



# 2014 ANNUAL REPORT

## BANGKOK RANCH PLC.



***BR GROUP, THE GLOBAL DUCK SPECIALIST***  
***PREMIUM QUALITY DUCK MEAT SOLUTION, WORLDWIDE***  
**[www.br-brgroup.com](http://www.br-brgroup.com)**

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## CORPORATE INFORMATION

**COMPANY NAME:**

Bangkok Ranch Public Company Limited  
18/1 Moo 12 Sai Langwatbangpleeyainai Rd.,  
Bangphliyai, Bangphli, Samutprakan 10540, Thailand  
Te. 66-2-337-3280-3 Fax. 66-2-337-3293

**Registered share capital** : 4,569,643,720 Baht  
**Paid up share capital** : 3,427,232,790 Baht  
**Ordinary shares** : 685,446,558 Shares  
**Par value** : 5 Baht/Share

**JURISTIC PERSONS IN WHICH COMPANY HOLDS 100% STAKE DIRECTLY:**

Name: Anatis Foods Limited  
Type of the Business: Holding Company  
Paid-up Capital: 904,489,230 Baht (Dividend into 90,489,923 ordinary shares with par value of Baht 10 per share)

**REGISTRAR:**

Thailand Securities Depository Co., Ltd.  
62 The Stock Exchange of Thailand Building  
Ratchadapisek Rd., Klongtoey, Bangkok 10110, Thailand  
Tel. 66-2-229-2800 Fax. 66-2-359-1259

**AUDITOR:**

Mr. Termphong Opanaphan  
Ernst & Young Office Limited  
Certified Public Accountant (Thailand) No. 4501  
33<sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Bangkok 10110

**LEGAL ADVISOR:**

Weerawong, Chinnavat & Peangpanor Ltd.  
540 Mercury Tower, 22<sup>nd</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

**WEBSITE:** [www.br-brgroup.com](http://www.br-brgroup.com)

**ANNUAL GENERAL MEETING OF SHAREHOLDERS:**

Annual General Meeting of Shareholders to be held on April 22<sup>nd</sup>, 2015 at 2.00 p.m. at Intercontinental Bangkok Hotel, President 1-2 Room, 4<sup>th</sup> Floor, No. 973 Ploenchit Road, Lumpini Sub-District, Pathumwan District, Bangkok Metropolis.

## GROUP'S OPERATION

### Overview

Bangkok Ranch Group of Companies is a business leader in full cycle production of food from duck meat by operating an agro-industry business and production of food from premium quality duck meat. The business of the company is classified into 5 categories, namely, 1) Animal feed, i.e. production of feed for raising duck breeders and meat ducks of both the company and of the contract party farmers who accept the raising of ducks for the Company; 2) The Parent Stock Farm business is the raising and the reproduction of meat duck breeders from eggs of the breeders; 3) Hatchery business is namely the hatching of duck eggs to raise duck chick as meat ducks of the company; 4) Commercial Farm and Contract Farm business, i.e., the raising of the meat ducks in the duck commercial farms of the company and the duck raising farms of the contract-party farmers via the agriculture contract farms and 5) The Slaughterhouse and Food Processing business, i.e., slaughtering and processing meat ducks to produce ready-to-cook processed food and cooked processed duck meat-based food including the by-products from butchering meat ducks. The products of the Company are both distributed domestically and abroad in Asia, Europe and the Middle East. The Group of Companies has the full-cycle production base both in Thailand and in the Netherlands.

The scope of the business is classified into 2 principal parts, namely, the business in Thailand and the business in the Netherlands.

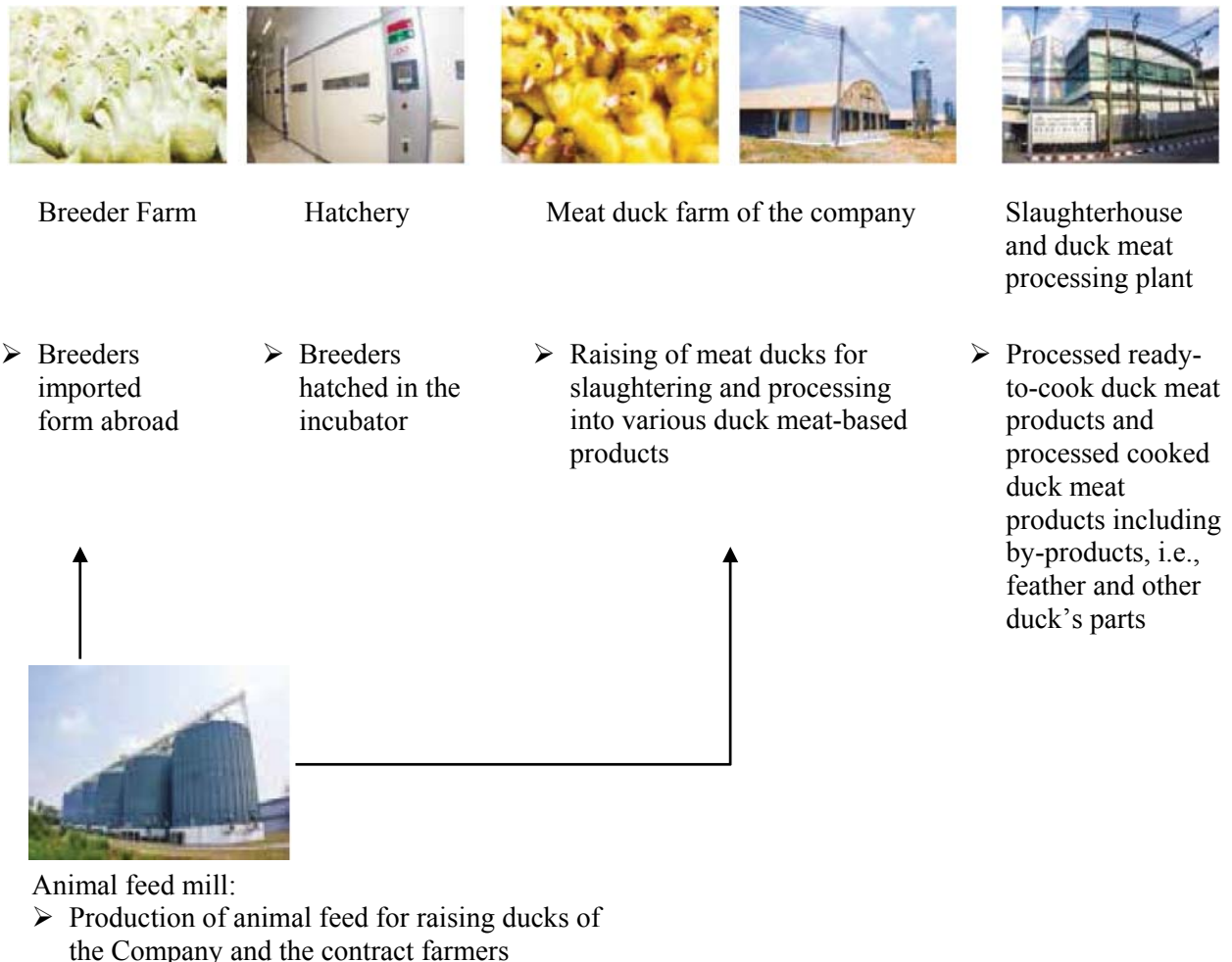
### 1. The Business in Thailand

The business in Thailand is an agro-industry business and a full-cycle duck meat based food production for distribution domestically and for export to 20 countries in 3 continents worldwide. The business in Thailand is a full-cycle food production process starting from the raising of the duck breeders, egg incubation, hatching; the distribution of meat duck chicks; the production and distribution of duck feed; the raising of the meat duck by the Company's farms and the farms of the contract-party farmers in the contracted farm system; the butchering and production of frozen ready-to-cook processed duck meat and frozen cooked processed duck meat and the processed food ready-to-serve products including the by-products from duck butchering such as duck feathers. The company's duck meat products are distributed under the trademark of "Bangkok Ranch", "Dalee" and "Duck Delight" or under the trademark of other products as defined by the Company's clients. Currently, the Company is one of the two largest producers of duck meat-based products in Thailand. The business in Thailand is operated by Bangkok Ranch Plc, which was founded in 1984 as a pioneer of duck business in Thailand and operates an agro-industry business and produces duck meat-based products. Moreover, the Company operates a business of meat duck farms owned by the Company (a commercial farm) under the name of BR Agriculture Co., Ltd.

Furthermore, there is yet a group of companies which supports the operation of the business in the form of providing service to the Company in exporting the goods from Thailand for distribution abroad via Anatis Foods Co., Ltd., which is the Regional Operating Headquarter; ROH. That is to say, it is a company founded under the Thai laws to provide support service to foreign affiliates operating abroad.

The affiliate serves as a regional operating office in such particular country which enjoys tax benefit. The earnings from providing of ROH pay 10% juristic person income tax. Moreover, there is Anatis Foods (Hong Kong) Limited providing service in handling the goods and products of the Company to be exported abroad such as to Europe in the same business as Anatis Foods (Singapore) Pte. Ltd., providing service in handling goods and products of the Company to be exported to various countries in Asia.

### *The Structure of operating the full-cycle business in Thailand*



## **2. Business in the Netherlands**

The business in the Netherlands is an agro-industry business and produces foods from duck meat for distribution in European continent and other neighboring regions such as in the Middle East and Russia. The business in the Netherlands contains the production process starting from raising breeder ducks by both the farms of the subsidiary companies and the farms belonging to contract farmers in the contracted agro-farm system. The hatchery of duck eggs, distribution of duck chick meat, and distribution of the duck feed; the raising of meat duck via the contracted agro-farm system; the butchery of meat duck and manufacture of chilled and frozen processed ready-to-cook duck meat-based products; processed cooked duck meat and processed ready-to-serve food products including by-products from butchery of ducks such as

feather. The duck meat products of the subsidiary companies are distributed under the trademark: “Duck-To”, “Duck-To Smul”, “Canature” or under the trademark of other goods as defined by the customers of the subsidiary company. Currently, a group of subsidiary companies in the Netherlands is one of the largest producers of duck-based products industry in the Netherlands.

The business in the Netherlands is operated by a group of the subsidiary companies registered in the Netherlands, namely, Duck-To Farm B.V. It operates a business of manufacturing processed cooked duck meat products and processed ready-to-serve food products including processed cooked meat products such as of pork or chicken. Furthermore, there is Tomassen Transport B.V., operating a business of transport of goods; Canature B.V., which operates a distribution of goods business (but the two companies have not yet begun the business yet and they are a dormant company) and Veluwe Pluimvee Keuring B.V., it operates a business of inspection of the poultry slaughterhouse in the Netherlands. A group of subsidiary companies in the Netherlands has a network of distribution of the goods that supports the Company and a majority of customers is Chinese restaurants in Europe, the Middle East and Singapore including leading whole-sale and retail customers in Europe. Moreover, Duck-To Holding B.V., is one of the group which supports the business operation by providing service to the Company in exporting goods from Thailand for distribution in European countries.

### **Business Policy**

The group of companies doing a business of raising ducks and a full-cycle manufacture of duck meat products industry focuses on the use of quality raw materials, consistently culling duck breeders and production of duck meat of quality rich in high protein and low fat, thus providing nutritional value to the consumers coupled with method of clean and hygienic raising of ducks in a closed plant. This closed plant enables proper control of epidemic disease together with availability of a team of veterinarians and animal husbandry staff to provide close health care to ducks; the production of fresh duck meat and processed foods with the application of modern technology of international standard. Quality and safety of the products are subject to meticulous inspection by food scientists and verifiable feedback for the whole food chain system starting from animal feed to the downstream products and to the animal health being checked and quality certified by the Department of Livestock to ensure good quality of the goods and safety for the consumers in addition to attention given to and responsibility to the community, society and the environment.

### **The Vision, Mission, target and strategy**

#### **Vision**

We aspire to be the world’s most reputable purveyor of duck products.

#### **Mission**

We are committed to sustaining a valuable business platform based on quality duck-related products, satisfying customer demand as well as benefiting all stakeholders and the public at large.

## **The Target**

- The value of the company and its shareholders: To expand a group of businesses with stability and sustainability to lead to growth in the value of the shareholders in a long term basis.
- Customers and Consumers: To present the valuable and modernize products to the company's customers.
- Members of the staff and organization: To enhance the knowledge, ability of the staff within the organization with happiness.
- Society and the environment: To receive recognition that they are a good citizen who are responsible to the society and the environment.

## **Strategy**

### **Marketing strategy**

- To penetrate domestic market through 3 main channels, i.e., selling via hotel customer groups and restaurants (Horeca), wholesale customers and retail shops such as the supermarkets to increasingly focus on smaller consumers.
- To expand customers base in foreign countries continuously for main European markets and new export markets such as in Japan, Russia, Vietnam, Indonesia and other countries which are duck meat consumers and high importers of duck meat and create high profitability for the Company.

### **Product strategy**

- To crown the success of the Company through creating a strong brand of goods such as the goods under the brand name of "Dalee", "Bangkok Ranch", "Canature" and others.
- To develop innovation of the goods by focusing on the development of two main processed ready-to-serve products, namely,
  - Processed ready-to-serve duck meat products for groups of hotel and restaurant customers. The Company will distribute the processed ready-to-serve products together with side dishes or separate seasoning. For example, for the distribution of Red Curry with Roasted Duck, the roasted duck will be separated from the curry broth. The customer can warm the product before serving, etc.
  - The processed ready-to-eat duck meat product for consumers. The product can be warmed before serving.

