THB 10,000/meeting
- Financial performance' bonus -No-
- Other benefits -No-
- Directors of subsidiaries' Remuneration - No -

Remuneration of Directors and Executives in value Year 2018

List Directors	Position	Remuneration (Baht)			
		Board of Company	Board of Audit Committee	Board of Nomination and Remuneration	Total
Mr. Suredpon Jungrungruangkit	Chairman	140,000	-	-	140,000
Miss Sineemas Sotpiparpnukul	Director/Chief Executive Officer	100,000	-	-	100,000
Prof.Dr. Thammasak Pongpichayamart,Ph.D	Independent Directors / Chairman of the Audit Committee	140,000			140,000
Mr. Norawit Watwai	Independent Directors /Member of Audit Committee	100,000			100,000
Mr. Sakda Sinives	Independent Directors /Member of Audit Committee	100,000			100,000
Miss Savanut Boonyasuwat	Independent Directors /Member of Audit Committee	100,000		-	100,000
Miss Bhornrat Bubphavanich	Independent Directors	100,000	-	-	100,000
Mr. Pongsatat Kanchanapisoot	Independent Directors	100,000	-	-	100,000
Mrs. Saowanee Prasertwattanakul	Director	100,000	-	-	100,000
Mrs. Kittima Imprasert	Director	100,000	-	-	100,000
Total		640,000	440,000	-	1,080,000

That the directors' remuneration for the year 2018 (resolutions of the 2018 Annual General Shareholders' Meeting April 27, 2018) as follows: Not more than 1,500,000 Baht and will be allocated by the Board of Directors

- Conference fee Chairman/Independent Directors/Chairman of the Audit Committee Baht 35,000 per time
- Conference fee Director/Independent Directors/Member of Audit committee Baht 25,000 per time
- Remuneration the nomination committee/Compensation Committee –none-

(b) Management Remuneration

With respect to the total management remuneration of the Company and its subsidiaries in 2018 and 2019, the Company paid remuneration consisting of salary and bonus, to 2 executives, totaling Baht 8.85 Million and Baht 8.9 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 2019 as same as 2018, 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 Corporate Governance 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 29 April 2019 the Annual General Meeting of Shareholders 2019 was held at 2:30 p.m. at 2 Sukhumvit 23, Klongtoey-nue, Wattana District, Bangkok 10110. There were 153 shareholders and proxies attending the meeting, holding the total of 749,076,581 shares, or 78.17% 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

201 to the Stock Exchange of Thailand within 14 days from the date of the meeting along with disclosing such information on the Company's website [www.apureholdings.com](http://www.apureholdings.com).

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

The resolution reached at the Board meeting 3/2019 held on August 8, 2019 regarding ethical guidelines for Board members, senior management and staff were announced as reference for all to observe. Every staff member is urged to conduct their tasks with honesty, integrity and ethically and to extend such high standard of moral standard towards external parties including stakeholders, society and the environment. The Board also mandated a system to review and assess adherence on a consistent basis.

Board of Directors is responsible for Updating the company's Code of Ethics every years. The revision was made to better incorporate international best practice

In line with the company's code of conduct. In addition to the handbook, training on an ongoing basis is being planned while all new recruits are introduced to the Company's ethical standards during their orientation. General guidelines have been established for all as reference in undertaking their duties while such guideline also stipulates the penalties related to misdemeanor. In the past year, No confliction against the Good Corporate Governance was reported.

### **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.

An Investor Relations Department has been established to serve as the Company's representative to communicate on the Company's behalf with shareholders, fund managers, equity analysts and the general public community through a number of channels either directly or indirectly. The Company utilizes channels media, e-mail, telephone, fax and posting information on the Company's web site [www.apureholdings.com](http://www.apureholdings.com) both in Thai and English. Interested persons can contact the Company via the Company's web site [www.apureholdings.com](http://www.apureholdings.com) or via the Investor Relations

Department's E-Mail: [IRS@apureholdings.com](mailto:IRS@apureholdings.com), contact by phone: 02-516-0941-45 ext. 103 or contact by fax: 02-516-0946.

## 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.

The Board Chairman is not the same person holding the Managing Director position. There is a clear cut difference in the operating roles and responsibilities of the Board of Directors and that of management.

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.

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.

### **Approval authority of the Board of Directors**

1. Budget and annual work plan and approve budgets other than those approved in the annual budget. (1 item more than 10 million baht)
2. Modification and cancellation in Memorandum of Association and Regulations of the company such as work regulations, employee welfare system, etc.
3. Authority of the company.
4. Principles of investing, investing in shares or selling shares of other companies under the management and supervision of the company including investing in new businesses or discontinuing investment in existing businesses.
5. Agenda and topics related to the general meeting of shareholders.
6. Transfer of ownership in Personality and Realty. (1 item (Book Value) over 5 million baht)
7. Personnel planning in each department including the budget that will be used.
8. Annual capital expenditure budget.
9. Write-off of assets and liabilities and adjustment of lost / damaged assets. (price cost) (Except for cases of fraud) (1 item more than 5 million baht)
10. Changes in the useful life of assets and / or changes in depreciation rates.
11. Changing company accounting policy.

### **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.

### **Board Meetings**

There were a total of 4 Board meetings held in 2019. At the Board of Directors' Meeting No. 4/2019 held on November 8th 2019, the Company's Mission and Vision were put under review and revision for an improved efficiency on management policy and Board and subcommittee meetings for 2020 were announced, all as parts of the meeting agenda items. All members of the Board are required to attend meetings except in cases of emergency. The Chairperson and the Chief Executive Officer (CEO) are responsible for determining the appropriate agendas and its sequence while allowing other Board Members to submit other agendas for consideration. The agenda of each Board meeting is clear and the Company sends agendas and related documents to the Board seven days prior to the meeting date so that Board members have sufficient time to study the issues beforehand. Additional information on each agenda can be sought from the Company's Secretariat.

The Chairman emphasizes due care and careful judgment and provides sufficient time for the thorough discussion and consideration of matters. The Company Secretary is charged with issuing invitations and supporting Board members with all necessary documentation in preparation for Board meetings. The minutes to all Board meetings are prepared by the Company Secretary, which must be approved by the Board of Directors prior to safekeeping and for future reference by stakeholders. Attendance record of Board members is disclosed in the "Management Structure".

### **The Monitoring of Implementation**

The board of directors has maintained close monitoring on the implementation of strategy through 1 meetings in the year 2019.

The agenda included the review to vision, mission and strategy to acknowledgement of operating results as well as the approval of next year's operation plan by which each department has to report the results of operation and request for the approval of plan from the board of directors in order to proceed to the board meeting for consideration.

### **Board Self-Assessment**

An annual self-assessment process has been implemented for the Board of Directors, the Audit Committee, the Nomination Committee and the Remuneration Committee. Furthermore, self-assessment for members of the board of directors was initiated. The assessment evaluates the performance of each a group, applying the guideline for Board self-assessment put forth by SET and conforming to good corporate governance principles, the Company had conducted a Board performance evaluation.

Which enables both entities to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

The summary of all boards' and committees' assessments in 2019 as of meeting no. 1/2020 on February 21th, 2020 is as follows.

#### **Performance Evaluation of the Company's Board of Directors**

**Criteria:** The Board's Self-Evaluation Form is a form used to evaluate the performance of the board of directors as a whole. The evaluation guideline was adapted and adjusted from the Stock Exchange of Thailand to suit the characteristics and structure of the board. The evaluation result has an important role to develop the efficient and effective performance and operation of the board. Topics of evaluation are:

1. Structure and qualifications of the board of directors
2. Roles, duties and responsibilities of the board of directors
3. Board meetings
4. Board performance of duties
5. Relationship with the management
6. Self-development of directors and development of executives

**Procedure:** The Company secretary submits the evaluation form for all directors to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the board meeting for consideration, acknowledgement and discussion every year.

In 2019, the summary of the board performance results in 6 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 91.46%

#### **Performance Evaluation of the Company's Board of Directors as a initiated**

**Criteria:** The Board's Self-Evaluation Form is a form used to evaluate the performance of the board of directors as an initiated which is seamed a form used to evaluate the performance of the board of directors as a whole. The evaluation guideline was adapted and adjusted from the Stock Exchange of Thailand to suit the characteristics and structure of the board. The evaluation result has an important role to develop the efficient and effective performance and operation of the board. Topics of evaluation are:

1. Structure and qualifications of the board of directors
2. Roles, duties and responsibilities of the board of directors
3. Board meetings
4. Board performance of duties
5. Relationship with the management
6. Self-development of directors and development of executives

**Procedure:** The Company secretary submits the evaluation form for all directors to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to

the board meeting for consideration, acknowledgement and discussion every year.

In 2019, the summary of the board performance results in 6 topics showed that most activities were very well/appropriately operated with the average point at the great level, more 85%

#### **Performance Evaluation of the Audie Committee**

**Criteria:** The Audit Committee's Self-Evaluation Form is a form used to evaluate the performance of the audit committee as a whole.

The objectives of this evaluation are:

- To enable consideration and revision of the performance, problems and obstacles during the previous year.
- To increase effectiveness of the audit committee's performance since they will realize their responsibilities more clearly.
- To help improve the relationship between the audit committee and the management.

There are 4 topics to be evaluated namely:

1. Structure and qualifications
2. Roles, duties and responsibilities
3. The audit committee meetings
4. Self-development of directors

**Procedure** The audit committee secretary submits the evaluation form for all committee members to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the audit committee meeting for consideration, acknowledgement and discussion every year and report to Board of Directors for acknowledge at the next meeting

In 2019, the summary of the audit committee performance results in 4 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 96.46%

#### **Performance Evaluation of the Nomination and Remuneration**

**CommitteeCriteria** The Nomination and Remuneration Committee's Self-Evaluation Form is a form used to evaluate the performance of the nomination and remuneration committee as a whole.

The objectives of this evaluation are:

1. To enable consideration and revision of the performance, problems and obstacles during the previous year.
2. To increase effectiveness of the nomination and remuneration committee's performance since they will realize their responsibilities more clearly.
3. To help improve the relationship between the nomination and remuneration committee and the management.

There are 5 topics to be evaluated namely:

1. Components of Nomination and Remuneration Committee
2. Roles, duties and responsibilities
3. The Nomination and Remuneration Committee meetings
4. Duties of Directors
5. Self-development of directors

**Procedure:** The nomination and remuneration committee secretary submits the evaluation form for all committee members to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the nomination and remuneration committee meeting for consideration, acknowledgement and discussion every year and report to Board of Directors for acknowledge at the next meeting

In 2019, the summary of the nomination and remuneration committee performance results in 5 topicsshowed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 100 %



### **Remuneration for Board Members and Senior Management**

The Company's Board of Directors appointed the Remuneration Committee whose responsibility is to consider and set remuneration for members of the Board, Subcommittee, Executives and the Company's Managing Director. Clear and transparent guidelines must be established while ensuring that remuneration is competitive with that of the industry and sufficiently high to retain qualified members of the Board. Board members who take on additional responsibilities will receive additional compensation as appropriate per the approval received at the AGM. Management's remuneration follows the policies and guidelines as set forth by the Company's Board of Directors which is directly linked to the Company's financial performance along with that of individual performance. Remuneration for members of the Board and that of management for 2019 is disclosed under the heading "Remuneration for Board Members and Senior Management".

### **Development for Members of the Board and Senior Management**

The Company's policy is to support the development of skills for members of the Company's Board, senior management and the Company Secretary by requiring their attendance of seminars of related topics beneficial to the execution of tasks in their various capacities. These include both seminars and courses that have been developed internally and seminars/courses offered by professional institutions such as S that of the Thai Institute of Directors (IOD), Listed Companies Association and others. The purpose is for the attendees of such seminars and courses to internalize knowledge and experience which can be applied to improve the Company's overall performance. To build confidence in the board's ability to effectively monitor company performance with opportunities to regularly participate in training and improve knowledge together with facilitating training participation for the board of directors, the Human Resources Department and the company's secretary have been assigned the task of preparing a registry of training participation history for the board of directors and proposed proper training courses for the consideration of each director in order to support the participation of the board of directors in training courses or seminar activities to enhance work-related knowledge.

In the year 2019, the Company assigned Prof. Dr. Thammasak Pongpitchayamat Director, Independent Director, Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee represented to attend the CAC National Conference 2019: Innovations in the Fight against Corruption organized by the Thai Institute of Directors (IOD) on 18 October 2019.

### **Assessment of the Chief Executive Officer and the Managing Director**

The Company's Remuneration Committee is responsible for assessing the Chief Executive Officer and the Managing Director's performance by taking into consideration of the Company's operating results and adherence to policies as per Board resolution while taking into consideration the overall economic outlook. The committee uses the above information to determine remuneration for the Chief Executive Officer and the Managing Director and submits the outcome for Board approval.