### **Operation strategy**

- To increase production potential for the Company in the upstream production process for both the business of animal feed, the raising of breeder ducks and duck farms as to increase its capability to control cost and create profitability for the Company.
  - To adjust the production capacity at various plants in Thailand and in European continent. Production of the goods will be characterized by the products in demand by the markets in such regions. For instance, the production of fresh duck meat in Europe in the Netherlands according to the demand of the markets in Europe in place of production of fresh duck meat from Thailand and to export for sale in Europe continent.
  - To emphasize the share knowledge and experience within the organization. Working collaboration between the business in Thailand and in the Netherlands are related to the working process and production technology as well as conversion of the process of duck meat including duck raising business.
  - To lower cost through purchase, procurement of products for the whole group of companies and increase bargaining power with the suppliers.



- To seek opportunities for expansion of the business of the slaughterhouse (butchering) and duck meat based food processing abroad with high potential for consumption.

### **Background information, transformation and significant developments**

Background: Bangkok Ranch Public Co., Ltd., was incorporated on 16<sup>th</sup> July 1984 with is authorized capital of Baht 20 million by Khun Joseph and Khun Rosanna Suchaovanich in a joint venture with KTC International Development Co., Ltd., which operated as a holding company in Thailand and German investor to operate a business of production and distributing fresh duck meat, frozen duck meat and by-products of duck butchering.

In 1986, the Company introduced the Contract Farm system which is the system under the agreement of the company with the contract-party farmers to the effect that the Company would supply duck chick, animal feed and medication to farmers to raise ducks and the Company agrees to buy back the ducks as agreed. The Company has consistently expanded its business continually.

In 1993, the Company was listed in the Stock Exchange of Thailand on 1<sup>st</sup> February 1993.

In 1997-1998, it was the milestone years of the Company to become a full-cycle producer of duck meat by launching an animal feed mill in Singburi province for use in raising ducks of the Company and distribution to small buyers and a duck egg hatchery was open in Phetchabun province.

In 1999, it was the year in which the Company was severely impacted by the economic crisis as it was troubled by the financial wose due the floating of Baht currency rendering its indebtedness in the US dollar to increase exponentially. Then the Company filed form business reorganization with the Central Bankruptcy Court and in the following year, the business reorganization plan of the Company was implemented with a new investor, that is, Navis Capital Partner to become a principal shareholder via London 8 Co., Ltd., Thongchai Asia Co., Ltd. And Middle Village Co., Ltd.

In 2000, the Company increased its authorized capital to 80 million shares by offering for sale to London 8 Co., Ltd., Thongchai Asia Co., Ltd. And Middle Village Co., Ltd., a group of companies for investment of Navis Asia Fund.

In 2004, Thailand was met with the crisis of the epidemic of Avian influenza (bird flu) all over the country resulting the consumption of ducks by customers both domestically and abroad to drop to approximately 50 percent. However, the Company had adjusted its strategy by expanding its production capacity and exporting its processed ready-to-eat food products instead of export of the conventional raw products. But with collaboration from the government sector, farmers and operators, they joined hands in solving the problem including seeking various measures to prevent and contain the problem to the least severe degree possible; thus the situation was unraveling to better prospect. The impact was thus kept to a minimum degree as most of the duck farms of the Company are the closed system.

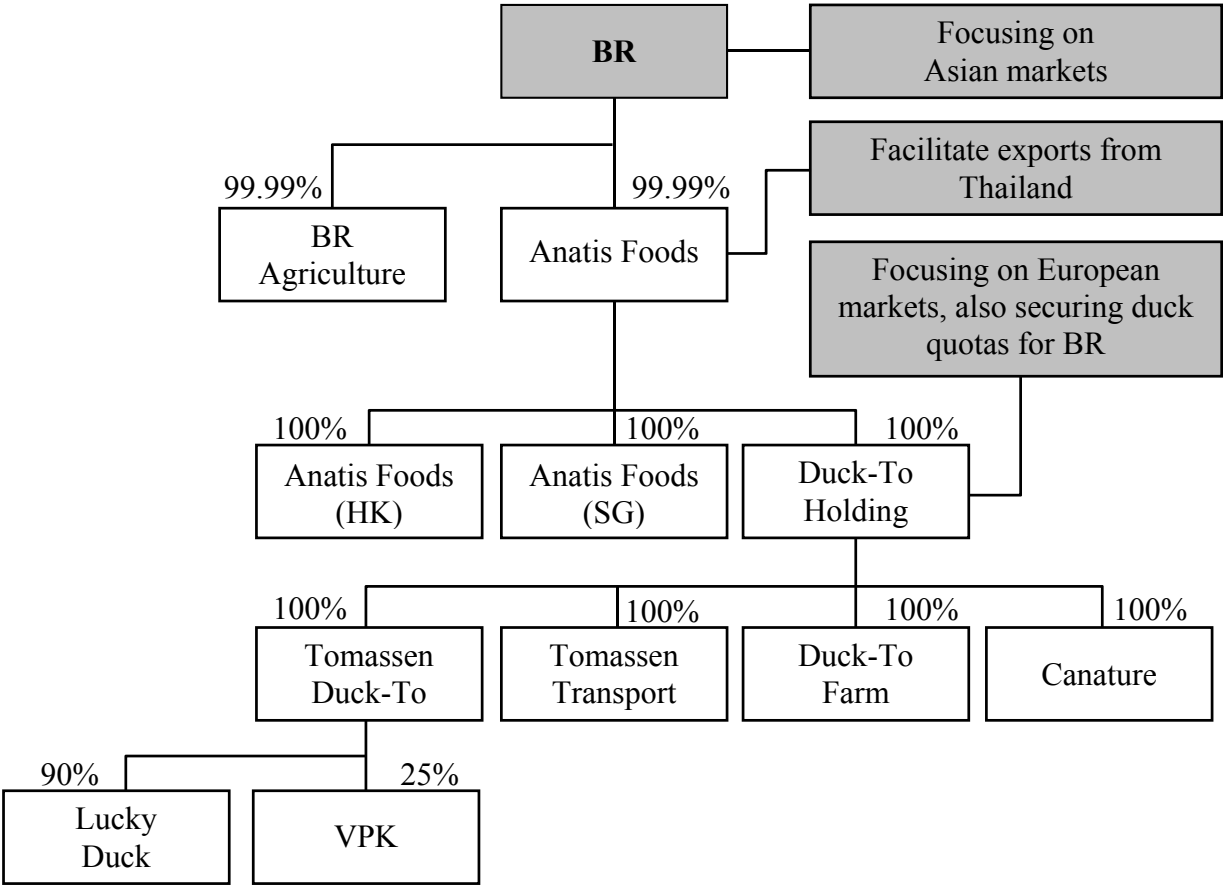
In 2005, the financial status of the Company was perking up thanks to the management of the business reorganization plan and it was approved by the Stock Exchange of Thailand and the company's securities were restored to normal trading as usual.

In 2007, it was the year of significant development for the Company as the Company was improving its strategy to expand its business on a long-term basis. To achieve this improvement, the Company merged its business by buying up all shares of Duck-To Holding B.V. (“DTH”) of the Netherlands (please consider the shareholding structure in Picture by Tomassen Duck-To B.V., which is a subsidiary in the DTH group of companies which was established in 1964 by the Tomassen family to operate a business of production of chicken. However, about 1985, Chinese restaurants in various countries in Europe were on the growing trend, resulting in increased consumption of ducks. As a result, the Company changed its strategy to operating the butchering of ducks for distribution to Chinese restaurants and at the present DTH has become the largest producer of duck meat in the Netherlands and one of the major producers of Europe.

DTH is a leader of a full-cycle producer of fresh duck in whole body with the availability of distribution network to support the company in terms of export to various countries in Europe. It started with the business merger, business operation under the name of “Tomassen Bangkok Ranch” for Europe market; which is the beginning point for the Company to be increasingly well-known and recognized in Europe market. This take-over of the business resulted in the group of companies becoming the largest operator of duck industry in the world; however, excluding this producers in China. The business merger of DTH resulted in the Company stepping into the realm of international firm. The merger brought on several important changes, for example, the readjustment of distribution system, the rise in the price of the products in Europe market; the change in the integration of the products, the initiative in the part of other operations and the introduction of higher level technology from DTH to apply to the production of ducks in Thailand. However, for facility in the management of work, the management team decided to opt for voluntary delisting from the Stock Exchange on 5<sup>th</sup> August 2009. And later on, in 2010, the Company took over the business in Cherry Valley Farms Limited-a business for the development of genetic breeder and sale of duck genetics to culminate the upstream business of the Company.

In 2012, a group of the executives under the leadership of Mr. Josef Suchavanich, Mr. K. Tomassen and Mrs Rosanna Suchaovanich including other joint investors bought the shares from Navis Asia Fund, the major shareholders in the name of BT Partner Limited and restructured the shareholding ratio by means of amalgamation under the Civil and Commercial Code between Bangkok Ranch Plc, Thongchai Asia Co., Ltd., Middle Village Co., Ltd. And BT Partner Limited at the shareholders level to restructure the shareholding to be suitable for the listing in the Stock Exchange.

## COMPANY STRUCTURE



Company's name	Nature of business	Percentage of shareholding	Country of incorporation
<b>Held by the Company</b> Anatis Foods Limited	Holding business and regional operation headquarter	99.99	Thailand
BR Agriculture Company Limited	Duck farming business	99.99	Thailand
<b>Held by Anatis Foods Limited</b> Anatis Foods (Hong Kong) Limited Anatis Foods (Singapore) Pte. Ltd. Duck-To Holding B.V.	Duck meats trading Duck meats trading Holding business	100 100 100	Hong Kong SAR Singapore The Netherlands
<b>Held by Duck-To Holding B.V.</b> Tomassen Duck-To B.V.  Duck-To Farm B.V. Tomassen Transport B.V. Canature B.V.	Slaughterhouse and duck meats trading Duck farming business Not yet operational Not yet operational	100  100 100 100	The Netherlands  The Netherlands The Netherlands The Netherlands
<b>Held by Tomassen Duck-To B.V.</b> Lucky Duck International Food B.V.	Food Processing	90	The Netherlands

### BOARD OF DIRECTORS

The Board of Directors of Bangkok Ranch Public Company Limited (BR) at December 31, 2014 consists of:

No.	Name	Position	No. of Shares/Remuneration	
			No. of Shares	Remuneration (Baht)
1	Mr. Joti Bhokavanij	Chairman of the Board, Independent Director	6,523,576	1,500,000
2	Mr. Taveechai Charoenbundit	Vice Chairman, Independent Director		800,000
3	Mr. Joseph Suchaovanich	Vice Chairman	3,264,536	300,000
4	Mr. Gertjan Tomassen	Vice Chairman	44,349,136	300,000
5	Mr. Vudhiphol Suriyabhivadh	Chairman of Audit Committee, Independent	6,523,576	1,140,000
6	Dr. Poranee Pataranawat	Audit Committee, Independent Director	-	480,000
7	Mr. Yeo Kok Tong	Audit Committee, Independent Director	-	480,000
8	Mr. Faris Ibrahim Taha Ayoub	Director	-	300,000
9	Mr. Lin Tai-Chuan	Director	-	-
10	Mr. Richard Lee Grammill	Director	-	-
11	Mrs. Nutthaporn Luangsuwan	Director	-	300,000
12	Mr. Thanawat Aroonpun	Director	-	300,000
13	Mrs. Rosanna Suchaovanich	Executive Director	18,001,566	300,000
14	Mr. Gerard M. Elbertsen	Director	-	300,000
15	Mr. Danai Pathomvanich	Director	-	300,000

Authorized Directors are Mr. Joseph Suchaovanich or Mr. Gertjan Tomassen or Mr. Gerard Martin Elbertsen one of three sign together with one of Mr. Danai Pathomvanich or Mr. Faris Ibrahim Taha Ayoub or Mrs. Rosanna Suchaovanich or Mr. Lin Tai-Chuan or Mr. Richard Lee Gammill and affix with the Company's seal.

The Company's Board of Directors shall consist of 1) Board of Directors and 2) Sub Committee such as Executive Committee, Audit Committee, Nomination and Remuneration Committee.

The Board of Directors is responsible for overseeing the company, on behalf of all shareholders, abiding by the principles of Corporate Governance and best practices. Under these guidelines, the Board is responsible for overseeing the strategic direction of the company and its management, ensuring the company has proper internal controls and that transactions and done on an arms-length basis with the interests of all shareholders in mind.

All directors submit themselves for re-election every three years.

### **Role and Responsibility**

- To review, approve and monitor the company strategic direction.
- To review business operations and evaluate the management.
- To consider related risks and manage risks in appropriate ways.
- To review the adequacy and effectiveness of internal controls and management system including monitoring all systems as according to relevant laws.
- To review the company's compliance with all related-party transaction disclosures or conflict-of interest disclosures.