There are 2 topics to be evaluated namely:

- Core Competency
- Role Competency

In 2019, the summary of the Chief Executive Officer performance results in 2 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 93.18 %

### **High-level Executive Remuneration Policy (CEO & MD) on both Short-term and Long-term Status.**

According to the CEO and MD Remuneration Policy on both short-term and long-term status as well as the CEO's and MD's performances, the Nomination and Remuneration Committee shall be the party to make the evaluations which will be conducted at every yearend performance evaluation at the end of the year provided, however, that the results of the CEO's and MD's evaluations are considered the confidential information which cannot be disclosed. The rules of the conclusion on the evaluations for payments on both short-term and long-term remunerations shall be as follows:

#### **Short-Term.**

The remuneration payments shall be made in the form of salary and bonus by considering on the base of the performances and operational results of the Company in each year. For the non-monetary remuneration, it shall be the position welfare.

#### **Long-Term.**

The Company pays contributions to the Provident Fund every month.

### **Policy of the Chief Executive Officer and Managing Director in taking Board of Director role of other companies**

To ensure effective management and time allocation, company sets policy to limit the Chief Executive Officer and Managing Director in taking Board of Director role of less than 3 registered companies.

### **Senior Management Level Position Succession Plan.**

The Company recognizes the necessity and importance of the Senior Management level position successions, hence, the rules and guidelines on the position succession, particularly, of the Chief Executive Officer, Managing Director and Senior Management level which in the case of a vacancy of the position of the Chief Executive Officer and/or Managing Director, Nomination Committee shall perform duty in making the considerations on the selection to fill the position from the Internal personnel, the Company has actions on the development carried on for readiness preparation for personnel to replace the vacancy. Or in the event where there is no suitable person, the selection of a person from the third parties may be made.

### **Internal Control and Audit Process**

Much emphasis is placed on the internal control process both at the management level and at the procedural level to ensure operating efficiency. Job functions and authority have been clearly documented while asset utilization is being optimized to provide the most benefit for the Company. There are clear cut responsibilities of the administrative, management and the audit functions to ensure an effective check and balance system. The Company's Board of Directors assesses the adequacy of the internal audit process to be used for future guidance on an annual basis.

There is an Internal Audit Department whose function is to perform planned audits and assess results. An Internal Audit Manual has been drafted to ensure the adherence to guidelines regarding the Company's core operations, key financial transactions, administrative functions, management information system and legal guidelines applicable to the Company. Special audits are undertaken within stipulated guidelines to ensure efficiency and compliance with all legal guidelines and the Company's policies.

The Internal Audit Department provide audit summary, comments and suggestions to the Audit Committee. Performance review of the Department is overseen by the Audit Committee.

In 2020, the company signed the contract with Riskless Solutions Company Limited, internal audit consultant service provider. This was to ensure that all operation systems of the company would be done correctly and met the international standards. The audit results would be reported to Board of Directors and Audit Committee and Responsible Departments to improve the overall performances.

# 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 stakeholders, 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 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 2019 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.

### • Conflict of Interests

The Company has a policy to supervise its directors, management, and staff members to prevent them from exploiting their position in the Company to seek personal gains.

### • Responsibility to Shareholders

The Company has a policy to use integrity, fairness, ethics, morality and transparency in business operations for sustainable growth to increase economic value and highest return on investment to its shareholders in the longrun, by taking account of the right and equitability of shareholders.

### • Policy and Treatment of the Company

The Company would like all employees to take part in sustainable development and growth of the Company as well as to create a good culture within the organization.

### • Policy and Treatment of Supervisors and Colleagues

The Company has a policy to create good work culture and atmosphere and promote teamwork

### • Policy and Treatment of Oneself

All employees are considered a critical success factor of the organization; thus, it is essential for them to regularly seek knowledge and develop competency, and adhere to disciplines and ethics.

#### • Policy on Treatment of Business Partners

The Company has a policy to treat its business partners fairly and equitably, taking account of common interests and based on fair benefits generated by both sides. Any situations that may lead to conflict of interests shall be avoided.

#### • Policy on Treatment of Creditors

The Company shall keep all its promises and perform in accordance with the terms and conditions agreed with its creditors for the repayment of principal and interest, as well as keeping all collaterals in good condition

#### • Policy and Treatment of Trade Competitors

The Company has a policy of free and fair competition which is against monopoly and does not require its business partners to sell their products to the Company only. It has no policy to and will not acquire information about its competitors by any illegal or unethical methods.

#### • Policy and Treatment of Independent Auditor

The Company is aware of the importance of independent auditors who are used by shareholders as a mechanism to examine performance of the management as well as to verify correctness and completeness of financial reports. The Company has a policy to fully cooperate with the auditors by providing them with accurate and complete information and facilitating them in carrying out the audit.

#### • Policy and Guidelines on Breach of Copyrights and Intellectual Properties, and Use of Information and Communication Technology

The Company stresses the importance of proper use of copyright materials, intellectual properties, information technology and communication by strict adherence to the law, moral and ethical standards.

#### • Trading and use of internal information of the company

The Company is aware of the importance of the use of inside information that is important, which must be carried out appropriately and in accordance with the law or in accordance with good corporate governance principles. Do not use that information for personal gain and must consider the impact on every stakeholder.

#### • Policies and guidelines on the preservation and use of company assets

The company has a policy to encourage employees to take care of property not to be lost, damaged or to be used for personal or other benefits. Focus on efficient use of company assets.

Note: The detail on the Company's CSR can be found in Code of Conduct **Respecting Human Rights and Treating Labors Fairly**

The company has set a policy for compensation of employees in accordance with the company's performance and has established a provident fund for employees to long-term caring. In addition, has a policy to support training and education to develop knowledge, ability, and create morale for employees to work together to achieve the overall goal of the organization.

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.

#### Employee Training in the year 2019

Company Name	Employees		Training Hours (hr)
	Daily	Monthly	
- AgriPure Holdings Public Company Limited	0	23	1.8
- River Kwai International Food Industry Company Limited	602	93	6
- AgriFresh Company Limited	132	33	6
- Sweet Corn Products Company Limited	-	-	-

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.

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.

In 2019, there were no legal infringements made against its employees.

#### Employee Benefits

Probationary Period	After the Passed Probationary Period
<ul style="list-style-type: none"> <li>- Amusement</li> <li>- Social Security</li> <li>- holidays per year</li> </ul>	<ul style="list-style-type: none"> <li>- Provident fund</li> <li>- Group insurance</li> <li>- Health insurance</li> <li>- Annual Medical Checkup</li> <li>- Bonus</li> <li>- Uniform</li> <li>- Special grant</li> <li>- Amusement</li> <li>- Social Security</li> <li>- 14 holidays per year</li> <li>- Vacation Leave</li> </ul>

Note: The detail on the Company's CSR can be found in Code of Conduct on topics as Policy and Guidelines on Human Rights, Administration of Employee Remuneration and Benefits and Policy and Treatment of Employees.

#### 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.

**Detailed Statistics on the Accident and Absence and Illness of the Company and Subsidiaries follow as;**

Company Name	Absence (times)		Accident (times)	Illness (times)
	Personal	Sick		
- AgriPure Holdings Public Company Limited	2.16	3.34	0	0
- River Kwai International Food Industry Company Limited	8	8	17	0
- AgriFresh Company Limited	8	8	0	0
- Sweet Corn Products Company Limited	0	0	0	0

Note: The detail on the Company's CSR can be found in Code of Conduct on topics as Policy and Guidelines on Safety, Occupational Health and Environment.

### 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.

### Responsibility Towards Consumers Policy

Customer satisfaction and consumer confidence are very important to the Company, which aims to provide high quality goods and services at reasonable prices, and maintain a good and long-term relationship with the customers. The Company has thus determined the following guidelines:

- Deliver high quality goods and services, which meet or exceed customers' expectation, at reasonable prices.
- Directors, management, and staff members shall not disclose any information on customers without prior permission from those customers or authorized persons of the Company unless such information is requested by third parties in accordance with the provisions of law.
- Provide complete and accurate disclosure of all information pertaining to its products and services without any distortion, which may cause any misunderstanding of the quality or any conditions of the products to the customers.
- Comply fairly with all agreements and conditions made with the customers.
- In case of failure to comply with any conditions, the Company shall give the customers an advance notice to jointly find solutions.

- Communicate with customers politely and efficiently.
- provide a system and process to allow customers to file complaints regarding quality of the products or services, as well as respond to customer demands quickly and efficiently.

### Joint Development of Community and Society

The Company strives to grow and prosper in a sustainable matter following our business strategy and, at the same time, gives back to the society and communities, 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. The Company has thus determined the following guidelines:

- Committed to acting as a good citizen by complying with all relevant laws and regulations.
- Instill awareness of social and environmental responsibility among personnel at all levels.
- Providing assistance to society, supporting activities of public interest.
- Cooperating with the communities in which those activities are located, either by itself or in cooperation with public sector and the communities.
- Support to volunteer activity which involves community development.
- Caring for the environment of communities and society.

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.



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

The Company is aware of reducing energy use because energy started to play a role and important for daily life, both for the household sector, business and industry.

In 2019, the Company started using "Solar Rooftop" in May which install by Solar D Company Limited, the size of 997.56 kilowatts, is expected to save 1,377,693 KWh / year or reduce the electricity cost 5,097,266 baht / year and can reduce of gas release Carbon dioxide, 694 tons kilograms, carbon dioxide / year, and in November 2019, the Company installed additional solar cells which is a product imported from oversea by ordering the equipment from local representative and proceeding to install by the company's engineers. The objective is to reduce the cost of electricity production and reduce the amount of carbon dioxide emission due to the use of natural energy as a renewable energy.



The company also operates according to the energy management system of the law on an annual basis by establishing energy conservation measures to improve energy efficiency of machinery and equipment such as measures to change the use of 36 W T8 fluorescent lights to use 20 W LED lamps which can reduce energy consumption by 44% or 69,120 KWh / year or reduce electricity costs of 255,744 baht / year, reduce emission Carbon dioxide 38,776 KgCO<sub>2</sub>O / year

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. 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 2,260,440 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.



# Community Social Activities

## Supporting Children's Day Activity



On January 12, 2019, Kanchanaburi Special Education Center organize children's day activities for the year 2019 for disabled children to give opportunities for children with disabilities to show their capabilities and potential through various activities and to give gifts to encourage children with disabilities. In this regard, the company and its subsidiaries by Mr Prajak Buasong, Managing Director of River Kwai International Food Industry Company Limited has sponsored 100 sets of children's day activities. In addition, it has also sponsored an ongoing scholarship of 10,000 baht per month.

## Big Cleaning Day to do good for society

On 2 February 2019, River Kwai International Food Industry Company Limited led by Mr Prajak Buason, Managing Director of River Kwai International Food Industry Company Limited organized the Big Cleaning Day, wash road in front of the factory all the way to the red light shallow waterfront intersection to reduce PM 2.5 dust problem.



## Children Lunch Project

On 14 May 2019 Kanchanaburi School for the Deaf by River Kwai International Food Industry Company Limited hosted a lunch to students with 250 cups



## Paper mill area improvement project

1 October 2019 at Kanchanaburi City Hall by Mr. Prachak Buason, Managing Director of River Kwai International Food Industry Company Limited has supported 100,000 baht by Mr. Jirakiat Phoomsawat, the provincial governor is the money recipient to adjust the paper factory area to be beautiful and is a new landmark of Kanchanaburi province.



## Donation to Kanchanaburi Red Cross Fair

On 19 November 2019 at the Bridge of the River Kwai by Mr. Prachak Buason, Managing Director of River Kwai International Food Industry Company Limited brought 500 cans or 12,000 cans of kernels sweet corn and 50,000 baht to the Red Cross in Kanchanaburi to organising the Matcha Red Cross shop and Kanchanaburi Red Cross Fair 2019 from 23 November to 2 December at the River Kwai Bridge for the people of Kanchanaburi participated in the Red Cross Matcha activity, with

proceeds from the fairs to help the people of Kanchanaburi Province who were in trouble in various fields

## "The Caring for the Happiness, Sharing generosity for the underprivileged"

On 22 November 2019, the Office of Social Development and Human Security, has activities under the project "The caring for happiness, sharing generosity for the underprivileged" with the objective of visiting, encouraging, helping and giving generous goods to Underprivileged people who has social problems at Thung Samo Subdistrict Administrative Organization, Thung Samo Subdistrict, Phanom Thuan District, Kanchanaburi Province by River Kwai International Food Industry Company Limited has supported activities at the amount of 10,000 baht.



## Kanchanaburi Charity Run for Hospital

On 27 November 2019, River Kwai International Food Industry Company Limited, led by Mr. Prajak Buasong, Managing Director of River Kwai International Food Industry Company Limited participated in the Kanchanaburi Charity Run For Hospital Running Project and sponsored an event of 50,000 baht to the Federation of Thai Industries. To buy medical equipment for Paholpolpayuhasena Hospital.



## To leave a Robe

On 8 December 2019, 1.River Kwai International Food Industry Company Limited hosted a ceremony to make and off-season offer of Unity Robes at Border Patrol Police (Pilok Khi) Village No. 4, Pilok Sub-district, Thong Pha Phum District, Kanchanaburi Province to be a fund to help the sick improve the area and medical equipment by give money to Mr. Jirakiat Phumisawat, governor of Kanchanaburi Province to be a expense for helping the sick and deliver the ramp for patients and give scholarships to children who have demonstrated the ability. As well as feed a lunch and give snacks included necessary items for children, youth, and villagers in the community that participate in the activity.





# Sustainable Development

The company is committed to management under the principles of good corporate governance, recognizing the importance of conducting business for sustainable growth to increase value and the highest return to all stakeholders in accordance with the vision, mission of the company.

In 2011 until the present, the Company has adopted the corporate social responsibility policy as a tool for determining the strategies needed in every process of business operations and attention to the stakeholders, economy, society and environment with morality, ethics, honesty, transparent and fair. Aware of the negative impact on the economy, society and environment which is ready to reduce the effects, also increasing the ability to compete in the commercial arena which will be good for the sustainability of the business. Stakeholders true economy, society and environment.

For the company's stakeholders which is shareholder, employees, communities, society in the area where the company and factories of subsidiaries located or government or anyone who is involved with the business and have the opportunity to impact the business or be affected by the business.

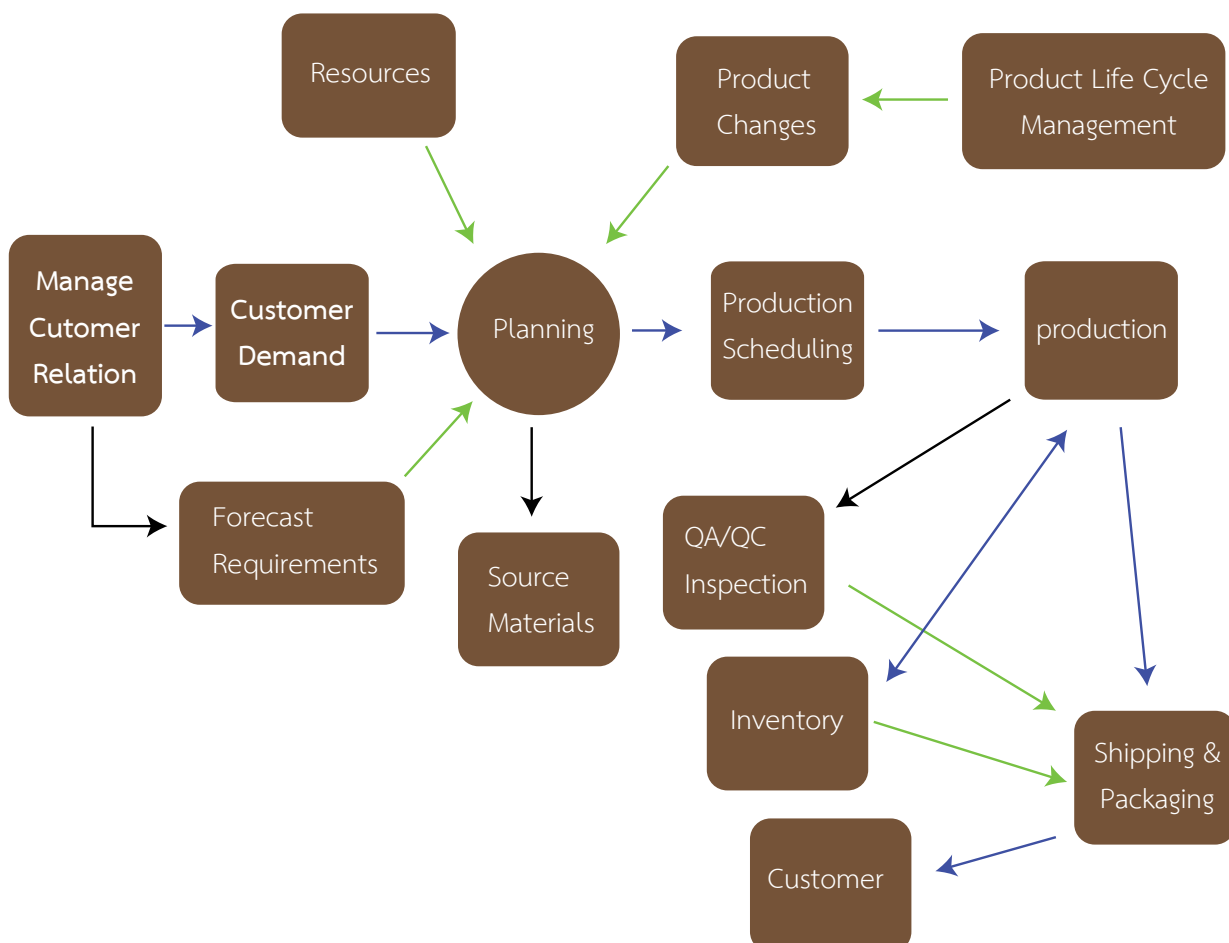
In this regard, the company focuses on important issues on sustainable development, trying to play a role in stakeholders to assess important issues of the company to incorporating social responsibility into all business processes until developing as part of the organization's capabilities. Taking into important factors for sustainable business operations and in line with the expectations of both the direct and indirect stakeholders of the company. The process is consistent with the principles of GRI, consisting of 4 main steps, namely

1. Identification of stakeholders
2. Identifying issues between the organization and the stakeholders
3. Prioritizing the importance of stakeholders and issues
4. Selecting issues and presenting.

## Principles for evaluating sustainability issues

1. Identification of stakeholders, Consider who create the impact and / or be affected by the business operation, both directly and indirectly in the all value chain to create a positive impact and can continue to reduce negative effects
2. Identifying issues between the organization and the stakeholders, analyze the issues that may affect each other and the issues that the organization must be responsible to the stakeholders in each business process.
3. Prioritizing the importance of stakeholders and issues,
  - Stakeholder Priority: The prioritization of all stakeholders of the organization which will consider power / influence and interests / mutual benefits
  - Issues Priority: assessing the importance of sustainability issues relevant to all organizations which will consider two factors, namely the opportunity and the impact on the organization and the level of interest and impact on the stakeholders.
4. Selecting issues and presenting, Consider to select sustainability issues together with related agencies. The selected issues are consistent with the context, risk, strategy and sustainability management of the organization, while also taking into the expectations of the stakeholders.

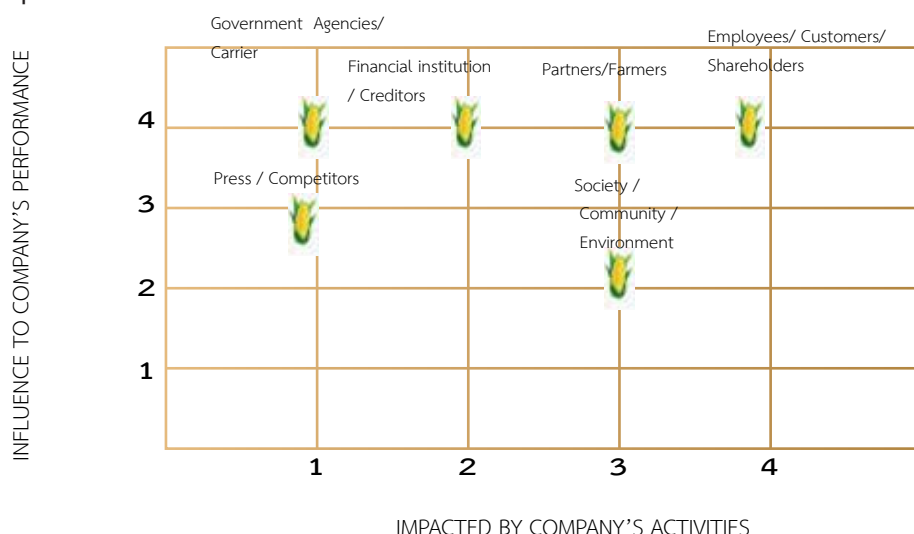
## Value Chain



## Stakeholder Analysis

Value Chain	Stakeholders	Relations
1. Run operations	<b>Employees/Executives</b>	The most valuable resource and be factor to success of the company.
2. Manage Customer Relations	<b>Customers</b>	Who is interested the company's products including Who have made a purchase.
	<b>Competitors</b>	Those influencing in selecting the target market to sell products same type or similar products.
3. Customer Demand 4. Planning 5. Production Scheduling	<b>Customers</b>	Who is interested the company's products including who have made a purchase
	<b>Partners</b>	Who involved in the production of raw materials (Sweet corn) of The company to the goals
	<b>Competitors</b>	Those influence in procurement of raw materials to produce the same product or similar product
	<b>Shareholders</b>	All shareholders who join venture in the company and get a return on investment
6. Production	<b>Customers</b>	Who is interested the company's products including Who have made a purchase.
	<b>Partners</b>	Who involved in the production of raw materials (Sweet corn) of The company to the goals
	<b>Government Agencies</b>	The civil service related to the operations of the company, has the power to make decisions and effective in laws.
	<b>Society, Community and Environment</b>	Those around the factory Or affected by operations Which is expected to receive care or attention
	<b>Production staff, QC, QA</b>	Those driving the company's operations and be factor to success.
7. Shipping & Packaging	<b>Customers</b>	Who is interested the company's products including Who have made a purchase.
	<b>Carrier</b>	Who use cargo ships or airplanes to deliver products to the company.
	<b>Government Agencies</b>	The civil service related to the operations of the company,has the power to make decisions and effective in laws.
	<b>Financial institutions</b>	The civil service related to the operations of the company,has the power to make decisions and effective in laws.
8. Customer	<b>Customers</b>	Who is interested the company's products including Who have made a purchase.

## Stakeholder importance and influence matrix of APURE



## Stakeholder Engagement and Frequency

Stakeholders	Method uses to Communicate / Establish Relationships / Involvement with stakeholders	Frequency
1. Employees/Executives	<ul style="list-style-type: none"> <li>- Satisfaction Survey</li> <li>- Accepting complaints, Suggestions , Discussion Forum</li> <li>- Meetings</li> <li>- Various Activities</li> <li>- Significant Report</li> <li>- Telephone System</li> <li>- Publicity Sign</li> <li>- E-mail</li> </ul>	<ul style="list-style-type: none"> <li>- Annually</li> <li>- Regularly</li> <li>- Ad-hoc</li> <li>- Regularly</li> <li>- Regularly</li> <li>- Ad-hoc</li> <li>- Ad-hoc</li> <li>- Ad-hoc</li> </ul>
2. Customers	<ul style="list-style-type: none"> <li>- Satisfaction Survey</li> <li>- Accepting complaints, Suggestions, Discussion Forum</li> <li>- Activities</li> <li>- Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>- Annually</li> <li>- Regularly</li> <li>- Regularly</li> <li>- Quarterly</li> </ul>
3. Shareholders	<ul style="list-style-type: none"> <li>- Annual Report</li> <li>- The Minutes Annual General Meeting</li> <li>- IR Newsletter</li> <li>- Shareholder Newsletter</li> <li>- Satisfaction Survey</li> <li>- Accepting complaints, Suggestions, Discussion Forum</li> </ul>	<ul style="list-style-type: none"> <li>- Annually</li> <li>- Annually</li> <li>- Quarterly</li> <li>- Quarterly</li> <li>- Annually</li> <li>- Regularly</li> </ul>
4. Partners/ Farmers	<ul style="list-style-type: none"> <li>- Meetings / Visits</li> <li>- Satisfaction Survey</li> <li>- Accepting complaints, Suggestions, Discussion Forum</li> <li>-Activities</li> </ul>	<ul style="list-style-type: none"> <li>- Annually / Ad-hoc</li> <li>- Regularly</li> <li>- Regularly</li> <li>- Regularly</li> </ul>
5. Financial institution / Creditors	<ul style="list-style-type: none"> <li>- Meetings / Visits</li> <li>- Accepting complaints, Suggestions , Discussion Forum</li> </ul>	<ul style="list-style-type: none"> <li>- Ad-hoc</li> <li>- Regularly</li> </ul>
6. Government Agencies /Carrier	<ul style="list-style-type: none"> <li>- Meetings / Visits</li> <li>- Accepting complaints, Suggestions , Discussion Forum</li> </ul>	<ul style="list-style-type: none"> <li>- Ad-hoc</li> <li>- Regularly</li> </ul>
7. Society, Community and Environment	<ul style="list-style-type: none"> <li>- Meetings / Visits</li> <li>- Activities</li> <li>- Satisfaction Survey</li> <li>- Accepting complaints, Suggestions, Discussion Forum</li> </ul>	<ul style="list-style-type: none"> <li>- Ad-hoc / Annually</li> <li>- Regularly</li> <li>- Ad-hoc</li> <li>- Regularly</li> </ul>