## BOARD OF DIRECTORS

### **Mr. Joti Bhokavanij Chairman of the Board, Independent Director**

#### *Recent Working Experience:*

- Present: Independent Director and Member of the Audit Committee, True Corporation Public Company Limited
- Present: Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited
- Present: Director, Kingfisher Holding Limited
- Present: Director, Thai Smart Card Company Limited
- Present: Independent Director and Member of the Audit Committee, Loxley Public Company Limited
- Present: Independent Director and Member of the Audit Committee, Siam Makro Public Company Limited
- 2004-2006: Chief Executive Officer, ACL Bank Public Company Limited (Presently known as Industrial and Commercial Bank of China (Thai) Public Company Limited)
- 2000-2001: Executive Chairman, TISCO Finance Public Company Limited (Presently known as TISCO Bank Public Company Limited)
- 1994-1997: President & CEO, Thai Wah Group of Companies
- 1992-1994: Managing Director and Consul-General of Denmark for Bangkok, The East Asiatic (Thailand) Public Company Limited



- Education Background* : Fellow of the Association of Chartered Certified Accountants, England Programme for Management Development, Harvard Business School, USA Marketing Management Programme, Stanford University, Graduate School of Business, USA
- Related training programs held by the Thai Institute of Directors Association (IOD)
- Chairman 2000
  - Director Certification Program (DCP)
  - Advanced Audit Committee Program (AACP)
  - Successful Formulation & Execution of Strategy (SFE)
  - How to Measure the Success of Corporate Strategy (HMS)

*Family Relationship with Management Team:* None

**Mr. Taveechai Charoenbundit Vice Chairman, Independent Director**



*Recent Working Experience:*

- 2009-2010: Senior Judge of the office of the Director-General, Regional 1 (until retirement 70 years old in 2010).
- 2001-2009: Senior Judge Courts, Intellectual Property and International Trade Court (up to 8 years).
- 2000 The Judicial level 8 (Vice-president of the Supreme Court of Justice)  
The President of the Intellectual Property Department and the International Trade
- 1998 Deputy of Director General of Appeal Court Regional 8 and the President of the Court of Appeal 8
- 1996 Presiding Judge of the Panel of the Supreme Court
- 1993 Judge of the Supreme Court
- 1991 Presiding Judge of the Panel of the Appeal Court
- 1988 Judge of the Appeal Court
- 1986 Presiding Judge of the Panel of the Civil Court
- 1982 Presiding Judge of the Civil Court
- 1981 Chief Justice of the Minburi Provincial Court
- 1979 Chief Justice of the Suratthani Provincial Court
- 1978 Chief Justice of the Betong Provincial Court
- 1977 Chief Justice of the Ministry of Justice
- 1972 Judge of the Ratchburi Provincial Court
- 1969 Judge of the Suratthani Provincial Court
- 1967 Judge of the Pattani Provincial court
- 1966 Government Official as the prosecutor, Department of Public Prosecution
- 1965 Government Official as the official receiver, Ministry of Justice
- 1963 Government Official of the Department of Lands, Ministry of Interior

*Education Background* Bachelor of Law, Thammasat University  
Barrister at Law, Legal Thai Bar Association  
Director Accreditation Program, Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* None

**Mr. Joseph Suchaovanich****Vice Chairman and Managing Director of Asia and Asia Pacific***Recent Working Experience:*

Present: Vice Chairman and Managing Director of Asia and Asia Pacific  
Bangkok Ranch Public Company Limited  
2009-Present: Director, Noodle Ratchada Co., Ltd.  
2007-Present: Director, London 8 Ltd.  
1997-Present: Director, Anatis Foods Limited  
2008-Present: Director, Anatis Foods (Hong Kong) Limited  
2008-Present: Director, Anatis Foods (Singapore) Pte Ltd.  
1999-2005: Director, Bangkok Ranch Planner Ltd



*Education Background:* MBA, Beijing Institution of Economic Management, Beijing, China  
Director Certification Program, Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* Spouse to Mrs. Rosanna Suchaovanich

**Mr. Gertjan Tomassen****Vice Chairman and Managing Director of Europe***Recent Working Experience:*

2012-Present: Managing Director Europe  
Vice Chairman BR Group  
1998-Present: CEO, Duck-To Holding BV/Tomassen Duck-To BV/  
Duck\_To Farm BV (The Netherlands)  
1986-1998: COO, Tomassen Poeliersbedrijf BV (The Netherlands)

*Directorships:*

2013-Present: Director, LISUDA, Vastgoed B.V. Ermelo, (The Netherlands)  
2007-Present: Director, Bangkok Ranch Public Co., Ltd., Bangkok, (Thailand)  
2007-Present: Director, Anatis Foods Limited, Bangkok  
2007-Present: Director, Anatis Foods (Hong Kong) Limited  
2007-Present: Director, Anatis Foods (Singapore) Pte Ltd.  
2004-Present: Director, Fly Eagle Limited Holding,. (Hong Kong)  
2003-Present: Director, GJ. Tomassen Holding BV (The Netherlands)  
1998-Present: Director, Duck-To Holding B.V. Ermelo, (The Netherlands)  
1998-Present: Director, Tomassen Duck-To B.V., Duck-To Farm B.V., Tomassen Transport B.V.

*Family Relationship with Management Team:* None



**Mr. Vudhiphol Suriyabhivadh      Chairman of Audit Committee, Independent Director**

*Recent Working Experience:*

- Present: Independent Director, Audit & Risk Committee  
Chairman, Nomination and Remuneration Committee  
Member, Laguna Resort & Hotel Public Co., Ltd.
- Present: Independent Director, Audit Committee Member,  
Nomination Remuneration Committee Member, Thai  
Wah Foods Public Co., Ltd.
- Present: Independent Director, Audit Committee Chairman, Nomination and  
Remuneration & Corporate Governance Committee Chairman,  
L.P.N. Development Public Co., Ltd.



*Education Background:* Bachelor of Commerce (Accountancy), University of New South Wales, Australia  
Bachelor of Law, Sukhothai Thammathirat University  
Executive Course, IMD, Lausanne, Switzerland  
Director Certification Program, Thai Institute of Directors Association (IOD)  
Audit Committee Program, Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* None

**Mrs. Rosanna Suchaovanich      Executive Director and Chief Operating Officer**

*Recent Working Experience:*

- Present: Executive Director and COO, Bangkok Ranch  
Public Company Limited
- Present: Director, Anatis Foods Limited, Thailand
- Present: Director, Anatis Foods (Hong Kong) Limited
- Present: Director, Anatis Foods (Singapore) Pte Ltd.
- Start up-2010: COO, Bangkok Ranch Public Company Limited



*Directorships:*

- 2009-2012: Director of BR Group
- 2003-2009: Director, Anatis Foods Limited, Thailand
- 2003-2009: Director, Anatis Foods (Hong Kong) Limited
- 2003-2009: Director, Anatis Foods (Singapore) Pte Ltd.
- 1999-2005: Director, Bangkok Ranch Planner Ltd.

*Education Background:* MBA, Beijing Institute of Economic Management, Beijing, China  
Director Certification Program, Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* Spouse to Mr. Joseph Suchaovanich

**Mr. Danai Pathomvanich                      Director**

*Recent Working Experience:*

2006-Present:     Managing Partner, Hatton Capital Limited  
2004-2006:        Executive Director, ED Media Company Limited  
2001-2003:        Thailand Representative,  
                          Celestial Asia Securities Holding Limited  
1999-2000:        Arthur Andersen



*Directorships:*

2009-Present:     World Travel Holding Limited  
2010-Present:     Wiener Klang Ltd  
2005-2011:        Systech Telecom (Thailand) Company Limited

*Education Background:* DBA (Deferred), University of Manchester  
MA International Finance and Economics,  
Chulalongkorn University  
BS Finance, Thammasat University

*Family Relationship with Management Team:* None

**Mr. Gerard M. Elbertsen                      Director**

*Recent Working Experience:*

2005-Present:     CFO, Duck-To Holding BV, Tomassen Duck-To BV,  
                          Ermelo, The Netherlands  
2003-2005:        Controller/Head of Admin. Van Panhuis Ermelo BV,  
                          The Netherlands  
1998-2002:        Controller/Head of Admin, De Heus Veevoederfabrik  
                          BV, The Netherlands



*Directorships:*

2013-Present:     Lucky Duck International Food B.V., Uden, The Netherlands.  
2012-Present:     Duck-To Holding BV, Ermelo;  
Present:            Anatis Foods Company Limited, Bangkok, Thailand  
Present:            Bangkok Ranch Public Co., Ltd., Bangkok, Thailand

*Education Background:* Bachelor in Business Administration (BBA), HEAO Finance and  
Economic Management (Windesheim Zwolle)

*Family Relationship with Management Team:* None

**Mr. Faris Ibrahim Taha Ayoub     Director**

*Recent Working Experience:*

2012-Present:     Managing Director, Cassia Investments Limited, Hong Kong  
2009-2012:        Executive Director, JPMorgan Chase, Hong Kong  
2007-2009:        Investment manager, Helios Investment Partners, London  
2001-2007:        Vice President, JPMorgan Chase, London



*Education Background:* The University of Edinburgh, MA (Hons), Economics & Politics

*Family Relationship with Management Team:* None

**Mr. Lin Tai Chuan****Director***Recent Working Experience:*

Present: Managing Director, Black River Asset Management, Shanghai/Singapore  
 2004-2007: Credit Suisse First Boston, London/New York  
 2001-2004: HSBC Investment Bank, Hong Kong/London

*Directorships:*

2014-Present: Golden Maple Holding Pte Ltd, China/Singapore  
 2012-Present: Bangkok Ranch Public Co., Ltd., Thailand  
 2011-Present: AgriNurture, Inc., Philippines  
 2010-Present: AustAsia Investment Holdings Pte Ltd, China/Singapore  
 2008-2012: Metallkraft A/S, Singapore/Norway

*Education Background:* M.Sc. in Business/Economics/Finance, Vienna University of Economics and Business, Austria

*Family Relationship with Management Team:* None

**Mr. Thanawat Aroonpun****Director***Recent Working Experience:*

Present: Straits Asset Advisory Co., Ltd.  
 2013: Technical Advisor, Private Equity Fund in Asia

*Education Background:* Economic of Kasetsart University

*Family Relationship with Management Team:* None

**Mrs. Nutthaporn Luangsuwan** **Director***Recent Working Experience:*

2013-Present: Director, Bangkok Ranch Public Company Limited  
 2002-Present: Executive Vice President, Bangkok Bank Public Company Limited  
 2001-2002: Assistance Vice President, ABN AMRO Bank  
 1999-2001: Assistance Vice President, Bangkok Bank Public Company Limited  
 Apr-Sep 1999: Vice President, DSA Service Ltd.  
 1994-1998: Senior Manager & Senior Analyst, The Nikko Securities Co., Ltd.  
 1993-1994: Investment Banking Analyst, Smith Barney Sherason, Inc.  
 1990-1991: Senior Investment Analyst, Manager Information Services Co., Ltd.  
 1998-1990: Research Assistant, Thailand Development Research Institute Foundation

*Education Background:*

2014: National Defence College Academy  
 2013: Capital Market Academy Leadership Program  
 2011: Advance Management Program, Harvard Business School, USA  
 1993: Master of Science in Finance, Suffolk University  
 1988: Master of Economic, Monetary Policy, National Institute of Development Administration  
 1984: Bachelor Degree of Science, Kasetsart University

*Family Relationship with Management Team:* None



**Mr. Richard Gammill****Director***Recent Working Experience:*

2007-Present: Black River Asset Management, Minneapolis, MN  
2006-2007: ARC Investment Partners, Beverly Hills, CA  
2001-2006: DynaFund Ventures, Los Angeles, CA  
2000-1998: Sabre Holding Corp, Dallas, TX  
1993-1998: Accenture, Minneapolis, MN

*Directorships:*

2013-Present: Riverstone Farm Pte Ltd, China/Singapore  
2013-Present: AC Proteína Agropecuária S.A./Brazil  
2012-Present: Bangkok Ranch Public Company, Ltd./Thailand  
2010-Present: AustAsia Investment Holdings Pte Ltd, China/Singapore  
2010-Present: Habitat for Humanity, Minneapolis, MN

*Education Background:* MBA, University of California Los Angeles  
B.S. Engineering, Harvey Mudd College, Claremont CA

*Family Relationship with Management Team:* None

**Mr. Yeo Kok Tong      Independent Director, Member of the Audit Committee***Recent Working Experience:*

Present: Independent Director, Member Audit Committee  
Member Remuneration Committee  
Neo Group Limited  
2006-2009: CEO Singapore Food Industries Limited  
(Independent Director, 1998-2008)  
2003-2006: CEO DE United Food Industry Ltd (Nigeria)



*Education Background:* Institute of Marketing UK, Diploma  
Singapore Institute of Management, Graduate Diploma  
Completed DAP (Director Accreditation Programme), SET  
Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* None

**Associate Professor Dr. Poranee Pataranawat Independent Director,  
Member of the Audit Committee**

*Recent Working Experience:*

- Present: Expertise in Environmental Pollutants Management, the Committee of Specialists for Environmental Impact Assessment Consideration in Petroleum Development Sector.  
The Advisor for the Karen National Union, Merqui Tavoy District (KNU MIT) on Environmental and Sustainable Development for Business Development. Myanmar.  
Vice President of the Foundation of Ubon Ratchathani People.  
Special lecturer for Mahidol University and Silpakorn University.
- 1977-2012: Associate Professor, Mahidol University, Faculty of Public Health, the Department of Sanitary Engineering.
- 2006-2011: Member of the Executive Committee of Doctor of Philosophy Programme in Environmental Technology (International Programme), Mahidol University.
- 1996-2001: The Academic Ranking Review Committee of Faculty of Public Health, Mahidol University.
- 1996-1998: Assistant Dean of Academic Services, Mahidol University, Faculty of Public Health.
- 1996-1998: Secretariat of the Committee of Research. Faculty of Public Health, Mahidol University.
- 1992-1996: Member of the Committee of Master of Science Programme, Faculty of Public Health, Mahidol University.