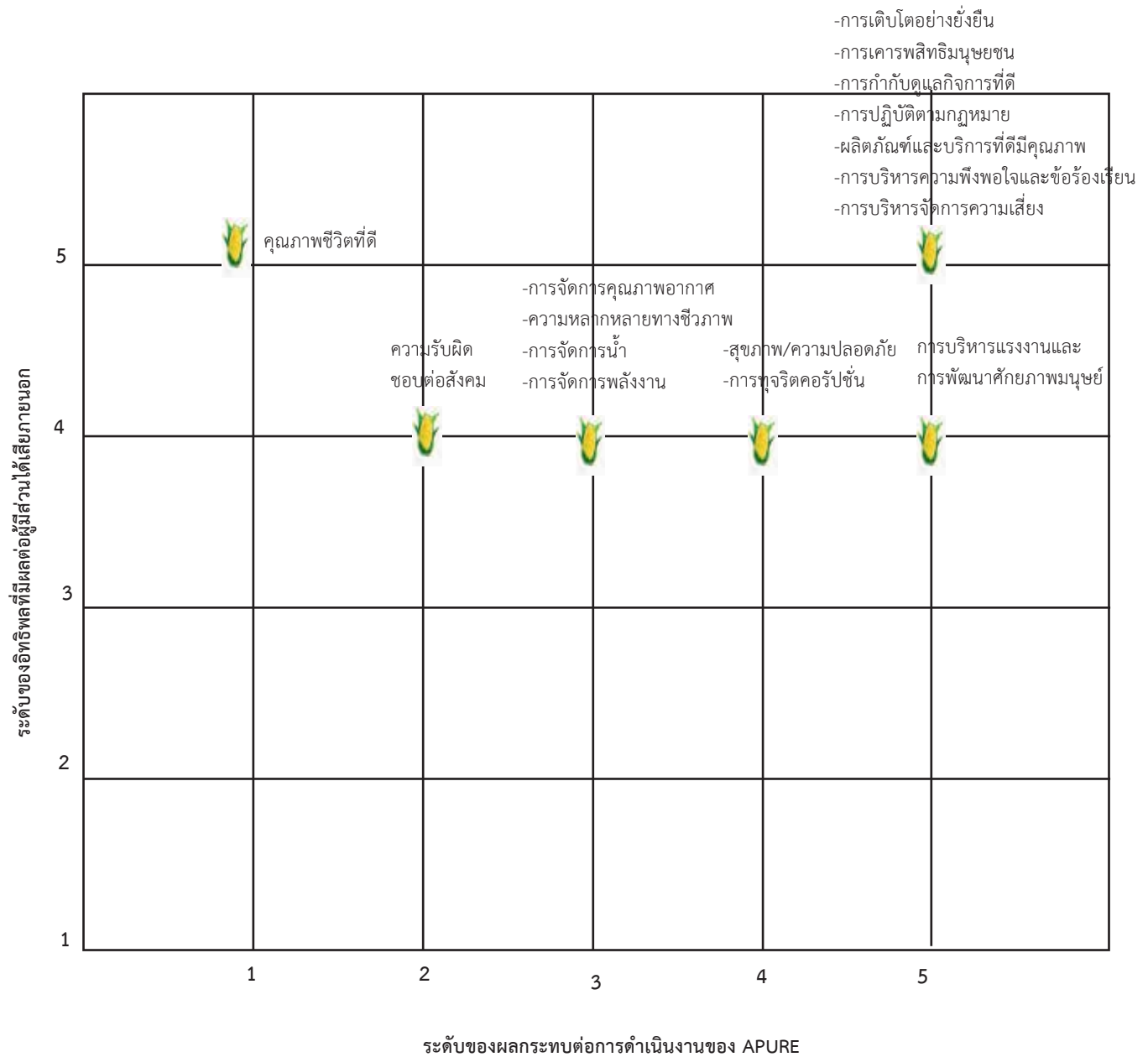
## Materiality analysis

Materiality Issues	Materiality Issues	Scope	
		In-house	External
<b>Economy</b>  Sustainable Growth	- Integrity to Shareholder - Sustainability of Company - Sustainability of Community In guideline : 1. CG in substance 2. CSR in process 3. Anticorruption in practice	/ / /	- Shareholders - Shareholders - Employees / Shareholders/ Community
<b>Risk Management</b>	- Leverage - Profitability - Efficiency - Accurate, transparent and reliable financial statement -Value Chain Management - Raw Material Management		- Shareholders/ Creditors / Financial institution - Shareholders / Executives/ Employees - Shareholders/ Partners - Shareholders - Executives/Employees/Stakeholders - Executives/Employees/Farmers
<b>Society</b> -Respecting Human Rights -Good Corporate Governance -Compliance to the law -high quality goods and services -Management of satisfaction and complaints	- Right and Equality - Comply strict with all agreement - Compliance to the conditions, law - Appropriate remuneration  - No improper benefits shall be requested or received from or given - Complete and accurate disclosure of all information pertaining to its products and Services - Reasonable prices - Communicate with politely and efficiently - Respond to demands quickly - Friendly	/ / / / / / / / /	- Shareholder - Partners/Farmers /Agents - /Financial institution/Creditors - Employees/Executives/Partners /Farmers/Agents - Partners /Farmers  - Customers  - Customers - Customers - Customers - Customers/Partners /Farmers /Agents/Financial institution/ Government Agencies / Carrie
<b>Human Resources development and management</b>	- Free and Fair competition/Against monopoly / Not damage its trade competitors' reputation by defamation / Adhere to the principles of good competition - Appropriate remuneration and welfare - Development of capacity of staff - Safe working environments for the life and property - Learning and growing in the organization - Good work culture and atmosphere	/ / / / /	- Competitors  - Employees - Employees - Employees - Employees - Employees

## Materiality analysis (Cont.)

Materiality Issues	Issues	Scope	
		In-house	External
Health / Safety	- Health and Safety	/	- Employees / Farmers / Customers / Community
Anti-corruption	- Support and foster anti-corruption mindset in employees at all levels	/	- Employees / Partners / Customers / Government Agencies
Corporate Social Responsibility	- No make a negative impact on the traditional of Local - Support to volunteer activity which involves community development - Caring for the environment	/	Society, Community and Environment
Good quality of life	- Appropriate remuneration and welfare - Appropriate and Fair remuneration - Reasonable prices - Supporting knowledge and cultivation costs - Utilities support	/ / / / /	- Partners / Farmers / Agents - Employees - Farmers - Farmers - Society, Community and Environment
Environment - Raw Material Management	Selection raw materials that environment friendly to the most benefit and / or can be reused or recycle	/	Executives/Employees
- Air Quality Management	Audits and Revises to prevent negative impact and increase positive impact	/	Executives/Employees/ Community
- Biodiversity - Water Management - Energy Management	Efficient management of biological, water and energy with environmentally friendly to most of benefits. Recycling or reuse and the company's water, energy and biodiversity impac	/	Executives/Employees/ Community

## Materiality analysis matrix of APURE



## Anti-Corruption Policy

The Company does not tolerate any kind of corruption. The Company also places the importance in educating the employees on the anti-corruption. Support and foster anti-corruption mindset in employees at all levels. 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 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.

With the company recognizes the importance of anti-corruption therefore the Company second announced intention the Collective Action Coalition Corruption on 11 November, 2019 according to the meeting resolution of Board of Directors no.4/2019 on 8 November, 2019



# 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	

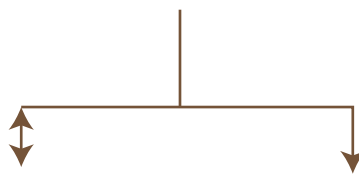


→ Notify the complainant of the progress within 30 days (in the event of a complaint)



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

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 Yoddarnern 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.

Audit Committee had reviewed the internal audit system and found no significant flaws in the process. The results are congruent with the recommendation from company's auditor. So, the Audit Committee approved that APURE had sufficient, efficient and effective internal control system. There were some recommendations to improve overall performance of the company from internal audit consultant which were already done by the company.

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 Yoddarnern

In this regard, the Audit Committee has the duty to appoint, remove and change the internal auditor.

## Risk Management

The company has set risk management policy and sufficient risk management measures have been taken and that the aforementioned measures are at a suitable level, the risk management work plan must correspond with the policy and strategies set forth by the company with ability to assess and oversee the magnitude of the company's risks remains at a suitable level, practice in compliance this risk management policy requires strict and continual adherence under the control of the company's board of directors and the company's management department.

# 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

- o To create a structure and process of building the relationship between board of directors, management team and shareholders.
- o To give direction to all operations of the company.
- o To have right controlling system in order to examine and maximize the resources usages.
- o To build competitive competency that would grow the company and increase long term shareholders' value.
- o 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 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 would build and audit culture and control environment. Then employee participation followed. Participated employees would 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 2019 as follows

- |   |  |
|---|--|
| 1. Prof. Dr. Thammasak Phongpichayamart | Independent Director / 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 2019, 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 2019. 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 2019 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 21 February 2020



Prof. Dr. Thammasak Phongpichayamart  
Chairman of the Audit Committee

# NOMINATION AND REMUNERATION COMMITTEE' REPORT

To Board of Directors and Shareholders,

Apure's Nomination and Remuneration Committee was appointed by the Company's Board of Directors on May 12, 2011 for the duration of 3 years. Members of Nomination and Remuneration Committee are composed of 3 non-management Independent Directors while the committee's Chairperson is an Independent Director. Members of the Committee are :

- |    |                                      |          |
|----|--------------------------------------|----------|
| 1. | Prof. Dr. Thammasak Phongpichayamart | Chairman |
| 2. | Mr. Sakda Sinives                    | Member   |
| 3. | Mr. Norawit Watewai                  | Member   |

In 2019, the Remuneration Committee undertook activities in accordance with responsibilities bestowed upon the Committee by Company's Board of Director. The committee by held a total of 1 meetings and all 3 members of the Committee were present. A report was provided to the Company's Board of directors per the Committee decisions and undertakings.

1. Considering Nomination and Remuneration Committee 2019 Report to BOD and shareholder in the annual report
2. Considering and reviewing audit charter of Nomination and Remuneration committee which comprises of elements and recruitment , qualifications, term of duty, authority and responsibility , and performance reporting.
3. Consider the whole committee self-assessment according to the charter of Nomination and Remuneration committee and Good Governance of The Stock Exchange of Thailand.
4. Consider the Performane Appraisal of CEO in 2019 according to the Good Governance.

In 2019, the Nomination and Remuneration Committee executed its duties with due care, to the best of each member's ability, independently and transparently for the appropriate benefit of the company, shareholder and stakeholder.



Prof. Dr. Thammasak Phongpichayamart  
Chairman of the Nomination and Remuneration 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, 2019 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 Sotpiparnukul  
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
Leasee	AgriPure Holdings Public Company Limited (APURE)
Leaser	The Ruamjaipattana Foundation
Nature of Transaction	Leasee and Leaser agreed on the rental agreement of the office including air condition and facilities in the building of the Ruamjaipattana Foundation, with the total area 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
Leasee	River Kwai International Food Industry Company Limitedhh(RKI)
Leaser	The Ruamjaipattana Foundation
Nature of Transaction	Leasee 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) 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	River Kwai International Food Industry Company Limited (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

(4) 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	River Kwai International Food Industry Company Limited (RKI)																																
Leaser	(1) Summit Pinehurst Golf Club Company Limited (“SPGC”) (2) Summit Starhome Company Limited (“SSH”)																																
Nature of Transaction	<p>the companies held more than 30% shares by Mr. Komol (either directly or indirectly) of the paid up capital of such companies granted RKI to lease the following vehicles to undertake factory renovation and currently is still under process for development.</p> <table><tr><td>(1) 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																														
	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																														

Items	Details
Relationship	<div><div>1. Mr. Komol is the father of Mr. Suredpon Jungrungruangkit</div><div>2. Mr. Komol held shares more than 30% of the paid up capital of SPGC, SF, SSH, and SH (either directly or indirectly)</div></div>
Term of Lease	Started from January 1, 2016 onwards. If any party intends to cancel the agreement, such party must inform the other party at least 15 days. Thus, the lease agreement between the companies held more than 30% shares by Mr. Komol (either directly or indirectly) of the paid up capital of such companies expired on notice.
Value of Compensation	<div><div><div><div>(1) SSH</div><div>Trailer</div><div>Rental Fee Baht</div><div>75,000 per month per car</div></div><div><div>10 wheels crane</div><div>Rental Fee Baht</div><div>120,000 per month per car</div></div></div><div><div><div>(2) SPGC</div><div>Forklift</div><div>Rental Fee Baht</div><div>16,000 per month per car</div></div><div><div>Farming Truck</div><div>Rental Fee Baht</div><div>9,000 per month per car</div></div><div><div>10 wheels Truck</div><div>Rental Fee Baht</div><div>36,000 per month per car</div></div><div><div>6 wheels Shuttle</div><div>Bus Rental Fee Baht</div><div>18,000 per month per car</div></div><div><div>Trailer</div><div>Rental Fee Baht</div><div>75,000 per month per car</div></div><div><div>Golf cart</div><div>Rental Fee Baht</div><div>7,000 per month per car</div></div></div><div>For value of compensation, the audit committee has compared the compensation with market rental rate of vehicles for similar nature and specification and found that the compensation is lower.</div></div>
The Opinion of the Audit Committee	The vehicles rental to undertake factory renovation with lower rental rate than market rate. The audit committee considered and deemed appropriate to enter this transaction.
The Opinion of the Board of Directors of the Company	Same opinion with the audit committee

## The Policy on the Connected Transaction in the Future

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

# INDEPENDENT AUDITOR'S REPORT

## AGRIPURE HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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 2.54 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, 2019, the Group had material amount of inventory in the statement of financial position (approximately 9.66 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 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 (Cont.)