*Education Background:* Ph.D. (Environmental Toxicology, Technology and Management), Asian Institute of Technology (AIT).  
Certificate in Director Accreditation Program-DAP. Thai Institute of Directors Association (IOD)  
Certificate in Applied Remote Sensing (Natural Resources Management). AIT. Bangkok, Thailand.  
Certificate in Environmental Impact Assessment for Water-Related Projects. CEFIGRE. (France).  
Certificate in Environmental Management in Oil & Gas Field Program. AIT.  
Environmental Management System. ISO 14001. EMSI. (England). Bangkok  
Environmental Toxicology and Bioassay Techniques, Roskilde University Center (RUC), Denmark.  
M.Sc. (Botany), Chulalongkorn University  
B.Sc. (Botany), Chulalongkorn University

*Family Relationship with Management Team:* None

<b>MANAGEMENT</b>
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**Mr. Joseph Suchaovanich Vice Chairman and Managing Director of Asia and Asia Pacific**

*Directorships:*

Present: Vice Chairman and Managing Director of Asia and Asia Pacific  
Bangkok Ranch Public Company Limited

2009-Present: Director, Noodle Ratchada Co., Ltd.

2007-Present: Director, London 8 Ltd.

1997-Present: Director, Anatis Foods Limited

2008-Present: Director, Anatis Foods (Hong Kong) Limited

2008-Present: Director, Anatis Foods (Singapore) Pte Ltd.

1999-2005: Director, Bangkok Ranch Planner Ltd

*Education Background:* MBA, Beijing Institute of Economic Management, Beijing, China  
Director Certification Program, Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* Spouse to Mrs. Rosanna Suchaovanich

**Mrs. Rosanna Suchaovanich Executive Director and Chief Operating Officer**

*Recent Working Experience:*

Present: Executive Director and COO, Bangkok Ranch  
Public Company Limited

Present: Director, Anatis Foods Limited, Thailand

Present: Director, Anatis Foods (Hong Kong) Limited

Present: Director, Anatis Foods (Singapore) Pte Ltd.

Start up-2010: COO, Bangkok Ranch Public Company Limited

*Directorships:*

2009-2012: Director of BR Group

2003-2009: Director, Anatis Foods Limited, Thailand

2003-2009: Director, Anatis Foods (Hong Kong) Limited

2003-2009: Director, Anatis Foods (Singapore) Pte Ltd.

1999-2005: Director, Bangkok Ranch Planner Ltd.

*Education Background:* MBA, Beijing Institute of Economic Management, Beijing, China  
Director Certification Program, Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* Spouse to Mr. Joseph Suchaovanich

**Mr. Gertjan Tomassen Vice Chairman and Managing Director of Europe**

*Recent Working Experience:*

2012-Present: Managing Director Europe  
Vice Chairman BR Group

1998-Present: CEO, Duck-To Holding BV/Tomassen Duck-To BV/  
Duck\_To Farm BV (The Netherlands)

1986-1998: COO, Tomassen Poeliersbedrijf BV (The Netherlands)

*Directorships:*

2013-Present: Director, LISUDA, Vastgoed B.V. Ermelo, (The Netherlands)  
2007-Present: Director, Bangkok Ranch Public Co., Ltd., Bangkok, (Thailand)  
2007-Present: Director, Anatis Foods Limited, Bangkok  
2007-Present: Director, Anatis Foods (Hong Kong) Limited  
2007-Present: Director, Anatis Foods (Singapore) Pte Ltd.  
2004-Present: Director, Fly Eagle Limited Holding,. (Hong Kong)  
2003-Present: Director, GJ. Tomassen Holding BV (The Netherlands)  
1998-Present: Director, Duck-To Holding B.V. Ermelo, (The Netherlands)  
1998-Present: Director, Tomassen Duck-To B.V., Duck-To Farm B.V., Tomassen Transport B.V.

*Family Relationship with Management Team:* None

**Mr. Gerard M. Elbertsen                      Director**

*Recent Working Experience:*

2005-Present: CFO, Duck-To Holding BV, Tomassen Duck-To BV, Ermelo, The Netherlands  
2003-2005: Controller/Head of Admin. Van Panhuis Ermelo BV, The Netherlands  
1998-2002: Controller/Head of Admin, De Heus Veevoederfabrek BV, The Netherlands

*Directorships:*

2013-Present: Lucky Duck International Food B.V., Uden, The Netherlands.  
2012-Present: Duck-To Holding BV, Ermelo;  
Present: Anatis Foods Company Limited, Bangkok, Thailand  
Present: Bangkok Ranch Public Co., Ltd., Bangkok, Thailand

*Education Background:* Bachelor in Business Administration (BBA), HEAO Finance and Economic Management (Windesheim Zwolle)

*Family Relationship with Management Team:* None

**Mr. Chayut Leehacharoenkul              Group Chief Finance Officer**

*Recent Working Experience:*

Present: Group CFO, Bangkok Ranch PCL.  
2012-2014: VP, Investment Banking Division, Siam Commercial Bank PCL.  
2011-2012: AVP, Relationship Manager, Thai Military Bank PCL.  
2009-2011: AVP, Investment Banking Division Relationship Manager, The Brooke Group PCL

*Education Background:* Bachelor of Economics, Economics, Thammasat University, Thailand  
M.A. Economics, Economics, Osaka University, Japan

*Family Relationship with Management Team:* None

**Mr. Teerapong Lorratchawee              Chief Finance Officer**

*Recent Working Experience:*

Present: Chief Finance Officer, Bangkok Ranch PCL.  
2006-2012: Financial Controller, Bangkok Ranch PCL.  
2001-2006: Financial and Accounting Manager, Thai Rung Union Car PLC.

*Education Background:* MBA, Thammasat University  
BBA, Accounting, Thammasat University

*Family Relationship with Management Team:* None



**Mr. Wutinai Ulit            Chief Information Officer**

*Recent Working Experience:*

2005-Present:     Chief Information Officer, Bangkok Ranch PCL.  
2001-2004:       MIS Manager Nakamichi Malaysia Sdn. Bhd.  
1992-2000:       MIS Manager Capetronic International (Thailand) Public Company Limited

*Education Background:* Master of Business Administration, Chulalongkorn University  
Master of Science in Computer Information System (MS-CIS)  
Assumption University  
Bachelor of Art in Public Administration (MPA) Kirk University

*Family Relationship with Management Team:* None

**Dr. Siriporn Viriyabuncha     Corporate and Compliance Director, Company Secretary**

*Recent Working Experience:*

2013-Present:     Corporate and Compliance Director, Company Secretary, Bangkok Ranch PCL.  
2003-2013:       Senior lawyer, Natee International Law Office Ltd.  
1995-2003:       Tax and Legal Manager, KPMG Peat Marwick Suthee Ltd.  
1991-1994:       Senior Lawyer, SGVN Legal and Tax Consulting Ltd.

*Education Background:* Ph.D (Educational Psychology), Chulalongkorn University  
Master of Art, National Institute of Development Administration  
Bachelor of Law, Business Law, Chulalongkorn University  
Bachelor of Accountancy, Sukhothai Thammathirat University  
Bachelor of Business Administration, Ramkhamhang University  
Board Reporting Program (BRP), Thai Institute of Directors Association (IOD)  
Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)

*Family Relationship with Management Team:* None

**Mr. Teerawat Jarupipatpong     Breeding Director**

*Recent Working Experience:*

2009-Present:     Breeding Director, Bangkok Ranch PCL.

*Education Background:* Master of Business Administration, Chulalongkorn University  
Bachelor of Science, Chiangmai University

*Family Relationship with Management Team:* None

## CORPORATE GOVERNANCE

### **Corporate Governance Policy**

The Company has prepared this statement of Corporate Governance Policy to provide guidance for directors, management and employees under the regulations of the Stock Exchange of Thailand and the Criteria of Corporate Governance of the Organization for Economic Co-Operation and Development (OECD), which incorporate the following key principles.

#### **1. Rights of Shareholders**

Recognizing the importance of protecting and facilitating the exercise of shareholders' rights, the Company has established a policy of equitable and fair treatment for all shareholders as follows:

##### **1.1 Promoting Exercise of Shareholder's Rights**

The Company encourages all shareholders to exercise their rights in an equitable manner. All shareholders are encouraged to attend the shareholders' meetings, and to provide comments and suggestions to the Board of Directors.

##### **1.2 Facilitating Shareholder's Attendance and Voting at the Meetings**

The Company encourages shareholders' participation in decision making on important issues and voting on such issues at General Meetings. All resolutions are voted on by poll.

##### **1.3 Giving Information Relating to Shareholder's Meeting**

The Company will ensure that shareholders are informed, in advance of General Meetings, of important information, criteria and procedures for those meetings, including the voting procedure for each agenda item. The Company will strive to provide all information regarding General Meetings to all shareholders not less than 7 days in advance, so that shareholders can study all the information prior to attending the meeting. In addition, the Company will post all information on the Company's web site prior to sending out the notice of the meeting.

##### **1.4 Giving Opportunity to Shareholders to ask Questions and express their Opinions at the General Meetings**

The Company will, at all General Meetings, provide the opportunity to all shareholders to ask questions, express comments or offer any suggestions.

#### **2. Equitable Treatment of Shareholders**

##### **2.1 Equitable Treatment**

The Company believes in the equitable treatment of shareholders and the opportunity for them all to receive information equitably; and to allow shareholders to nominate directors and propose other agenda items through the Company website.

## **2.2 Process of Shareholders' Meeting**

The Company will facilitate the use of a proxy form by those shareholders who are unable to attend a General Meeting, and encourages shareholders who are unable to attend to appoint an Independent Director of the Company as their proxy.

## **2.3 Use of Insider Information**

It is the responsibility of the Company's directors, management and employees to keep corporate information strictly confidential, (especially internal information not properly disclosed to the public), for their own benefit or the benefit of others and to comply with the law and the policies on insider trading.

## **2.4 Conflict of Interest**

Directors, management and employees must disclose on a timely basis any interests they may have which could constitute a conflict of interest or connected transaction, in accordance with the regulations of Stock Exchange Commission and Stock Exchange of Thailand and the Company policies.

## **3. Rights of Treatment of Other Stakeholders**

The Company will follow the general principles of fair treatment of stakeholders, which includes shareholders, customers, employees, trading partners and creditors, public and competitors. In pursuit of the fairness and transparency objective, the company recognizes the interests of its stakeholders as follows

### **3.1 Shareholders**

Rights and treatment of shareholders are specified in 1 and 2 herof.

### **3.2 Customers**

The Company will strive to maintain and strengthen its long-term and loyal relationships with its customers. We are determined to ensure customer delight by providing high quality products and services that best fit customer needs at competitive prices, supported by a high standard of service and accurate information regarding our operations and products. The Company believes in and will strive to keep communication channels open for constant customer feedback.

### **3.3 Employees**

All employees are considered as valuable assets critical to the growth and profitability of the organization and its subsidiaries. We strive to provide a conducive and quality oriented work environment with utmost emphasis on health and safety. We treat all employees with fairness, in any employment opportunity with fair and equitable compensation.

The Company gives importance to developing skills, knowledge and potential of its employees, and strives to build a work environment that is rich in diversity and will attract and retain high performance employees.

### **3.4 Trading partners and creditors**

We believe it is important that our trading partners and creditors have a full and complete understanding of our business so we can establish clear, long term and trusting relationships.

The Company strives to formulate fair agreements with its trading partners, to strictly comply with the terms and conditions stated therein, and to provide full and accurate financial information to its creditors.

### **3.5 Public**

The Company cares about the safety of its society, environment and quality of life of people associated with its operations and strives to comply with all applicable laws and regulations. The Company tries to actively participate in all activities that support and care for environment and society and promote the cultures in which we operate. The Company treats and disposes of waste in a manner that will have least impact on Society, environment and people.

### **3.6 Competitors**

The Company will act within the rules with respect to its competitors and employ best practices in dealing with them, as well as working towards market development and growth for the benefit of the industry as a whole.

## **4. Disclosure and Transparency**

### **4.1 Disclosure of Information**

The Company will, as appropriate, disclose important information with respect to the Company on a timely basis, with accuracy and transparency.

### **4.2 Relations with Shareholders/Investors**

The Investor Relations officer of the Company will communicate with investors or shareholders including institutional investors and minority shareholders. The Company will hold regular analyst meetings in order to present its performance.

### **4.3 Director Information**

The Company will disclose information regarding each of the Directors and the role and responsibility of the Board of Directors and its Committees in the Annual Report (Form 56-2) and the Annual Registration Form (Form 56-1).

### **4.4 Financial Reporting**

The Company emphasizes the need for the financial reports to reflect the actual financial status and business performance based on accurate, complete and sufficient accounting information in compliance with accepted accounting standards.

### **4.5 Director's and Senior Management Remuneration**

The Company will disclose the remuneration of Directors and Senior Management in the Annual Report (Form 56-2) and the Annual Registration Form (Form 56-1).

## **5. The Responsibilities of the Board of Directors**

It is the responsibility of the Board of Directors to act in accordance with all applicable laws and to oversee the implementation of this Corporate Governance Policy.

To this end the Board will ensure that there are in place, a Code of Conduct, a Board Charter, appropriate Board Committees (e.g. Audit, Committee, Nomination and Remuneration Committee), with clear charters, appropriate non-Board Committees with clear charters, and other specific statements as to performance of their responsibilities (e.g. Directors Handbook, training, etc.). The Board will conduct an annual self-assessment of its performance.

### **Board of Directors Charter**

#### **1. Composition**

- 1.1 The Company's Board of Directors shall consist of at least five (5) directors and not less than half of all directors shall be resident within the Kingdom of Thailand.
- 1.2 The Company's Board of Directors shall consist of at least three (3) independent directors. Not less than one-third of the total Board composition shall be independent directors.
- 1.3 Upon retirement by rotation, replacement of directors shall be recommended by Nomination and Remuneration Committee, concurred by the Board meeting and approved by the shareholders meeting.

#### **2. Qualifications of Director**

- 2.1 All directors must meet the stipulations under various regulations and those prescribed by the Company's Articles of Association.
- 2.2 Be knowledgeable in the Company's business and provide adequate time and inputs to the benefit of the Company.
- 2.3 Be an individual with honesty, integrity and high morale.
- 2.4 The directors shall not take position as director in other listed company exceeding five (5) companies. In the case that a director takes director position in excess of the criteria, the Board of Directors shall consider the effectiveness in the performance of the said directors' duties and shall report the reasons for the appointment in the corporate governance report in the annual registration statement (Form 56-1) and the annual report (Form 56-2).

#### **3. Qualifications of Independent Director**

The Independent Director of the company shall have the qualification as specified in the Notification of the Capital Markets Supervisory Board including its future amendments.

#### **4. Roles and Responsibilities**

- 4.1 To conduct their duties in compliance with the laws, objectives, articles of association and resolutions of shareholders' meetings with duty of care and duty of loyalty.
- 4.2 To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of the Company and its subsidiaries as prepared by management and oversee the administration and the performance of the management or the Board of Directors.
- 4.3 To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
- 4.4 To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system including an internal control and internal audit system.
- 4.5 To review the risk management procedures and policies and also follow up on the results.
- 4.6 To set in place the corporate governance policy and its effective implementation.
- 4.7 To appoint the sub-committees such as Audit Committee, Nomination and Remuneration Committee and Corporate Governance Committee, or any other sub committees in order to assist the Board of Directors duties.
- 4.8 To appoint the senior executive positions of the Company such as Chairman of Executive Committee, Chief Executive Officer, Chief Operating Officer, Group Chief Financial Officer and Chief Financial Officer and any other senior officer as deemed necessary.
- 4.9 To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
- 4.10 To seek professional opinions from external agencies, if required in order to take appropriate decisions.
- 4.11 To encourage directors and executives to attend the seminar program of Thai Institute Directors Association (Thai-IOD) in the course that related to their duties and responsibilities.

#### **5. Term of Directorship**

At every annual ordinary meeting of shareholders, one-third of the directors of the Company shall retire from office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third shall retire. The retiring directors shall be entitled to be re-elected. Otherwise than retirement by rotation, the directors shall vacate office upon:

- 1) Death
- 2) Resignation (effective from the day that the Company receive the resignation letter)
- 3) Loss of qualifications or disqualification under regulations and notifications of laws or the Articles of Association of the Company
- 4) Removal by a resolution passed by the meeting of shareholders
- 5) Removal by a court order

## **6. Meetings**

The Board of Directors shall hold a meeting at least once a quarter for which the date of meeting shall be planned ahead and extraordinary meeting shall be held if necessary.

### **1) Agenda:**

An agenda of each meeting will be determined in advance by the Company Secretary in consultation with the Chairman of Board, and documents supporting the meeting will be delivered to the members of the Board of Directors at least seven days in advance in order to provide time for consideration of the matters or request additional supporting information. Where it is necessary or urgent to preserve the rights or benefits of the Company, a meeting may be called by other methods and documents supporting the meeting can be delivered to the members of the Board of Directors less than seven days in advance.

### **2) Frequency of Meetings:**

(a) Meetings of the Board of Directors should be held at least four times a year

(b) The Chairman of the Board may convene a special meeting on its own or if there is a request from a member of the Board.

### **3) Attendance & Quorum & Voting:**

In order to ensure the maximum participation of all directors prior to the end of each year a meeting schedule containing the dates for the Board of Directors meeting for the coming year will be circulated.

The quorum for a meeting requires the attendance of at least 50% of the total number of the members of the Board of Directors. Voting during a meeting is made by a simple majority of those directors attending. A director who has interests in any matter shall not be entitled to vote on such matter. If the members are evenly divided, the Chairman of the Meeting shall have the casting vote.

## **7. Sub-Committee**

The Board of Directors may appoint one or several sub-committee to take charge of reviewing specific important points in order to assist the Board of Directors. The Board of Directors shall approve the sub-committee members, sub-committee charter setting out matters relevant to their composition, duties and responsibilities and other matters relating to such sub-committee as the Board may consider appropriate. On an annual basis, the Board shall review the charter for each sub-committee.

## **8. Self Assessment Performance**

The Board shall undertake an annual Board performance evaluation which compares the performance of the Board with the requirements of the Charter. The Board of Directors shall consider the result of the assessment for future improvement.

## CORPORATE SOCIAL RESPONSIBILITIES

### Corporate Social Responsibilities: CSR

#### Policy Overview

Group of Companies have the Corporate Social Responsibility policy (CSR) and to carry out the business with care of the interested parties regarding the economic, social and environmental with good ethics, moral principles and code of conduct, as well as a good governance principle is the corporate governance Group of Companies, the fair business with honesty and awareness of negative consequences for economic, social and environmental natural resources to build confidence with the shareholders, investors, employees, customers who have interests and all related parties. The Company has a strong commitment to their community. It is a being a good business of the society in accordance with the interests of society and achieving the objective of sustainable development. It is operated under the framework of vision, mission and strategy are as follows:

**Vision:** The Company is committed to engage in the business side with the development of their community, society and the environment with respect to the basis right to support life, human rights of the interested parties.

**Mission:** The Company's activities will be the concrete of social responsibility and to be part of the driving force in Thai society. There is the social and environmental development sustainability.

**Strategies:** The Company has been carrying out activities on the Social Responsibility through strategy "C", "S", "R" The details are as follows:

1. Care : The Company will take care of the environment and social community
2. Share : The Company will share the experience of value and benefit to the community and society
3. Return : The Company will give a good thing back to the community and society.

#### Process

The operation of the social responsibility of the Company can be divided into 2 parts, the operation or activity for the society and the environment, as a part of the normal business (in process) and social activities and the environment in addition to the normal business (after process). The company has a policy for the operation of the social responsibility which can be divided into 8 main points:

1. The operation of the fairness
2. The anti-corruption corruption
3. To respect human rights
4. The fair treatment of employees.
5. to responsible for consumers
6. Taking care of the environment
7. To develop community or society
8. Innovation and dissemination of innovation, which has been operating in the corporate social responsibility and environmental stakeholders.



### Activities for the benefit to society and the environment (after-process)

Company projects/activities for the benefit to society and the environment are as follows:

1. Care of people who need to receive the special care group practice, and the people who were selected in the low-income programs such as “Sustainable Duck Project”, “This meal for children Project”, etc.
2. Taking care of the environment such as the project “BIG CLEANING DAY” “Beautiful Canal Project”, “Sustainable Forest Project”, etc.
3. Traditions and culture to promote education programs such as “Project From the Heart”, “Open Factory Project”, activity from the factory to the temple, activity traditions of lotus throw and Khao Phansa Day, etc.



### Mangrove Reforestation Project



### Keeping the World Clean Project



### Water Hyacinth Removal Project, Night Beautiful Canal Water, Environmental Concern to the Community

## **INTERNAL CONTROLS**

### **RESPONSIBILITY**

The Board of Directors recognizes that good corporate governance requires sound internal controls and risk management practices. The Board affirms its overall responsibility for the company's systems of internal controls and risk management, and the reviewing of the adequacy and integrity of those systems. It should be noted, however, that such systems are intended to manage risk, but cannot provide complete assurance of the elimination of risk in meeting business objectives. In addition, it should be noted that any system can provide only reasonable, but not absolute, assurance against material misstatements or losses.

### **KEY ELEMENTS OF INTERNAL CONTROLS**

The key elements of the Company's internal controls systems are as follows:

- A clearly-defined delegation of responsibilities to the Board and to Company management, including authorization levels for all aspect of the business
- Clearly documented internal policies and procedures that are subject to regular review and improvement
- Regular and comprehensive information provided to management, covering financial performance and key business indicators
- A detailed budgeting process in which the Company prepares the budget for the next year which is approved by management and by the Board
- Monthly monitoring of results against budget with follow-up of major variances and of management actions taken, as necessary
- Regular visits to operating units by the management team

## REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2014

### Composition of the Audit Committee

Audit Committee of Bangkok Ranch Public Company Limited is comprised of three independent directors as follow;

Member	Position
Mr. Vudhiphol Suriyabhivadh	Chairman of the Audit Committee
Dr. Poranee Pataranawat	Audit Committee Member
Mr. Yeo Kok Tong	Audit Committee Member

### Audit Committee's Principal Responsibilities

The Audit Committee is empowered by the Board of Directors to review the accuracy and adequacy of the company's financial reporting, to review the adequacy and sufficiency of internal control system, to review the company's compliance with the laws relating to the company's business and regulations of the Stock Exchange of Thailand, to review the appropriateness of related party transactions. Moreover, the Committee pursues and promotes good corporate governance to comply with the rules and regulations of the Stock Exchange of Thailand.

The Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted the consolidated financial statements for every quarter-end and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective and preventive action plans were established to eliminate or reduce the associated risks. The Board of Directors, following the review and recommendations of the Audit Committee, approved the policy and reports for related party transactions.

The Committee appointed the outsourcing internal auditor to identify risk and verify control weaknesses within the Company by carrying out systematic audit activities across the Company and its subsidiaries. The reports on compliance with internal control practices and procedures were discussed with the relevant management teams to incorporate their agreed action plans and submitted to senior management and the Audit Committee.

### The Audit Committee Provided the Following Opinions:

1. The Company's 2014 financial reports are accurate, complete, and reliable.
2. The Company's assets are appropriately safeguarded, proper accounting records are maintained, and resources are effectively and efficiently utilized.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's businesses.
4. EY Office Company Limited, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2014 were rational and contributed optimal benefits of the Company.

6. For the year 2014, the Audit Committee held six meetings to review the Company's consolidated financial statements that had been certified by the external auditor and the Group's internal audit results and corrective actions. The attendance of meetings by each committee member was as follows;

Member	Attendance/Audit Committee Meeting
Mr. Vudhiphol Suriyabhivadh	6/6
Dr. Poranee Pataranawat	5/6
Mr. Yeo Kok Tong	5/6

7. The Audit Committee performed its duties in accordance with its Charter that was approved by the Board of Directors.

The Audit Committee has recommended to the Board of Directors that EY Office Company Limited, be reappointed as the Company's auditor for the financial year ending 31 December 2015. The re-appointment of the audit firm and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 22 April 2015.