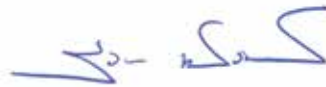
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely 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 1, 2020

# STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

## STATEMENTS OF FINANCIAL POSITION

as at December 31, 2019

### Assets

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Current assets					
Cash and cash equivalents	5	339,714,206	242,760,873	49,562,786	153,679,349
Temparary investment	6	27,000,000	27,006,440	-	-
Trade and other receivables	7	199,731,717	203,975,606	3,594,150	3,234,080
Current portion of long-term loan	13	50,000	600,000	-	-
Short-term loan	8	32,000,000	24,000,000	160,000,000	50,000,000
Inventories	9	173,845,145	343,538,062	-	-
Revenue department receivable		11,218,631	29,571,159	-	-
Other current assets		6,888,980	6,595,846	282,216	1,282,008
Non-current assets held for sale		-	74,086	-	-
Total current assets		790,448,679	878,122,072	213,439,152	208,195,437
Non-current assets					
Investments in associates	10	-	-	-	-
Investments in subsidiaries	11	-	-	899,999,930	899,999,930
Other long-term investments	12	45,170,169	39,170,165	23,470,163	23,470,163
Long-term loan	13	-	50,000	-	-
Property, plant and equipment	14	957,915,598	853,977,432	1,746,226	2,564,674
Intangible assets	15	116,577	398,861	-	-
Deferred tax assets	16	865,948	571,952	167,872	115,919
Other non-current assets		4,222,656	41,162,908	83,000	83,000
Total non-current assets		1,008,290,948	935,331,318	925,467,191	926,233,686
Total assets		1,798,739,627	1,813,453,390	1,138,906,343	1,134,429,123

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

## STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME (Cont.)

### LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Current liabilities					
Trade and other payables	18	72,327,063	104,343,868	432,068	452,672
Current portion of liabilities under finance lease agreements	19	555,055	695,532	555,055	511,957
Income tax payable		2,812,015	14,985,021	271,198	-
Other current liabilities		1,878,710	2,314,407	706,680	953,010
Total current liabilities		77,572,843	122,338,828	1,965,001	1,917,639
Non-current liabilities					
Deferred tax liabilities	16	29,229,991	28,813,077	-	-
Liabilities under finance lease agreements	19	706,885	1,261,941	706,885	1,261,941
Employee benefit obligations	20	12,486,562	8,636,175	839,361	579,594
Total non-current liabilities		42,423,438	38,711,193	1,546,246	1,841,535
Total liabilities		119,996,281	161,050,021	3,511,247	3,759,174
Shareholders' equity					
Share capital	22				
Authorized share capital					
1,054,092,050 ordinary shares, Baht 0.70 each		737,864,435	737,864,435	737,864,435	737,864,435
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	23	15,675,000	12,975,000	15,675,000	12,975,000
Unappropriated		437,106,121	410,664,931	61,545,937	59,520,790
Other components of equity		147,459,534	147,459,534	(8,184)	(8,184)
Total equity attributable to owers of the parent		1,658,422,998	1,629,281,808	1,135,395,096	1,130,669,949
Non-controlling interest		20,320,348	23,121,561	-	-
Total shareholders' equity		1,678,743,346	1,652,403,369	1,135,395,096	1,130,669,949
Total liabilities and shareholders' equity		1,798,739,627	1,813,453,390	1,138,906,343	1,134,429,123

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

# STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME (Cont.)

## Statements of Comprehensive Income For the year ended December 31,2019

		Baht			
		Consolidated financial statements		Separate financial statements	
	หมายเหตุ	2019	2018	2019	2018
Revenues					
Sales and service income	4	1,701,408,479	1,722,702,760	-	-
Other income	4	18,115,754	15,362,753	36,129,698	82,839,713
Total revenues		1,719,524,233	1,738,065,513	36,129,698	82,839,713
Expenses					
Cost of sales and service	4	1,437,406,501	1,343,997,650	-	-
Selling expenses	4	121,411,675	123,564,798	-	-
Administrative expenses	4	122,793,657	114,785,127	29,851,860	29,284,273
Finance costs		127,996	170,948	125,111	164,863
Total expenses		1,681,739,829	1,582,518,523	29,976,971	29,449,136
Profit before income tax expenses		37,784,404	155,546,990	6,152,727	53,390,577
Income tax expenses	25	6,444,427	28,178,153	1,427,580	765,366
Profit for the year		31,339,977	127,368,837	4,725,147	52,625,211
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		31,339,977	126,883,649	4,725,147	53,033,117
Profit attributable to					
Owners of the parent		29,141,190	119,548,546	4,725,147	52,625,211
Non-controlling interests		2,198,787	7,820,291	-	-
		31,339,977	127,368,837	4,725,147	52,625,211
Total comprehensive income attributable to					
Owners of the parent		29,141,190	119,152,771	4,725,147	53,033,117
Non-controlling interests		2,198,787	7,730,878	-	-
		31,339,977	126,883,649	4,725,147	53,033,117
Basic earnings per share	26				
Attributable to owners of the parent (Baht per share)		0.030	0.125	0.005	0.055

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, 2019

	Consolidated financial statements (Bath)								Non-controlling interest	Total shareholders' equity	
	Equity attributable to owners of the parent										
	Note	Ordinary shares, issued and paid-up	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, 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
Legal reserve	23	-	-	2,700,000	(2,700,000)	-	-	-	-	-	-
Dividend		-	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Total comprehensive income for the year											
Profit for the year		-	-	-	29,141,190	-	-	-	29,141,190	2,198,787	31,339,977
Other comprehensive income for the year - net of tax		-	-	-	-	-	-	-	-	-	-
Ending balance, as at December 31, 2019		670,785,876	387,396,467	15,675,000	437,106,121	147,467,718	(8,184)	147,459,534	1,658,422,998	20,320,348	1,678,743,346

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, 2019

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, 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
Legal reserve	23	-	2,700,000	(2,700,000)	-	-	-
Profit for the year	-	-	-	4,725,147	-	-	4,725,147
Ending balance, as at December 31, 2019	670,785,876	387,396,467	15,675,000	61,545,937	(8,184)	(8,184)	1,135,395,096

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

## Statements of Cash Flows

### For the year ended December 31,2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit for the year	31,339,977	127,368,837	4,725,147	52,625,211
Reconciliations of profit for the year to net cash provided by (used in) operating activities:				
Bad debt and allowance for doubtful accounts (reversal)	(1,187,200)	909,475	-	-
Loss on declining in value of inventories (reversal)	896,328	(715,606)	-	-
(Gain) loss on assets and liabilities written off	1,786,376	(1,317,607)	999,288	441
Depreciation and amortization	71,969,138	67,942,396	827,317	833,667
Gain on disposal of fixed assets	(565,965)	(118,209)	-	-
Loss on sale of other non-current assets held for sale	(600,914)	3,493	-	-
Unrealized loss on exchange rate	430,607	1,639,786	-	-
Interest income	(3,871,765)	(3,473,089)	(3,159,399)	(1,269,091)
Dividend income	(567,500)	(567,500)	(567,500)	(49,167,496)
Employee benefit expenses	3,850,387	450,160	259,767	128,612
Government saving lottery	(227,800)	-	-	-
Interest expenses	127,996	453,199	125,111	164,863
Income tax expense	6,444,427	28,178,153	1,427,580	765,366
Profit provided by operating activities before changes in operating assets and liabilities	109,824,092	220,753,488	4,637,311	4,081,573
(Increase) decrease in operating assets				
Trade and other receivables	4,296,466	15,641,389	(186,371)	(9,565)
Inventories	168,796,589	(152,936,207)	-	-
Other current assets	17,078,826	(15,909,289)	504	(5,180)
Other non-current assets	36,940,249	(27,269,506)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(36,035,831)	9,379,899	(20,604)	76,009
Other current liabilities	(435,697)	(61,609)	(246,330)	(89,559)
Cash received from operations	300,464,694	49,598,165	4,184,510	4,053,278
Interest income received	410,318	918,838	273,919	714,680
Income tax expense paid	(18,513,240)	(20,477,815)	(1,208,335)	(1,524,599)
Net cash provided by operating activities	282,361,772	30,039,188	3,250,094	3,243,359

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

## Statements of Cash Flows

### For the year ended December 31,2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
(Increase) decrease on temporary investment	6,440	(4,327,213)	-	-
Cash receipts from short-term loan to other company	72,000,000	88,000,000	-	-
Cash payments for short-term loan to other company	(80,000,000)	(88,000,000)	-	-
Cash receipts from short-term loan to related company	-	-	370,000,000	80,000,000
Cash payments for short-term loan to related company	-	-	(480,000,000)	(130,000,000)
Cash receipts from disposal of other non-current assets held for sale	675,000	532,709	-	-
Cash payments for purchase of other long-term investments	(6,000,004)	(15,700,000)	-	-
Cash receipt from government saving lottery	227,800	-	-	-
Cash receipts from long-term loan	600,000	600,000	-	-
Cash payments for purchase of fixed assets	(174,273,995)	(46,873,111)	(8,869)	(48,169)
Cash receipts from disposal of fixed assets	3,186,370	1,223,808	-	-
Cash payments for purchase of intangible assets	(14,980)	(60,038)	-	-
Cash receipt from return on share subscription	-	30,000,000	-	15,000,000
Dividend income received	567,500	567,500	567,500	49,167,496
Interest income received	3,440,959	2,898,355	2,711,781	456,329
Net cash provided by (used in) investing activities	(179,584,910)	(31,137,990)	(106,729,588)	14,575,656
Cash flows from financing activities				
Cash payments for repayment of liabilities under				
finance lease agreement	(695,533)	(685,571)	(511,958)	(472,206)
Interest expenses paid	(127,996)	(453,199)	(125,111)	(164,863)
Dividend paid for non-controlling interest	(5,000,000)	(3,125,003)	-	-
Net cash used in financing activities	(5,823,529)	(4,263,773)	(637,069)	(637,069)
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents - beginning of year	96,953,333	(5,362,575)	(104,116,563)	17,181,946
Cash and cash equivalents - ending of year	242,760,873	248,123,448	153,679,349	136,497,403
	339,714,206	242,760,873	49,562,786	153,679,349
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	(182,742,531)	(73,970,051)	(8,869)	-
Increase in liabilities under financial lease contract	-	396,940	-	-
Increase in payable from acquisition of assets	8,468,536	26,700,000	-	-
Cash paid for acquisition of property, plant and equipment	(174,273,995)	(46,873,111)	(8,869)	-

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, 2019

### 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, 2019	As at December 31, 2018
<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
Agri-fresh 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 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

### 2.4 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

#### Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

#### TFRS 16 Leases

These TFRSs superseded TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenue and expenses recognition

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns 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.



# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3.4 Inventories

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 associates 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 equess 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 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 add in involve fixed asset, if it is certainly probable 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 has 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 realued 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.

### **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 30.

### **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' 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 retaining 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.