Mr. Vudhiphol Suriyabhivadh

Chairman of the Audit Committee

## FINANCIAL INFORMATION

### Management Discussion & Analysis

#### Highlights of the Consolidated Financial Statements and Key Financial Ratios

#### Consolidated statements of financial position of Bangkok Ranch Public Company Limited and its subsidiaries

As at 31 December 2014, 2013 and 2012

	After Amalgamation				Before Amalgamation	
	As at				As at	
	31 December 2014		31 December 2013		31 December 2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	258	4	216	3	70	1
Trade and other receivables	668	10	755	12	725	10
Short-term loans to related parties	-	0	-	0	2,998	41
Inventories	1,159	18	1,170	18	1,019	14
Other current assets	29	0	39	1	25	0
Total current assets	2,114	33	2,180	34	4,836	66
Restricted bank deposit	0	0	60	1	60	1
Parent ducks	85	1	76	1	88	1
Investments in associates	1	0	2	0	2	0
Investments in other companies	0	0	0	0	12	0
Other long-term investments	27	0	22	0	0	0
Investment property	39	1	39	1	31	0
Property, plant and equipment	1,325	21	1,261	20	1,282	18
Goodwill on business combination	1,954	31	1,954	30	927	13
Intangible assets	754	12	767	12	0	0
Other non-current assets	82	1	61	1	80	1
Total non-current assets	4,268	67	4,243	66	2,483	34
<b>Total assets</b>	<b>6,382</b>	<b>100</b>	<b>3,422</b>	<b>100</b>	<b>7,319</b>	<b>100</b>
Bank overdrafts and short-term loans from financial institutions	722	11	1,285	20	1,154	16
Trade and others payables	407	6	321	5	328	4
Current portion of long-term loans	381	6	249	4	9	0
Other current liabilities	134	2	63	1	88	1
Total current liabilities	1,644	26	1,917	30	1,579	22
Long-term loans, net of current portion	2,348	37	2,732	43	4	0
Other non-current liabilities	213	3	237	4	78	1
Total non-current liabilities	2,561	40	2,969	46	82	1
<b>Total liabilities</b>	<b>4,205</b>	<b>66</b>	<b>4,886</b>	<b>76</b>	<b>1,661</b>	<b>23</b>
<b>Total Shareholders' Equity</b>	<b>2,177</b>	<b>34</b>	<b>1,536</b>	<b>24</b>	<b>5,659</b>	<b>77</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,382</b>	<b>100</b>	<b>6,422</b>	<b>100</b>	<b>7,319</b>	<b>100</b>

## Consolidated Income statement of Bangkok Ranch Public Company Limited and its subsidiaries

For the year ended 31 December 2014, 2013 and 2012

	For the year ended					
	31 December 2014		31 December 2013		31 December 2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales	8,484	100	7,573	98	10,194	99
Other income	25	0	173	2	151	1
<b>Total revenues</b>	<b>8,509</b>	<b>100</b>	<b>7,746</b>	<b>100</b>	<b>10,344</b>	<b>100</b>
Cost of sales	(6,779)	(80)	(6,347)	(82)	(8,440)	(82)
Selling and Administrative expenses	(712)	(8)	(641)	(8)	(1,458)	(14)
<b>Total expenses</b>	<b>(7,491)</b>	<b>(88)</b>	<b>(6,987)</b>	<b>(90)</b>	<b>(9,898)</b>	<b>(96)</b>
Share of income from investments in associate	0	0	3	0	25	0
<b>Profit before finance costs and income tax expenses</b>	<b>1,019</b>	<b>12</b>	<b>761</b>	<b>10</b>	<b>471</b>	<b>5</b>
Finance costs	(219)	(3)	(268)	(3)	(94)	(1)
Income tax expenses	(139)	(2)	(78)	(1)	(202)	(2)
<b>Profit for the period</b>	<b>661</b>	<b>8</b>	<b>415</b>	<b>5</b>	<b>175</b>	<b>2</b>
Attributable to non-controlling interests of subsidiary	0	0	0	0	1	0
<b>Profit for the period of the Company</b>	<b>661</b>	<b>8</b>	<b>415</b>	<b>5</b>	<b>177</b>	<b>2</b>

## Consolidated statements of comprehensive income of Bangkok Ranch Public Company Limited and its subsidiaries

For the year ended 31 December 2014, 2013 and 2012

	For the year ended		
	31 December 2014	31 December 2013	31 December 2012
	Million Baht	Million Baht	Million Baht
Profit for the period	661	415	175
Actuarial gains, net of income tax	3	-	-
Exchange differences on translation of financial statements in foreign currency	(26)	24	(30)
Gain (loss) on change in value of available-for-sale investments,	3	(1)	(0)
<b>Total comprehensive income for the period</b>	<b>641</b>	<b>438</b>	<b>145</b>
Attributable to non-controlling interests of subsidiary	(0)	(0)	1
<b>Total comprehensive income for the period of the Company</b>	<b>641</b>	<b>438</b>	<b>146</b>

## Consolidated cash flow statement of Bangkok Ranch Public Company Limited and its subsidiaries

For the year ended 31 December 2014, 2013 and 2012

	For the year ended		
	31 December 2014	31 December 2013	31 December 2012
	Million Baht	Million Baht	Million Baht
Net cash from operation activities	1,228	427	743
Net cash used in investing activities	(354)	(3,385)	(1,034)
Net cash from (used) in financing activities	(816)	3,088	(347)
Increase (Decrease) in translation adjustments	(16)	15	(14)
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>42</b>	<b>145</b>	<b>(652)</b>
Cash and cash equivalents at beginning of period	216	70	722
<b>Cash and cash equivalents at end of period</b>	<b>258</b>	<b>216</b>	<b>70</b>

## Key financial ratios of the consolidated financial statements of Bangkok Ranch Public Company Limited and its subsidiaries

	2014	2013	2012
<b>Liquidity Ratio</b>			
Current Ratio <sup>1</sup> (times)	1.29	1.14	3.06
Quick Ratio <sup>2</sup> (times)	0.56	0.51	0.50
Cash Ratio <sup>3</sup> (times)	0.69	0.24	0.40
Account Receivable Turnover <sup>4</sup> (times)	11.92	10.23	11.47
Average Collection Period <sup>5</sup> (days)	30.21	35.19	31.38
Inventory Turnover <sup>6</sup> (times)	5.82	5.80	6.60
Inventory Turnover Period <sup>7</sup> (days)	61.84	62.08	54.54
Account Payable Turnover <sup>8</sup> (times)	18.63	19.56	16.96
Average Payment Period <sup>9</sup> (days)	19.32	18.40	21.22
Cash Cycle <sup>10</sup> (days)	72.73	78.86	64.70
<b>Profitability Ratio</b>			
Gross Profit Margin <sup>11</sup> (%)	20%	16%	17%
Operating Profit Margin <sup>12</sup> (%)	12%	10%	5%
Net Profit Margin <sup>13</sup> (%)	8%	5%	2%
Return on Equity of ROE <sup>14</sup> (%)	36%	12%	3%
<b>Efficiency Ratio</b>			
Return on Assets or ROA <sup>15</sup> (%)	10%	6%	2%
Total Assets Turnover <sup>16</sup> (times)	1.33	1.10	1.29
<b>Leverage Ratio or Financial Ratio</b>			
Debt/Equity Ratio <sup>17</sup> (times)	1.93	3.18	0.29
Interest Coverage <sup>18</sup> (times)	5.61	1.60	7.93
Debt Service Coverage <sup>19</sup> (times)	2.81	3.70	74.06
Dividend Payout <sup>20</sup> (%)	-	-	53%

Remark: 1 Current Ratio = Current Assets / Current Liabilities

2 Quick Asset = (Cash + Short-term Investments + Trade and Other Receivables) / Current Liabilities

3 Cash Ratio = Cash Flow from Operating / Current Liabilities

4 Account Receivable Turnover = Net Credit Sales / Average Trade and Other Receivables

5 Average Collection Period = 360 / Account Receivable Turnover

6 Inventory Turnover = Cost of Goods Sold / Average Inventory

7 Inventory Turnover Period = 360 / Inventory Turnover

8 Account Payable Turnover = Cost of Goods Sold / Average Trade and Other Payables

9 Average Payment Period = 360 / Account Payable Turnover

10 Cash Cycle = Average Collection Period + Inventory Turnover Period – Average Payment Period

11 Gross Profit Margin = Gross Profit / Sales

12 Operating Profit Margin = Profit before Finance Cost and Income Tax Expenses / Sales

13 Net Profit Margin = Net Profit / Sales

14 Return on Equity or ROE = Net Profit of the Company / Equity of the Company × 100

15 Return on Assets or ROA = Net Profit / Average Total Assets × 100

16 Total Assets Turnover = Sales / Average Total Assets

17 Debt/Equity Ratio = Total Liabilities / Total Equity

18 Interest Coverage = Net Cash Provided by Operating Activities / Interest Expense

19 Debt Service Coverage = (EBITDA – Acquisitions of plant and equipment) / (Current Portion of Long-Term Loans + Accrued Interest

20 Dividend Payout = Dividends / Net Profit of the Company's Separate Financial Statement × 100

## **Management's Discussion and Analysis**

This management's discussion and analysis is based on the consolidated financial statements of Bangkok Ranch Public Company Limited and its subsidiaries, which are together referred to as the "Company", for the year ended 31 December 2014. It includes the financial statements of Bangkok Ranch Public Company Limited and its subsidiaries, as stated in Note 2. Basis of Preparation.

In 2014, the following significant events affected the preparation and presentation of the consolidated financial statements for the year 2014 are as follows:

### **1) Investment in new subsidiary**

On 26 February 2014, the Company's Board of Directors Meeting passed a resolution to approve the incorporation of BR Agriculture Company Limited, in which the Company's interest is 100 percent, with a registered capital of Baht 200 million (20 million ordinary shares of Baht 10 each) of which Baht 2.50 per share is to be initially called up, or a total of Baht 50 million

### **2) The change in the par value and the decrease and increase of Bangkok Ranch Public Company Limited capital**

On 30 October 2014, the Extraordinary General Meeting of the Company's shareholders No. 1/2014 passed the following resolutions.

- Approved a decrease its registered share capital from Baht 3,508,752,790 (350,875,279 ordinary shares of Baht 10 each) to Baht 3,427,232,790 (342,723,279 ordinary shares of Baht 10 each).
- Approved a change in the par value of the ordinary shares from Baht 10 each (342,723,279 ordinary shares of Baht 10 each) to Baht 5 each (685,446,558 ordinary shares of Baht 5 each).
- Approved an increase its registered share capital from Baht 3,427,232,790 (685,446,558 ordinary shares of Baht 5 each) to Baht 4,569,643,720 (913,928,744 ordinary shares of Baht 5 each) to support an initial public offering.

The Company registered the change in the par value and the decrease and increase of its capital with the Ministry of Commerce on 28 November 2014.

## **1. Operating Results**

### **1.1 The overview of the operating results**

The Company's operating results in 2014 was better than last year. The Company's total sales in 2014 amounted to Baht 8,484 million increased by 12% from Baht 7,573 million in 2013 due to the Thailand operations increased Baht 496 million or 12% from the previous year and overseas operations increased Baht 415 million or 12% from the previous year.



The Company's gross profit margin improved from 16% in 2013 to 20% in 2014. This was because the Company focused to sell more value-added products bringing gross profit margin increased. The Company started to export raw duck meat products to Japan again in 2014 which the selling price of the products to Japan was higher than local market. Moreover, the Company improved the production cost management and increased efficiency in the production processes of both upstream and downstream which resulted in the decrease in the production cost.

From the above factors, the Company's net profit Baht 661 million in 2014 was up 59% from the previous year, Baht 415 million.

## 1.2 Revenue Breakdown based on Business Segment

	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Thailand</b>						
1.1 Revenues from animal feed, duck farms and hatcheries	2,177	29	1,958	26	2,535	25
1.2 Revenues from the duck slaughterhouse and by product and food product	2,521	33	2,244	30	2,151	21
<b>Total Thailand Revenues</b>	<b>4,698</b>	<b>62</b>	<b>4,202</b>	<b>55</b>	<b>4,686</b>	<b>46</b>
<b>2. Overseas</b>						
2.1 Revenues from animal feed, duck farms and hatcheries	653	9	625	8	1,480	15
2.2 Revenues from the duck slaughterhouse and by product and food product	3,133	41	2,746	36	4,028	40
<b>Total Overseas Revenues</b>	<b>3,786</b>	<b>50</b>	<b>3,371</b>	<b>45</b>	<b>5,508</b>	<b>54</b>
<b>Total Sales-net</b>	<b>8,454</b>	<b>100</b>	<b>7,573</b>	<b>100</b>	<b>10,194</b>	<b>100</b>

### 1.2.1 Thailand operations

Sales from Thailand operations total Baht 4,698 million in 2014, an increase of 12% from Baht 4,202 million in 2013. Details of the operation result for each business line are as follows:

#### 1.2.1.1 Revenues from animal feed, duck farms and hatcheries

Revenues from animal feed, duck farms and hatcheries were increased by 11% to Baht 2,177 million in 2014 (Baht 1,958 million in 2013). In 2014, the Company increased the volume of feed and DOD sold to contract farmers to support the increasing of sale volume of duck meat products in domestic and overseas.

#### 1.2.1.2 Revenues from the duck slaughterhouse and by product and food product

Revenues from the duck meat product, by-products and food-product increased 12% to Baht 2,521 million in 2014 (Baht 2,244 million in 2013) because of the growth of duck meat consumption in Thailand especially for the channel of restaurant and modern trade.

### 1.2.2 Overseas operation

Sales from overseas operation total Baht 3,786 million in 2014, an increase of 12% from Baht 3,371 million in 2013. This was because the Company exported more duck products to European Union countries and began exporting raw duck meat products to Japan, which Thailand was allowed to export raw duck meat to Japan again in 2014. Moreover, the average price of products exported to overseas in 2014 was higher than 2013 from improving of selling price and Baht weaken.

## **2. Financial position**

### **2.1 Assets**

For the consolidated financial statements as at 31 December 2014, the Company's total assets were Baht 6,382 million, including current assets-Baht 2,114 million, property plant and equipment-Baht 1,325 million, goodwill on business combination-Baht 1,954 million, intangible assets-Baht 754 million, long-term investment and other non-current assets-Baht 234 million.

Total assets as at 31 December 2014 decreased by 1% to Baht 40 million from the previous year mainly from the decreasing in trade and other receivables and restricted bank deposit in amount of Baht 87 million and Baht 60 million respectively and the increasing in cash and cash equivalents and property, plant and equipment in amount of Baht 42 million and Baht 64 million, respectively.

### **2.2 Liabilities**

For the consolidated financial statements as at 31 December 2014, total liabilities of the Company were in amount of Baht 4,205 million comprising of current liabilities Baht 1,644 million, long-term loan Baht 2,348 million and non-current liabilities Baht 213 million.

Total liabilities as at 31 December 2014 decreased by 14% to Baht 681 million from the previous year mainly from the decreasing in bank overdrafts and short-term loans from financial institutions Baht 563 million and long-term loans Baht 252 million.