### **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
Agri-fresh 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 Footwear Co., Ltd.	Common shareholder and director
Summit Housing Co., Ltd.	Common shareholder and director
Summit Starhome 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 Jungrungruangkit	Shareholder and director of the Company
Mr. Komol Jungrungruangkit	Shareholder of the Company
Dr. Taweesak Pulam	Director of a subsidiary
Mr. Pongkawin Jungrungruangkit	Relatives of director
Ms. Puripas Jungrungruangkit	Relatives of director

#### Pricing policies

Transaction	Pricing policies
Revenue from sales	Negotiated price and condition
Revenue from marketing and distribution management	Baht 2.7 million per month
Rental income	As identified in contract
Purchase of goods	Negotiated price and condition
Purchase of 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	As identified in contract



#### 4.2 Revenue and expense with related parties

Revenue and expense transactions with related parties for the year ended December 31, 2019 and 2018 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Revenue from sales</b>				
Siam Del Monté Co., Ltd.	3,890,000	6,166,771	-	-
Chiangrai Frozen Foods Co., Ltd.	1,410,000	1,350,000	-	-
Thaiseeds Research and Development Co., Ltd.	3,000,000	-	-	-
<b>Revenue from service</b>				
Thaiseeds Research and Development Co., Ltd.	7,023,491	10,736,719	-	-
<b>Revenue from marketing and distribution management</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.	-	-	2,885,479	464,658
International Engineering Public Co., Ltd.	-	179,506	-	89,753
<b>Dividend income</b>				
River Kwai International Food Industry Co., Ltd.	-	-	-	48,599,996
<b>Other income</b>				
Summit Footwore Co., Ltd.	271,753	-	-	-
Siam Del Monté Co., Ltd.	80,500	126,921	-	-
<b>Sale of assets</b>				
Summit Pinehurst Golf Club Co., Ltd.	50,000	-	-	-
Chiangrai Frozen Foods Co., Ltd.	-	810,000	-	-
<b>Purchase of goods</b>				
Siam Del Monté Co., Ltd.	10,010,944	13,239,727	-	-
Thaiseeds Research and Development Co., Ltd.	1,580,000	1,650,000	-	-
Sweet Corn Products Co., Ltd.	10,732,500	12,517,500	-	-
<b>Purchase of assets</b>				
Chiangrai Frozen Foods Co., Ltd.	-	1,687,396	-	-
<b>Seed royalty expense and purchase of seeds</b>				
Sweet Seeds Co., Ltd.	8,132,963	12,307,167	-	-
<b>Manufacturing expense</b>				
Summit Starhome Co., Ltd.	2,100,000	2,340,000	-	-
Summit Pinehurst Golf Club Co., Ltd.	1,524,000	2,538,000	-	-
<b>Management fee</b>				
Thaiseeds Research and Development Co., Ltd.	26,602,400	27,504,050	-	-
Dr. Taweesak Phulam	2,000,400	2,000,400	-	-
<b>Expenses</b>				
Siam Del monte Co., Ltd.	50,862	-	-	-
Summit Pinehurst Golf Club Co., Ltd.	624,600	408,600	-	-
The Ruamjaipattana Foundation	828,000	828,000	612,000	612,000
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	410,526	742,105	-	-
Ms. Puripas Jungrungruangkit	331,579	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## Remuneration of Directors and Executives

For the year ended December 31, 2019 and 2018 the Group's cost of employee benefits and executive director as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	16,095,385	15,657,916	8,901,000	8,855,000
Post-employment benefits	172,339	50,401	7,796	12,818
Total	16,267,724	15,708,317	8,908,796	8,867,818

## Dividend income from subsidiaries

At a meeting of the Board of Directors of a subsidiary on August 10, 2018, the Board of Directors approved the payment of interim dividend for the year 2018 at the rate of Baht 0.54 per share, amounting to Baht 48.60 million, payable within September 8, 2018.

## 4.3 Balance with related parties

Balance with the related parties as December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade accounts receivable</b>				
Thaiseeds Research and Development Co., Ltd.	782,006	537,785	-	-
Siam Del Monté Co., Ltd.	600,000	1,190,795	-	-
Chiangrai frozen foods Co., Ltd.	225,000	450,000	-	-
Total	1,607,006	2,178,580	-	-
<b>Other account receivable</b>				
River Kwai International Food Industry Co., Ltd.	-	-	3,160,781	2,987,082
Summit Footwre Co., Ltd.	190,755	-	-	-
Siam Del Monté Co., Ltd.	11,482	24,543	-	-
Chiangrai frozen foods Co., Ltd.	-	866,700	-	-
Total	202,237	891,243	3,160,781	2,987,082
<b>Other non-current assets</b>				
The Ruamjai pattana Foundation	54,000	-	-	-
Ms. Puripas Jungrungrangkit	110,526	-	-	-
Total	164,526	-	-	-
<b>Short-term loan</b>				
River Kwai International Food Industry Co., Ltd.	-	-	160,000,000	50,000,000
<b>Trade accounts payable</b>				
Siam Del Monté Co., Ltd.	638,728	652,768	-	-
Sweet Seeds Co., Ltd.	527,564	764,622	-	-
Thaiseeds Research and Development Co., Ltd.	420,000	-	-	-
Sweet Corn Co., Ltd.	382,500	753,750	-	-
Total	1,968,792	2,171,140	-	-
<b>Other accounts payable</b>				
Thaiseeds research and Development Co., Ltd.	1,314,800	1,429,200	-	-
Summit Pinehurst Golf Club Co., Ltd.	215,070	394,830	-	-
Summit Starhome Co., Ltd.	160,500	417,300	-	-
Chiangrai frozen foods Co., Ltd.	64,200	64,200	-	-
Mr. Komol Jungrungrangkit	107,000	107,000	-	-
Mr. Pongkawin Jungrungrangkit	125,000	310,526	-	-
Ms. Puripas Jungrungrangkit	36,842	-	-	-
Total	2,023,412	2,723,056	-	-

#### 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 there is an additional compensation for manufacturing quantities and sales volume which is more than 45,000 kgs. at the rate of Baht 75 - 150 per kg.

On January 1, 2019, The such agreement has been renewed for a year since January 1, 2019 to December 31, 2019. The subsidiary agrees to pay annual compensation of Baht 7 million. However, If net profit is lower than Baht 5 million for 2 consecutive years, whether the parties will reconsider to agree on management agreement. And there is an additional compensation for manufacturing quantities and sales volume which is more than 45,000 kgs. at the rate of Baht 100 - 200 per kg.

2) Sweet Corn Product Co., Ltd. has entered into a management agreement with Dr.Taweesak Pulam, which is effective on January 1, 2018 to December 31, 2018 and on January 1, 2019 to December 31, 2019. The subsidiary agrees to pay compensation of Baht 166,700 per month.

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 researched and developed by the grantor. The grantee intends to be assigned as the breeder and distributor in those sweet corns in Thailand.

On January 1, 2018, the both parties have entered into an agreement which is effective on January 1, 2018 to December 31, 2018 and the such agreement has been renewed for a year since January 1, 2019 to December 31, 2019. The agreement to pay compensation to the right on license technology is as follows :

- Annual fee

1. Sale volume is from 1,000 kgs but not over than 2,500 kgs, annual fee charges by Baht 100,000 per product.

2. Sale volume is over 2,500 kgs, annual fee charges by Baht 250,000 per product.

- Additional fee of product sale at rate of Baht 75 per kg.

- Purchase of species father and mother seeds for use in the production at rate of Baht 1,000 per kg.

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. commencing from January 1, 2016 onwards, with rental rate of Baht 20,000 per month.

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

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 commencing from September 1, 2016 onwards, with rental rate 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, with rental rate of Baht 14,000 to Baht 120,000 per month and can be cancelled by notification in writing at least 15 days in advance.

9) On December 1, 2018, the Company has entered into the marketing and distribution management expenses 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 2019, with the renew 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, the agreement has been renewed which has 3 years long from April 1, 2018 to March 31, 2021 with rental rate of Baht 36,842.11 (including withholding tax). This agreement has been ceased on April 1, 2019. On April 1, 2019, the Company changed to enter into a land rental agreement with another related person for doing its business from April 1, 2019 onward with rental rate of Baht 36,842.11 (including withholding tax)

On June 27, 2016, the Company has entered into another land rental agreement since August 1, 2016 onward, with rental rate of Baht 25,000 per month.

11) On August 25, 2017, the Company has renewed 3 machine lease agreement with Chiangrai frozen foods Co., Ltd., 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. After that, the agreement has been renewed for 3 years since August 1, 2019 to January 31, 2022 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 of Baht 51,000 per month and water fee in the rate of Baht 3,000 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 a 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 17) by subsidiary's lands and property (Note 14) without charge any guarantee fee.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash and deposits at bank				
Cash on hand	745,642	723,665	221,545	197,616
Deposits at bank - current accounts	6,590,833	18,305,058	79,100	79,324
- savings accounts	326,828,100	218,237,122	49,262,141	153,402,409
- fixed accounts	5,549,631	5,495,028	-	-
Total	339,714,206	242,760,873	49,562,786	153,679,349

## 6. CURRENT INVESTMENTS

As at December 31, 2019 and 2018, a subsidiary has 6 - 11 months and 5 - 12 months fixed deposits with local financial institutions, respectively, amounted Baht 27.00 and Baht 27.01 million, bear interest rate at 1.30% - 1.625% per annum and 0.90% - 1.65% per annum, respectively. Fixed deposits have no any restriction.

## 7. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable - related parties	1,607,006	2,178,580	-	-
Trade accounts receivable - other parties	196,166,960	192,302,367	-	-
Trade accounts receivable - farmers	15,905,542	14,455,030	-	-
<u>Less</u> allowance for doubtful accounts	(45,186,239)	(46,601,123)	-	-
Trade accounts receivable - net	168,493,269	162,334,854	-	-
Other accounts receivable - related parties	202,237	891,243	3,160,781	2,987,082
Other accounts receivable - other parties				
Prepaid Expenses	2,204,043	2,194,698	413,369	225,079
Advance payment for purchasing materials	18,031,051	28,725,274	-	-
Other deposits	37,500	261,500	-	-
Other accounts receivable	925,916	470,969	-	21,362
Advance payment to farmer	9,668,521	8,623,666	-	-
Accrued interest income	268,795	149,041	-	-
Advance payment	378,417	346,557	20,000	557
Others	-	228,152	-	-
<u>Less</u> allowance for doubtful accounts	(478,032)	(250,348)	-	-
Other accounts receivable - net	31,238,448	41,640,752	3,594,150	3,234,080
Total trade and other current accounts receivable - net	199,731,717	203,975,606	3,594,150	3,234,080

Trade accounts receivable can be aged as follows:

	Baht	
	Consolidated financial statements	
	2019	2018
Within credit term	94,257,878	85,852,170
Overdue :		
Not over 3 months	70,538,429	71,788,411
3 - 6 months	2,990,672	4,561,779
Over 6 months	45,892,529	46,733,617
Total	213,679,508	208,935,977
Less allowance for doubtful debts	(45,186,239)	(46,601,123)
Net	168,493,269	162,334,854

Trade accounts receivable classified by currency consisted of :-

	Consolidated financial statements			
	Foreign currency		Bath	
	2019	2018	2019	2018
Baht			70,901,288	75,322,221
US. Dollars	4,159,029	3,765,731	125,571,065	121,575,876
Pound Sterling	147,790	166,244	5,777,263	6,751,455
Euro	12,321	9,923	411,250	364,786
Yen	35,476,148	15,573,361	9,659,303	4,504,050
Singapore Dollars	15,013	17,833	331,119	417,589
Australia Dollars	49,721	-	1,028,220	-
			213,679,508	208,935,977

Movements of allowance for doubtful accounts were as follows:

	Baht	
	Consolidated financial statements	
	2019	2018
Beginning balance of the year	46,851,471	45,941,995
Additional during the year	-	909,476
Deduction during the year	(1,187,200)	-
Ending balance at end of year	45,664,271	46,851,471

During the year 2019, 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	
	2019	2018
Beginning balance of the year	28,725,274	51,377,610
Additional during the year	35,180,896	81,995,957
Deduction during the year	(45,875,119)	(104,648,293)
Ending balance at end of year	18,031,051	28,725,274

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 8. SHORT-TERM LOANS

Movements of short-term loans were as follows:

	Baht			
	Consolidated financial statements			
	As at Dec 31, 2018	Increase	(Decrease)	As at Dec 31, 2019
Metal one Co.,Ltd.	24,000,000	80,000,000	(72,000,000)	32,000,000
Total	24,000,000	80,000,000	(72,000,000)	32,000,000

As at December 31, 2019, a subsidiary company has entered into short-term loans agreement to non-related parties amounted Baht 32 million. The interest rate has been charged at 5% per annum in the term 120 days without collateral.