### **2.3 Liquidity**

#### **2.3.1 Cash Flow**

In 2014, the company had net cash provided by operating activities in amount of Baht 1,228 million and net cash used in investing activities in amount of Baht 354 million, primarily from acquisition of fixed assets in amount of Baht 308 million. The Company paid net cash from its financing activities in amount of Baht 816 million which received from long-term loan in amount of Baht 200 million and used for repayment of short-term loan, long-term loan and liabilities under finance lease agreement in amount of Baht 1,016 million. The Company's cash and cash equivalents as of 31 December 2014 was Baht 258 million.

#### **2.3.2 Financial Ratio**

For the consolidated financial statements as at 31 December 2014, the Company's current ratio was 1.29/1 increasing from 1.14/1 in the previous year because short-term loans from financial institutions decreased by Baht 563 million.

#### **2.3.3 Short-term Liability**

As at 31 December 2014, the Company had current liabilities Baht 1,644 million comprising of bank overdraft and short-term loans from financial institutions Baht 722 million, trade and other payables Baht 407 million, current portion of long-term loans Baht 381 million and other current liabilities Baht 134 million. However, the Company's cash position allows it meet all outstanding of short-term obligations.

### **3. Capital Expenditure**

#### **3.1 Capital expenditure for past investments**

In 2014, cash for investing activities was Baht 354 million, decreasing by Baht 3,031 million from 2013. In 2014, the Company invested in fixed assets Baht 308 million, mainly from new cold storage and slaughter house, and invested in parent ducks Baht 106 million and restricted bank deposit decreased Baht 60 million.

#### **3.2 Investment Plan**

Investment plan will focus on continued production capacity expansion, reducing cost of production and expenses, expanding business and creating new markets. However, investment plans may change according to changes in the business environment.

### **4. Capital Structure**

For the consolidated financial statements as at 31 December 2014, the debt to equity ratio was 1.93 times. The debt portion of the Company and its subsidiaries was Baht 4,205 million comprising of non-interest-bearing liabilities and interest-bearing liabilities in amount of Baht 754 million and Baht 3,451 million, respectively. Interest bearing debt, comprising short-term and long-term debt, amounted to Baht 722 million and Baht 2,729 million, respectively.

As at 31 December 2014, shareholders' equity was Baht 2,177 million, increased by 42% from Baht 1,536 million in 2013 mainly from the increasing in retained earnings from net profit of 2014 operation.

### **5. Factors affecting the Company's performance in the future**

- None -

### **The Auditor's Remunerations**

BR's auditor for the year 2014 was Mr. Termpong Opanaphan, C.P.A. (Thailand) registration no. 4501, of EY Office Limited

The remunerations that BR paid to EY Office Limited in 2014 in amount of Baht 2,040,000. The fee excluded out-of-pocket expenses to be reimbursed by the Auditor.

Bangkok Ranch Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2014

## **Independent Auditor's Report**

To the Shareholders of Bangkok Ranch Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Ranch Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Ranch Public Company Limited for the same period.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Ranch Public Company Limited and its subsidiaries, and of Bangkok Ranch Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 25 February 2015

**Bangkok Ranch Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2014**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	257,522,617	215,501,746	138,950,781	177,987,305
Current investments		230,446	226,448	109,792	107,887
Trade and other receivables	8	668,441,931	755,361,794	561,137,992	439,256,315
Inventories	9	1,159,036,828	1,169,955,348	908,403,425	878,806,677
Other current assets		29,207,579	38,702,825	13,003,802	28,100,861
<b>Total current assets</b>		<b>2,114,439,401</b>	<b>2,179,748,161</b>	<b>1,621,605,792</b>	<b>1,524,259,045</b>
<b>Non-current assets</b>					
Restricted bank deposit	10	-	60,000,000	-	60,000,000
Parent ducks	11	84,776,430	76,367,555	83,908,536	76,367,555
Investment in subsidiaries	12	-	-	954,488,730	904,489,230
Investment in associate		1,346,021	1,684,308	-	-
Other long-term investments		26,625,087	22,224,589	2,245	2,378
Investment properties	13	39,200,000	39,200,000	50,544,681	39,200,000
Property, plant and equipment	14	1,325,347,376	1,261,082,120	1,200,139,129	1,174,559,974
Goodwill on business combination	1.2, 2.2	1,954,461,557	1,954,461,557	1,910,483,342	1,910,483,342
Intangible assets	15	754,169,827	766,787,482	649,763,922	661,931,132
Deferred tax assets	24	78,515,012	60,045,239	78,311,987	59,906,618
Other non-current assets		3,136,263	668,343	3,136,263	668,343
<b>Total non-current assets</b>		<b>4,267,577,573</b>	<b>4,242,521,193</b>	<b>4,930,778,835</b>	<b>4,887,608,572</b>
<b>Total assets</b>		<b>6,382,016,974</b>	<b>6,422,269,354</b>	<b>6,552,384,627</b>	<b>6,411,867,617</b>

The accompanying notes are an integral part of the financial statements.



**Bangkok Ranch Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2014**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	16	721,986,030	1,284,838,605	558,770,858	1,025,299,760
Trade and other payables	17	406,669,540	320,879,849	453,435,055	263,040,420
Current portion of liabilities under					
finance lease agreements		655,032	974,755	-	238,440
Current portion of long-term loans	18	379,888,892	248,000,000	379,888,892	248,000,000
Income tax payable		120,953,553	32,035,289	101,995,348	22,400,579
Other current liabilities		13,361,874	30,689,120	15,367,708	24,162,265
<b>Total current liabilities</b>		<b>1,643,514,921</b>	<b>1,917,417,618</b>	<b>1,509,457,861</b>	<b>1,583,141,464</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements, net					
of current portion		-	3,689,972	-	-
Long-term loans, net of current portion	18	2,348,111,108	2,728,000,000	2,348,111,108	2,728,000,000
Provision for long-term employee benefits	19	23,525,728	28,682,750	11,563,725	13,368,741
Deposit for agro credit sales		21,022,975	17,959,181	21,022,975	17,959,181
Deferred tax liabilities	24	168,109,407	189,808,839	138,232,876	154,439,338
Other non-current liabilities		702,008	908,969	1,000	1,000
<b>Total non-current liabilities</b>		<b>2,561,471,226</b>	<b>2,969,049,711</b>	<b>2,518,931,684</b>	<b>2,913,768,260</b>
<b>Total liabilities</b>		<b>4,204,986,147</b>	<b>4,886,467,329</b>	<b>4,028,389,545</b>	<b>4,496,909,724</b>

The accompanying notes are an integral part of the financial statements.

**Bangkok Ranch Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2014**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered	20				
913,928,744 ordinary shares of Baht 5 each					
(2013: 350,875,279 ordinary shares					
of Baht 10 each)		4,569,643,720	3,508,752,790	4,569,643,720	3,508,752,790
Issued and fully paid					
685,446,558 ordinary shares of Baht 5 each					
(2013: 342,723,279 ordinary shares					
of Baht 10 each)		3,427,232,790	3,427,232,790	3,427,232,790	3,427,232,790
Share premium		3,403,438,266	3,403,438,266	3,403,438,266	3,403,438,266
Share discount		(400,000,000)	(400,000,000)	(400,000,000)	(400,000,000)
Deficit on amalgamation	21	(7,427,912,112)	(7,427,912,112)	(6,557,910,481)	(6,557,910,481)
Retained earnings					
Appropriated - statutory reserve	22	184,720,800	153,720,800	184,720,800	153,720,800
Unappropriated		2,968,258,016	2,335,203,566	2,466,513,827	1,888,476,505
Other components of shareholders' equity		18,826,294	41,886,855	(120)	13
Equity attributable to owners of the Company		2,174,564,054	1,533,570,165	2,523,995,082	1,914,957,893
Non-controlling interests of the subsidiary		2,466,773	2,231,860	-	-
<b>Total shareholders' equity</b>		<b>2,177,030,827</b>	<b>1,535,802,025</b>	<b>2,523,995,082</b>	<b>1,914,957,893</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,382,016,974</b>	<b>6,422,269,354</b>	<b>6,552,384,627</b>	<b>6,411,867,617</b>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

**Bangkok Ranch Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2014**

(Unit: Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the period		For the period	
		as from		as from	
		For the year ended	15 July 2013 to	For the year ended	15 July 2013 to
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>Revenues</b>					
Sales		8,483,775,277	3,729,987,334	6,271,984,452	2,562,683,060
Dividend income	12	-	-	179,999,996	-
Other income		25,352,363	15,094,221	22,072,472	8,448,314
<b>Total revenues</b>		<b>8,509,127,640</b>	<b>3,745,081,555</b>	<b>6,474,056,920</b>	<b>2,571,131,374</b>
<b>Expenses</b>					
Cost of sales		6,778,560,122	3,085,173,296	4,962,832,693	2,088,020,887
Selling expenses		331,347,564	151,242,328	314,124,357	131,243,284
Administrative expenses		359,864,356	141,610,044	265,056,398	95,793,062
Exchange losses		20,756,586	18,780,167	2,671,480	20,201,851
Loss on sales of equipment		-	12,630,122	-	12,630,122
<b>Total expenses</b>		<b>7,490,528,628</b>	<b>3,409,435,957</b>	<b>5,544,684,928</b>	<b>2,347,889,206</b>
<b>Profit before share of income from</b>					
<b>investment in associate, finance costs</b>					
<b>and income tax expenses</b>		1,018,599,012	335,645,598	929,371,992	223,242,168
Share of income from investment in associate		266,056	494,080	-	-
<b>Profit before finance costs and</b>					
<b>income tax expenses</b>		1,018,865,068	336,139,678	929,371,992	223,242,168
Finance costs		(218,774,796)	(128,880,043)	(210,531,826)	(124,504,211)
<b>Profit before income tax expenses</b>		<b>800,090,272</b>	<b>207,259,635</b>	<b>718,840,166</b>	<b>98,737,957</b>
Income tax expenses	24	(138,991,207)	(25,968,454)	(112,201,785)	(20,077,003)
<b>Profit for the period</b>		<b>661,099,065</b>	<b>181,291,181</b>	<b>606,638,381</b>	<b>78,660,954</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		660,864,152	181,219,898	606,638,381	78,660,954
Non-controlling interests of the subsidiary		234,913	71,283		
		<b>661,099,065</b>	<b>181,291,181</b>		
<b>Earnings per share</b>					
Basic earnings per share	26				
Profit attributable to equity holders of the Company		0.96	0.26	0.89	0.11

The accompanying notes are an integral part of the financial statements.

**Bangkok Ranch Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2014**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the period		For the period	
	as from		as from	
	For the year ended	15 July 2013 to	For the year ended	15 July 2013 to
<u>Note</u>	<u>31 December 2014</u>	<u>31 December 2013</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
<b>Profit for the period</b>	661,099,065	181,291,181	606,638,381	78,660,954
<b>Other comprehensive income:</b>				
Actuarial gains, net of income tax	3,190,298	-	2,398,941	-
Exchange differences on translation of financial statements in foreign currency	(26,006,728)	38,190,162	-	-
Gain (loss) on change in value of available-for-sale investments, net of income tax	2,946,167	13	(133)	13
<b>Other comprehensive income for the period</b>	(19,870,263)	38,190,175	2,398,808	13
<b>Total comprehensive income for the period</b>	<u>641,228,802</u>	<u>219,481,356</u>	<u>609,037,189</u>	<u>78,660,967</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	640,993,889	219,410,073	<u>609,037,189</u>	<u>78,660,967</u>
Non-controlling interests of the subsidiary	234,913	71,283		
	<u>641,228,802</u>	<u>219,481,356</u>		

The accompanying notes are an integral part of the financial statements.

**Bangkok Ranch Public Company Limited and its subsidiaries**
**Cash flow statement**
**For the year ended 31 December 2014**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the period		For the period	
	as from		as from	
	For the year ended	15 July 2013 to	For the year ended	15 July 2013 to
	<u>31 December 2014</u>	<u>31 December 2013</u>	<u>31 December 2014</u>	<u>31 December 2013</u>
<b>Cash flows from operating activities</b>				
Profit before tax	800,090,272	207,259,635	718,840,166	98,737,957
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	255,090,799	146,882,448	223,155,136	104,116,371
Other amortisations	12,617,655	5,783,093	12,167,210	5,576,638
Amortisation of parent ducks	97,324,814	52,962,683	97,324,814	52,962,683
Allowance for doubtful debts/bad debts (reversal)	25,874,364	(2,297,078)	27,358,137	(240,583)
Reduction of inventory to net realisable value (reversal)	13,788,740	(22,985,732)	13,788,740	(22,985,732)
Gain on change in value of current investments	(3,998)	(2,154)	(1,905)	(973)
Share of income from investment in associate	(266,056)	(494,080)	-	-
Income from other long-term investments	(2,761,390)	(6,047,612)	-	-
Provision for long-term employee benefits	15,872,706	6,955,446	1,193,660	703,290
Gain on sales of equipment	1,992,432	12,630,122	2,121,272	12,630,122
Unrealised exchange (gains) losses	12,897,448	(1,485,656)	19,196,049	(5,238,493)
Interest expenses	218,774,796	128,880,043	210,531,826	124,504,211
Dividend income from subsidiary	-	-	(179,999,996)	-
Profit from operating activities before changes in operating assets and liabilities	1,451,292,582	528,041,158	1,145,675,109	370,765,491
Operating assets (increase) decrease				
Trade and other receivables	80,453,549	(150,557,577)	(131,090,337)	(34,022,879)
Inventories	(2,870,220)	77,100,948	(43,385,488)	105,513,184
Other current assets	(9,823,407)	25,513,275	(4,235,387)	8,609,839
Other non-current assets	(2,467,920)	(146,211)	(2,467,920)	(146,211)
Operating liabilities increase (decrease)				
Trade and other payables	65,335,969	(70,572,633)	166,414,334	(57,875,785)
Other current liabilities	(29,497,333)	(6,324,070)	(20,964,644)	16,364,683
Provision for long-term employee benefits	(15,711,365)	(6,618,820)	-	-
Other non-current liabilities	2,856,833	(6,148,849)	3,063,794	1,554,600
Cash from operating activities	1,539,568,688	390,287,221	1,113,009,461	410,762,922
Cash paid for interest expenses	(221,578,477)	(138,202,407)	(212,923,176)	(133,795,786)
Cash paid for corporate income tax and withholding tax deducted at source	(90,453,766)	(44,153,193)	(67,818,582)	(42,538,256)
<b>Net cash from operating activities</b>	<b>1,227,536,445</b>	<b>207,931,621</b>	<b>832,267,703</b>	<b>234,428,880</b>

The accompanying notes are an integral part of the financial statements.