	Baht			
	Separate financial statements			
	As at Dec 31, 2018	Increase	(Decrease)	As at Dec 31, 2019
River Kwai International Food Industry Co., Ltd.	50,000,000	480,000,000	(370,000,000)	160,000,000
Total	50,000,000	480,000,000	(370,000,000)	160,000,000

As at December 31, 2019, the Company has short-term loans, in the form of 8 promissory notes to related party amounted Baht 160 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	
	2019	2018
Finished goods	31,311,397	54,566,149
Work in process	34,697,984	56,038,687
Semi-products	67,071,282	184,151,798
Raw materials	2,504,906	3,061,121
Packaging	37,983,452	45,791,968
Spare parts and supplies	12,446,119	11,149,649
Plantation costs	146,553	198,910
Total	186,161,693	354,958,282
Less allowance for declining in value	(12,316,548)	(11,420,220)
Net	173,845,145	343,538,062



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

	Baht	
	Consolidated financial statements	
	2019	2018
Beginning balance of the year	11,420,220	12,135,825
Additional during the year	896,328	-
Deduction during the year	-	(715,605)
Ending balance at end of year	12,316,548	11,420,220
Decline in value of inventory recognized as cost of goods sold for the year	896,328	(715,605)

#### 10. INVESTMENT IN ASSOCIATE

Investment in associate consisted of:

	Paid-up capital (Baht)	Percentage of shareholding (%)	Baht			
			Equity Method		Cost Method	
			2019	2018	2019	2018
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:

	Paid-up capital (Baht)	Percentage of shareholding (%)	Baht	
			2019	2018
River Kwai International Food Industry Co., Ltd.	900,000,000	100	899,999,930	899,999,930
Less allowance for impairment loss			-	-
Net			899,999,930	899,999,930

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	
		2019	2018	2019	2018	2019	2018
Sweet Corn Products Co.,Ltd.	Thailand	75.00	75.00	2,198,787	7,730,878	25,320,282	23,121,495
Total				2,198,787	7,730,878	25,320,282	23,121,495

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Baht	
	2019	2018
Current assets	53,788,663	75,848,903
Non-current assets	33,817,394	27,587,250
Current liabilities	4,229,432	9,426,732
Non-current liabilities	1,983,037	1,410,981
Non-controlling interests	25,320,282	23,121,495
Revenue	85,862,013	125,391,609
Profit attributable to the non-controlling interests	2,198,787	7,820,291
Other comprehensive income (loss) to the non-controlling interests	-	(89,413)
Dividends paid to non-controlling interests	5,000,000	3,125,000
Net cash provided by operating activities	18,938,171	27,895,283
Net cash used in investing activities	(7,668,931)	(26,445,817)
Net cash used in financing activities	(20,000,000)	(12,500,000)
Net cash increase (decrease)	(8,730,760)	(11,050,534)

## 12. OTHER LONG-TERM INVESTMENTS

Other long-term investments consisted of:

	Baht	
	Consolidated financial statements	
	2019	2018
Investment in government saving lottery	21,700,000	15,700,000
General investments	23,470,169	23,470,165
Total	45,170,169	39,170,165

As at December 31, 2019 and 2018, a subsidiary has investment in government saving lottery has 434,000 units and 314,000 units with Baht 50 each, totaling Baht 21.70 and Baht 15.70 million. It has return to maturity (3 years) at 0.40% per annum.

General investments consisted of:

	Paid-up capital (Baht)	Percentage of shareholding (%)	Baht			
			Consolidated financial statement		Separate financial statement	
			2019	2018	2019	2018
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	1.30	3,138,000	3,138,000	3,138,000	3,138,000
Siam Del Monté Co., Ltd. *	850,800,000	1.32	11,250,000	11,250,000	-	-
International Engineering Public Co., Ltd.	2,493,357,781	0.00	8	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	
	2019	2018
Long-term loan	50,000	650,000
Less current portion	(50,000)	(600,000)
Long-term loan-net	-	50,000

As at December 31, 2019 and 2018, 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.

### 14.PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec 31, 2018	Movement during the year			Balance per book as at Dec 31, 2019
		Additions	Deduction	Transferred in (out)	
<u>At cost/At revaluation</u>					
Land - revaluation	220,069,120	-	-	-	220,069,120
Building and building improvement	288,809,310	150,573	(445,744)	12,810,309	301,324,448
Machines and equipment	721,639,190	12,908,982	(3,714,561)	147,333,061	878,166,672
Furniture and fixture and office equipment	31,127,570	442,705	(775,441)	-	30,794,834
Vehicles	44,341,756	-	-	-	44,341,756
Other assets	6,651,702	131,249	(227,293)	159,542	6,715,200
Assets in progress	19,094,412	169,109,022	-	(164,814,998)	23,388,436
Total	1,331,733,060	182,742,531	(5,163,039)	(4,512,086)	1,504,800,466
<u>Accumulated depreciation</u>					
Building and building improvement	(89,607,991)	(9,682,895)	445,741	-	(98,845,145)
Machines and equipment	(327,885,717)	(56,846,551)	1,094,237	-	(383,638,031)
Furniture and fixture and office equipment	(27,457,606)	(1,395,376)	775,370	-	(28,077,612)
Vehicles	(27,200,442)	(3,483,501)	-	-	(30,683,943)
Other assets	(5,603,872)	(263,551)	227,286	-	(5,640,137)
Total	(477,755,628)	(71,671,874)	2,542,634	-	(546,884,868)
Property, plant and equipment, net	853,977,432				957,915,598

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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					
Separate financial statements					
	Balance per book as at Dec 31, 2018	Movement during the year			Balance per book as at Dec 31, 2019
		Additions	Deduction	Transferred in (out)	
<u>At cost</u>					
Furniture and fixture and office equipment	1,201,420	3,262	-	-	1,204,682
Vehicles	7,932,286	-	-	-	7,932,286
Other assets	51,060	5,607	-	-	56,667
Total	9,184,766	8,869	-	-	9,193,635
<u>Accumulated depreciation</u>					
Furniture and fixture and office equipment	(873,865)	(118,311)	-	-	(992,176)
Vehicles	(5,713,256)	(701,100)	-	-	(6,414,356)
Other assets	(32,971)	(7,906)	-	-	(40,877)
Total	(6,620,092)	(827,317)	-	-	(7,447,409)
Equipment, net	2,564,674				1,746,226

	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			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation for the year				
Cost of sales	66,816,718	61,487,095	-	-
Selling and administrative expenses	4,855,156	5,563,714	827,317	833,667
Total	71,671,874	67,050,809	827,317	833,667
Gain (loss) on disposal of fixed assets	565,965	118,209	-	-

On June 1, 2018, 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. n.

	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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2019 and 2018, the Company and its subsidiaries has fully depreciated fixed assets which is still in active use at gross carrying amount totaling of Baht 208.54 million and Baht 193.07 million, respectively (the separate amounting to Baht 5.07 million and Baht 5.02 million, respectively).

As at December 31, 2019 and 2018, the Company and its subsidiaries has vehicles under the finance lease agreement which has the net book value of Baht 1.52 million and Baht 3.27 million, respectively (the separate amount to Baht 1.52 million and Baht 2.22 million, respectively).

As at December 31, 2019 and 2018, a subsidiary has land with its construction which are pledged for the credit line with a local bank (Note 17). It has net book value totaling of Baht 170.48 million and Baht 165.84 million, respectively.

### 15. INTANGIBLE ASSETS

Movements of the intangible assets for the year ended December 31, 2019 and 2018 was summarized as follows:

	Baht			
	Consolidated financial statement			
	Balance as at			Balance as at
	Dec 31, 2018	Increase	(Decrease)	Dec 31, 2019
Program computer	16,600,029	14,980	-	16,615,009
Less accumulated amortization	(16,201,168)	(297,264)	-	(16,498,432)
Net	398,861			116,577

	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

### 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	
	2019	2018	2019	2018
Deferred tax assets	865,948	571,952	167,872	115,919
Deferred tax liabilities	(29,229,991)	(28,813,077)	-	-
	(28,364,043)	(28,241,125)	167,872	115,919



Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2019 and 2018, were summarized as follows:

	Baht			
	Consolidated financial statement			
	As at Dec 31, 2018	Income (expense) during the year		As at Dec 31, 2019
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Allowance for decline in value of obsolete stock	2,284,044	51,634		2,335,678
Allowance for impairment of other current assets	430,590	(389,944)	-	40,646
Allowance for impairment of other non-current assets held for sale	120,000	(120,000)	-	-
Employee benefit obligation	1,422,507	774,939	-	2,197,446
Total	4,257,141	316,629	-	4,573,770
Deferred tax liabilities :				
Revaluation surplus	(24,563,720)	-		(24,563,720)
Accumulated depreciation from changing the useful life	(7,934,546)	(439,547)	-	(8,374,093)
Total	(32,498,266)	(439,547)	-	(32,937,813)
Deferred tax assets (liabilities) - net	(28,241,125)		-	(28,364,043)

	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			
	Separate financial statement			
	As at Dec 31, 2018	Income (expense) during the year		As at Dec 31, 2019
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Employee benefit obligation	115,919	51,953	-	167,872
Total	115,919	51,953	-	167,872

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

As at December 31, 2019, the subsidiaries have short-term credit facilities in the amount of Baht 370.20 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	13.00
		(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.

## 18. TRADE AND OTHER ACCOUNTS PAYABLES

Trade and other accounts payable consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable - related parties	1,968,792	2,171,140	-	-
Trade accounts payable - other parties	33,855,749	45,833,572	-	-
Cheques on hand	426,457	1,518,148	-	-
Total trade accounts payable	36,250,998	49,522,860	-	-
Other accounts payable - related parties	2,023,412	2,723,056	-	-
Other accounts payable - other parties	34,052,653	49,936,266	432,068	452,672
Cheques on hand	-	2,161,686	-	-
Total other accounts payable	36,076,065	54,821,008	432,068	452,672
Total trade and other accounts payable	72,327,063	104,343,868	432,068	452,672

## 19. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements were consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements	1,393,834	2,203,842	1,393,834	2,017,382
Less deferred interest	(131,894)	(246,369)	(131,894)	(243,484)
	1,261,940	1,957,473	1,261,940	1,773,898
Less current portion	(555,055)	(695,532)	(555,055)	(511,957)
Liabilities under finance lease agreements - net	706,885	1,261,941	706,885	1,261,941

	Baht					
	Consolidated financial statements					
	2019			2018		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	706,885	43,641	750,526	1,261,941	131,893	1,393,834
Over 5 years	-	-	-	-	-	-
Total	706,885	43,641	750,526	1,261,941	131,893	1,393,834

	Baht					
	Separate financial statements					
	2019			2018		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	706,885	43,641	750,526	1,261,941	131,893	1,393,834
Over 5 years	-	-	-	-	-	-
Total	706,885	43,641	750,526	1,261,941	131,893	1,393,834

As at December 31, 2019, 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.

## 20.EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Beginning balance	8,636,175	4,053,481	579,594	960,865
Past service costs and interest				
- Change a post - employment plan amendment	2,552,167	-	183,312	-
Current service costs and interest during the year	1,298,220	450,160	76,455	128,612
Actuarial (gain) loss	-	4,132,534	-	(509,883)
Ending balance	12,486,562	8,636,175	839,361	579,594

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

Expense recognized in the statements of comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Past service costs	2,552,167	-	183,312	-
Service costs	943,927	338,897	51,743	90,945
Interest on obligation	354,293	111,263	24,712	37,667
Total	3,850,387	450,160	259,767	128,612

Actuarial (gain) loss	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
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, 2019 and 2018 are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate				
0.5% increase	(457,945)	(323,006)	(38,145)	(28,531)
0.5% decrease	591,413	348,192	40,880	30,634
Salary increase rate				
0.5% increase	633,495	337,255	43,192	29,273
0.5% decrease	(585,696)	(188,993)	(40,550)	(27,520)
Turnover rate				
1% increase	(1,303,361)	(675,502)	(94,719)	(64,406)
1% decrease	1,504,202	773,434	109,672	74,337

## Principal assumptions in actuarial estimates

	2019		2018	
	Percentage		Percentage	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate	1.92 - 4.03	3.44	1.92 - 4.03	3.44
Salary increase rate	0.00 - 6.12	3.99	0.00 - 6.12	3.97
Employee turnover rate	0.00 - 22.00	11.00	0.00 - 22.00	11.00
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

## Employee benefits obligations

On April 5, 2019, the Labour Protection Act has been 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. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

## 21. 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, 2019 and 2018, the Group's debt-to-equity ratio was 0.07 : 1 and 0.10 : 1, respectively.

## 22.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:

### 22.1 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.

### 22.2 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.

### 22.3 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.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

## 23. 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 brought forward (if any), until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

## 24. SEGMENT INFORMATION EXPENSES BY NATURE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Raw materials, packaging and supplies and supplies used	925,462,853	1,094,148,885	-	-
Changes in finished goods, semi-products and work in process	162,572,299	(152,687,165)	-	-
Employee benefit expenses	207,162,409	222,332,872	18,739,114	18,820,985
Sub-contract costs	32,707	25,475	-	-
Transportation expenses	81,778,440	83,850,374	-	-
Depreciation and amortisation	71,969,138	67,942,393	827,317	833,667
Management fee and Product distribution	85,269,351	92,482,513	-	-
Repair and maintenance expenses	45,518,868	54,335,842	462,199	275,732
Utility expense	28,915,007	35,439,574	242,206	285,115
Fuel expenses	34,356,726	46,211,422	-	-
Office expense	11,833,476	15,972,194	1,041,542	1,197,331
Rental fee	4,954,766	6,328,578	-	-
Allowance for doubtful accounts	(1,187,200)	4,707,478	-	-
Decrease allowance for diminution in value of inventories	896,328	(715,605)	-	-

## 25. TAX EXPENSE (TAX INCOME)

### 25.1 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	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	6,321,509	28,145,331	1,479,533	983,262
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	122,918	32,822	(51,953)	(217,896)
Total	6,444,427	28,178,153	1,427,580	765,366
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



**25.2 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, 2019 and 2018 which were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) for the year	37,784,404	155,546,990	6,152,727	53,390,577
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	7,556,881	31,109,398	1,230,545	10,678,115
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,434,054	1,657,024	318,995	112,923
Tax effect of income that are required in determining taxable profit:				
- Exemption of non-taxable dividend income	(121,960)	(113,500)	(121,960)	(9,833,499)
- Expenses allowed as additional in determining tax profit	(3,960,985)	(3,960,985)	-	-
Loss on taxable profit that are not recorded as deferred tax assets	-	(672,160)	-	(192,173)
Others	1,536,437	158,376	-	-
Total reconciliation items	(1,112,454)	(2,931,245)	197,035	(9,912,749)
Total tax expense (income)	6,444,427	28,178,153	1,427,580	765,366

**25.3 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, 2019 and 2018 were summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	37,784,404		155,546,990	
Tax expense (income) at the applicable tax rate	7,556,881	20.00	31,109,398	20.00
Reconciliation items	(1,112,454)	(2.94)	(2,931,245)	(1.88)
Tax expense (income) at the average effective tax rate	6,444,427	17.06	28,178,153	18.12

	Separate financial statement			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	6,152,727		53,390,577	
Tax expense (income) at the applicable tax rate	1,230,545	20.00	10,678,115	20.00
Reconciliation items	197,035	3.20	(9,912,749)	(18.57)
Tax expense (income) at the average effective tax rate	1,427,580	23.20	765,366	1.43

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 26. 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, 2019 and 2018 as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit for the period attributable to equity holders of the parent company (Baht)	29,141,190	119,548,546	4,725,147	52,625,211
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)	0.030	0.125	0.005	0.055

## 27. SEGMENT INFORMATION

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

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

Information relating to business segments for the year ended December 31, 2019 and 2018 as follows:

	Baht					
	Consolidated financial statements					
	2019					
	Canned sweet corn	Fresh vegetable and fruit	Commercial seed	Total	Eliminate	Total
External revenue	1,445,133,431	148,934,505	107,340,543	1,701,408,479	-	1,701,408,479
Inter - segment revenue	208,552	540,050	35,820,000	36,568,602	(36,568,602)	-
Total revenue	1,445,341,983	149,474,555	143,160,543	1,737,977,081	(36,568,602)	1,701,408,479
Segment profit (loss) before income tax	42,597,261	(4,974,819)	11,086,615	48,709,057	(10,924,653)	37,784,404
Segment assets	2,695,843,069	72,723,897	87,606,058	2,856,173,024	(1,057,433,397)	1,798,739,627

	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

### 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.

Geographic segments for the ended December 31, 2019 and 2018 as follow :

	Baht	
	Consolidated financial statements	
	2019	2018
Overseas	1,517,482,886	1,510,098,496
Domestic	183,925,593	212,604,264
Total	1,701,408,479	1,722,702,760

#### Major customers

Revenue from a major customer from canned sweet corn for the year ended December 31, 2019, amounted Baht 170.36 million (2018 : a major customer amounted Baht 180.74 million) from total revenue of the group.

## 28. 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 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

## 29. 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, 2019 and 2018 were amounted to Baht 0.96 million and Baht 0.91 million, respectively. (the separate amounting to Baht 0.74million and Baht 0.72 million, respectively).

## 30. FINANCIAL INSTRUMENTS

### 30.1 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.

### 30.2 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.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at December 31, 2019 and 2018, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	Consolidated financial statements			
	As at December 31, 2019			
	Floating interest rate	Fixed interest rate	Interest free	Total
<u>Financial assets</u>				
Cash and cash equivalents	326,828,100	5,549,631	7,336,475	339,714,206
Temporary investment	-	27,000,000	-	27,000,000
Trade and other accounts receivable	-	-	199,731,717	199,731,717
Short-term loan	-	32,000,000	-	32,000,000
Long-term loan	-	50,000	-	50,000
Investment in government saving lottery	-	21,700,000	-	21,700,000
<u>Financial liabilities</u>				
Trade and other accounts payable	-	-	72,327,063	72,327,063
Liabilities under finance lease agreement	-	1,261,940	-	1,261,940

	Baht			
	Consolidated financial statements			
	As at December 31, 2018			
	Floating interest rate	Fixed interest rate	Interest free	Total
<u>Financial assets</u>				
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	-	-	203,975,606	203,975,606
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
<u>Financial liabilities</u>				
Trade and other accounts payable	-	-	104,343,868	104,343,868
Liabilities under finance lease agreement	-	1,957,473	-	1,957,473

	Baht			
	Separate financial statements			
	As at December 31, 2019			
	Floating interest rate	Fixed interest rate	Interest free	Total
<u>Financial assets</u>				
Cash and cash equivalents	49,262,141	-	300,645	49,562,786
Trade and other accounts receivable	-	-	3,594,150	3,594,150
Short-term loan	-	160,000,000	-	160,000,000
<u>Financial liabilities</u>				
Trade and other accounts payable	-	-	432,068	432,068
Liabilities under finance lease agreement	-	1,261,940	-	1,261,940

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

### 30.3 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.

### 30.4 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, 2019 and 2018, 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, 2019		As at December 31, 2018		
Assets	Liabilities	Assets	Liabilities	
<u>Foreign currency</u>				
US Dollar	125,571,065	2,095,910	121,575,872	2,753,341
Euro	411,250	-	364,789	-
Pound sterling	5,777,263	-	6,751,468	11,335
Yen	9,659,303	1,381,239	4,504,050	3,669,619
Singapore Dollar	331,119	-	417,586	-
Australia Dollar	1,028,220	-	-	50,041

A subsidiary exposure to foreign currency risk related to its export sale. During the year, 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.

### 30.5 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.

### 30.6 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 as follows:

	Baht				
	Consolidated financial statements				
	Balance as at Dec 31, 2018	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at Dec 31, 2019
			Increase	Acquisition of Subsidiary	
Liabilities under finance lease agreement	1,957,473	(695,533)	-	-	1,261,940
Total	1,957,473	(695,533)	-	-	1,261,940

	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				
	Separate financial statements				
	Balance as at Dec 31, 2018	Cash flows Increase (decrease)*	Non-cash transaction		Balance as at Dec 31, 2019
			Increase	Acquisition of Subsidiary	
Liabilities under finance lease agreement	1,773,898	(511,958)	-	-	1,261,940
Total	1,773,898	(511,958)	-	-	1,261,940

	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

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

## 32. COMMITMENTS

32.1 As at December 31, 2019 and 2018 the Group has a commitment as follow :

	Baht	
	Consolidated financial statements	
	2019	2018
Machine purchase agreement		
- Thai currency (THB)	-	33,060,000
- United states of America currency (USD)	-	1,652,870

As at December 31, 2019 and 2018, a subsidiary had deposits for machine and equipment totaling Baht 1.82 million and Baht 37.31 million, respectively.



32.2 As at December 31, 2019 and 2018 the Group has a commitment from operating lease as follow :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Paid within				
Not over 1 year	6,897,923	5,177,805	2,156,244	2,625,000
1 - 5 years	1,555,000	1,434,953	300,000	756,000
Total	8,452,923	6,612,758	2,456,244	3,381,000

### 33. CONTINGENT LIABILITIES

33.1 As at December 31, 2019, subsidiaries have contingent liabilities from bank guarantee of electricity in normal operation of the business totaling of Baht 3.53 million.

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

33.3 A subsidiary has a lawsuit against the defendant. About import tariffs in Europe. The Court judged to use tax rate of 12.8% (3.6% from the previous one) until further notice.

### 34. RECLASSIFICATION

Certain amounts in the financial statements for the year 2018 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, 2018			
Trade and other accounts receivable	24,292,447	(37,316,814)	203,975,606
Other long-term investment	3,846,067	37,316,814	41,162,908

### 35. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's executive committee on February 21, 2020.

## The remuneration of the auditors

The Company and its subsidiaries' audit fee for paid to the Dharmniti Audit Co., Ltd. for the year 2019 Baht 2,492,000, non-audit fee such as transportation fee and over time fee for the accounting period is Baht 70,641

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 Maneeekanoksukol	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	639,000
2	River Kwai International Food Industry Company Limited	1,133,000
3	Sweet Corn Products Company Limited	360,000
4	AgriFresh Company Limited	360,000
	Total	2,492,000

### Non - Audit fee

Items	Payers	Audit fee
1	AgriPure Holdings PCL	16,184
2	River Kwai International Food Industry Company Limited	13,641
3	Sweet Corn Products Company Limited	31,203
4	AgriFresh Company Limited	9,613
	Total	70,641

### 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 2019

### Revenue from Sales

The Company and its subsidiaries' total revenue from sales for the year 2019 totaled 1,594.61 million baht, 1,722.70 million baht, and 1,701.41 million baht for year 2017, 2018, and 2019 respectively. In the year 2019, for the international market, the agricultural sector has experienced the drought effect, resulting in the sales of fresh vegetables and fruits decreased 21.29 million baht compared to the same period last year. And another reason that the total sales decreased because the baht appreciation compared to the US currency. (Which is the main trading currency of the company), resulting in the company recognized revenue from sales of foreign currency decreased

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

	2017	2018	2019
<b>Export Sale</b>			
• Canned sweet corn (RKI)	1,025.18	1,123.41	1,387.60
• Fresh vegetable and fruit (AF)	175.58	152.49	129.89
• Pouched sweet corn (RKI)	234.16	234.19	-
<b>Total</b>	<b>1,434.92</b>	<b>1,510.09</b>	<b>1,517.49</b>
<b>Domestic Sales</b>			
• Canned sweet corn (RKI)	31.88	40.58	53.11
• Seeds (SCP)	85.79	72.97	42.37
• Others (RKI)	8.77	71.35	61.84
• Pouched sweet corn (RKI)	5.86	7.74	4.09
• Fresh vegetable and fruit (AF)	27.39	19.96	22.50
<b>Total</b>	<b>159.69</b>	<b>212.60</b>	<b>183.91</b>
<b>Total domestic and export sales</b>	<b>1,549.61</b>	<b>1,722.69</b>	<b>1,701.39</b>

### Costs of Sale

The company has cost of sales of 1,196.69 million baht, 1,343.99 million baht, and 1,437.41 million baht in year 2017, 2018, and 2019 respectively. The cost of sales to revenue from sale ratio is 75.05%, 78.02% and 84.48%, for year 2017, 2018, and 2019 respectively. The main reason is due to the increase in exports in the year 2019, measured by the number of exported containers increased, resulting in increased costs and freight charges and the condition of the baht appreciation rate compared to the same period of the previous year.

### Gross profit

The company has gross profit of 397.92 million baht, 378.71 million baht and 264.00 million baht in year 2017, 2018, and 2019 respectively. Gross profit margin is 24.95%, 21.98% and 15.52% for year 2017, 2018, and 2019 respectively. Because the business has more intense competition as a result the unit price to decrease and the baht appreciation and also has an effect from the increased cost-to-income ratio.

### 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 228.99 million baht, 238.35 million baht and 244.21 million baht in year 2017, 2018, and 2019 respectively. SG&A ratio is 14.64%, 13.83% and 14.35% for year 2017, 2018, and 2019 respectively. In the year 2019, there are additional reserve for employee benefits from the new Labor Protection Act. Resulting in increased selling and administrative expenses

### 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 141.82 million baht, 119.55 million baht and 29.14 million baht in year 2017, 2018, and 2019 respectively. Net Profit margin is 8.89%, 6.94% and 1.71% for year 2017, 2018, and 2019 respectively. The reason is that the company's net profit margin decreased due to the appreciation of the baht per US dollar. and the reduced selling price and the increased cost as mentioned above.