**Bangkok Ranch Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2014**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the period		For the period	
	as from		as from	
	For the year ended 31 December 2014	15 July 2013 to 31 December 2013	For the year ended 31 December 2014	15 July 2013 to 31 December 2013
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	60,000,000	-	60,000,000	-
Increase in parent ducks	(105,733,689)	(40,437,869)	(104,865,795)	(40,437,869)
Cash paid for investment in subsidiary	-	-	(49,999,500)	-
Cash paid for investment in other long-term investments	(1,640,586)	-	-	-
Acquisitions of plant and equipment	(308,142,334)	(123,338,748)	(241,441,589)	(104,288,686)
Proceeds from sales of equipment	1,451,208	366,086	678,163	366,086
Dividend received from subsidiary	-	-	179,999,996	-
Dividend received from associate	429,469	-	-	-
<b>Net cash used in investing activities</b>	<b>(353,635,932)</b>	<b>(163,410,531)</b>	<b>(155,628,725)</b>	<b>(144,360,469)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(563,760,735)	63,037,003	(467,437,062)	66,769,401
Repayment of liabilities under finance lease agreements	(4,009,695)	(3,723,766)	(238,440)	(1,877,028)
Cash receipt from long-term loan	200,000,000	-	200,000,000	-
Repayment of long-term loan	(448,000,000)	(62,000,000)	(448,000,000)	(62,000,000)
<b>Net cash used in financing activities</b>	<b>(815,770,430)</b>	<b>(2,686,763)</b>	<b>(715,675,502)</b>	<b>2,892,373</b>
<b>Increase (decrease) in translation adjustments</b>	<b>(16,109,212)</b>	<b>30,352,665</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>42,020,871</b>	<b>72,186,992</b>	<b>(39,036,524)</b>	<b>92,960,784</b>
Cash and cash equivalents at beginning of period	215,501,746	143,314,754	177,987,305	85,026,521
<b>Cash and cash equivalents at end of period</b>	<b>257,522,617</b>	<b>215,501,746</b>	<b>138,950,781</b>	<b>177,987,305</b>
	-	-	-	-
<b>Supplemental cash flow information :</b>				
Non-cash transaction				
Purchase of equipment which no cash has been paid	23,362,598	-	21,436,818	-
Transfer of land and building for rent to investment-properties	-	-	11,344,681	-

The accompanying notes are an integral part of the financial statements.

Bangkok Ranch Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
								Other components of equity							
								Other comprehensive income					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
								Exchange differences on translation of financial statements	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity					
	Issued and paid-up share capital	Share premium	Share discount	Deficit on amalgamation	Retained earnings										
					Appropriated - statutory reserve	Unappropriated	in foreign currency								
Note	share capital	premium	discount								the Company	the subsidiary	equity		
Balance as at 15 July 2013	1.2	3,427,232,790	3,403,438,266	(400,000,000)	(7,427,912,112)	149,720,800	2,157,983,668	3,696,680	-	3,696,680	1,314,160,092	2,160,577	1,316,320,669		
Profit for the period		-	-	-	-	-	181,219,898	-	-	-	181,219,898	71,283	181,291,181		
Other comprehensive income for the period		-	-	-	-	-	-	38,190,162	13	38,190,175	38,190,175	-	38,190,175		
Total comprehensive income for the period		-	-	-	-	-	181,219,898	38,190,162	13	38,190,175	219,410,073	71,283	219,481,356		
Unappropriate retained earnings transferred to statutory reserve	22	-	-	-	-	4,000,000	(4,000,000)	-	-	-	-	-	-		
Balance as at 31 December 2013		3,427,232,790	3,403,438,266	(400,000,000)	(7,427,912,112)	153,720,800	2,335,203,566	41,886,842	13	41,886,855	1,533,570,165	2,231,860	1,535,802,025		
Balance as at 1 January 2014		3,427,232,790	3,403,438,266	(400,000,000)	(7,427,912,112)	153,720,800	2,335,203,566	41,886,842	13	41,886,855	1,533,570,165	2,231,860	1,535,802,025		
Profit for the year		-	-	-	-	-	660,864,152	-	-	-	660,864,152	234,913	661,099,065		
Other comprehensive income for the year		-	-	-	-	-	3,190,298	(26,006,728)	2,946,167	(23,060,561)	(19,870,263)	-	(19,870,263)		
Total comprehensive income for the year		-	-	-	-	-	664,054,450	(26,006,728)	2,946,167	(23,060,561)	640,993,889	234,913	641,228,802		
Unappropriate retained earnings transferred to statutory reserve	22	-	-	-	-	31,000,000	(31,000,000)	-	-	-	-	-	-		
Balance as at 31 December 2014		3,427,232,790	3,403,438,266	(400,000,000)	(7,427,912,112)	184,720,800	2,968,258,016	15,880,114	2,946,180	18,826,294	2,174,564,054	2,466,773	2,177,030,827		

The accompanying notes are an integral part of the financial statements.

**Bangkok Ranch Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2014**

(Unit: Baht)

Separate financial statements								
		Issued and paid-up			Deficit on	Retained earnings		Other components of equity
	Note	share capital	Share premium	Share discount	amalgamation	Appropriated - statutory reserve	Unappropriated	Other comprehensive income
								Surplus (deficit) on changes in value of available-for-sale investments
								Total shareholders' equity
<b>Balance as at 15 July 2013</b>	1.2	3,427,232,790	3,403,438,266	(400,000,000)	(6,557,910,481)	149,720,800	1,813,815,551	-
Profit for the period		-	-	-	-	-	78,660,954	-
Other comprehensive income for the period		-	-	-	-	-	-	13
Total comprehensive income for the period		-	-	-	-	-	78,660,954	13
Unappropriate retained earnings transferred to statutory reserve	22	-	-	-	-	4,000,000	(4,000,000)	-
<b>Balance as at 31 December 2013</b>		<u>3,427,232,790</u>	<u>3,403,438,266</u>	<u>(400,000,000)</u>	<u>(6,557,910,481)</u>	<u>153,720,800</u>	<u>1,888,476,505</u>	<u>13</u>
<b>Balance as at 1 January 2014</b>		3,427,232,790	3,403,438,266	(400,000,000)	(6,557,910,481)	153,720,800	1,888,476,505	13
Profit for the year		-	-	-	-	-	606,638,381	-
Other comprehensive income for the year		-	-	-	-	-	2,398,941	(133)
Total comprehensive income for the year		-	-	-	-	-	609,037,322	(133)
Unappropriate retained earnings transferred to statutory reserve	22	-	-	-	-	31,000,000	(31,000,000)	-
<b>Balance as at 31 December 2014</b>		<u>3,427,232,790</u>	<u>3,403,438,266</u>	<u>(400,000,000)</u>	<u>(6,557,910,481)</u>	<u>184,720,800</u>	<u>2,466,513,827</u>	<u>(120)</u>

The accompanying notes are an integral part of the financial statements.



## **Bangkok Ranch Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2014**

#### **1. General information**

##### **1.1 Corporate information**

Bangkok Ranch Public Company Limited (“the Company”) is a public company incorporated under Thai laws on 15 July 2013 and domiciled in Thailand. Its major shareholders are BR Partners Limited, which was incorporated in Hong Kong SAR, and JRGG Limited, which was incorporated in Thailand. The Company is principally engaged in the production of animal feed, farms for breeding and raising ducks for meat, duck slaughtering and the production of processed foods and by-products for distribution in local and overseas markets. The Company runs the duck farms, a hatchery and a feed mill located in Chonburi, Rayong, Singburi and Petchabun. Its registered address is at No. 18/1 Moo 12, Langwatbangpleeyainai Road, Bangpleeyai, Bangplee, Samutprakarn.

##### **1.2 Amalgamation**

The Company was established via an amalgamation under civil and commercial law between Bangkok Ranch Public Company Limited, Thongchai Asia Limited, Middle Village Limited and BT Partners Limited, whereby the Company received the assets, liabilities, rights and obligations of these companies. This amalgamation was thus considered to be a business combination under common control. The Company, therefore, presented beginning account balances based on total net book values presented in the financial statements as of 15 July 2013 of Thongchai Asia Limited, Middle Village Limited, BT Partners Limited and Bangkok Ranch Public Company Limited. The statement of financial position and the income statements at the date of amalgamation are as follows.

**Consolidated statement of financial position**  
**As at 15 July 2013**

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited and its subsidiaries	Fair value adjustment	Elimination	Consolidated financial statements as at amalgamation date
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	1,521	79	170	141,545	-	-	143,315
Current investments	-	-	-	224	-	-	224
Trade and other receivables	-	-	-	596,979	-	-	596,979
Short-term loan to related parties	141,274	-	-	6,108,081	-	-	6,249,355
Inventories - net	-	-	-	1,224,071	-	-	1,224,071
Other current assets	19,332	1	-	42,810	-	-	62,143
<b>Total current assets</b>	<b>162,127</b>	<b>80</b>	<b>170</b>	<b>8,113,710</b>	<b>-</b>	<b>-</b>	<b>8,276,087</b>
<b>Non-current assets</b>							
Restricted bank deposit	-	-	-	60,000	-	-	60,000
Parent ducks	-	-	-	88,892	-	-	88,892
Investment in subsidiaries	3,967,335	1,193,224	2,511,329	-	-	(7,671,888)	-
Investment in associates	455,404	1,060,091	-	1,055	-	(1,515,495)	1,055
Other long-term investments	-	-	-	14,363	-	-	14,363
Investment properties	-	-	-	31,200	8,000	-	39,200
Property, plant and equipment	-	-	-	1,246,902	43,465	-	1,290,367
Goodwill on business combination	-	-	-	968,197	986,265	-	1,954,462
Intangible assets	-	-	-	-	772,571	-	772,571
Deferred tax assets	-	-	-	82,318	(17,715)	-	64,603
Other non-current assets	-	-	-	522	-	-	522
<b>Total non-current assets</b>	<b>4,422,739</b>	<b>2,253,315</b>	<b>2,511,329</b>	<b>2,493,449</b>	<b>1,792,586</b>	<b>(9,187,383)</b>	<b>4,286,035</b>
<b>Total assets</b>	<b>4,584,866</b>	<b>2,253,395</b>	<b>2,511,499</b>	<b>10,607,159</b>	<b>1,792,586</b>	<b>(9,187,383)</b>	<b>12,562,122</b>

## Consolidated statement of financial position (continued)

As at 15 July 2013

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited and its subsidiaries	Fair value adjustment	Elimination	Consolidated financial statements as at amalgamation date
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts and short-term loans from financial institutions	-	-	-	1,216,038	-	-	1,216,038
Trade and other payables	75,956	12,543	18,816	293,065	-	-	400,380
Short-term loan from related party	3,110,281	1,188,580	1,950,493	-	-	-	6,249,354
Current portion of liabilities under finance lease agreements	-	-	-	3,846	-	-	3,846
Current portion of long-term loan	-	-	-	186,000	-	-	186,000
Income tax payable	-	-	-	41,289	-	-	41,289
Other current liabilities	-	-	-	37,013	-	-	37,013
<b>Total current liabilities</b>	<b>3,186,237</b>	<b>1,201,123</b>	<b>1,969,309</b>	<b>1,777,251</b>	<b>-</b>	<b>-</b>	<b>8,133,920</b>
<b>Non-current liabilities</b>							
Liabilities under finance lease agreements, net of current portion	-	-	-	4,542	-	-	4,542
Long-term loan, net of current portion	-	-	-	2,852,000	-	-	2,852,000
Provision for long-term employee benefits	-	-	-	26,980	-	-	26,980
Deposit for agro credit sales	-	-	-	16,405	-	-	16,405
Deferred tax liabilities	-	-	-	42,210	161,132	-	203,342
Other non-current liabilities	-	-	-	8,612	-	-	8,612
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,950,749</b>	<b>161,132</b>	<b>-</b>	<b>3,111,881</b>
<b>Total liabilities</b>	<b>3,186,237</b>	<b>1,201,123</b>	<b>1,969,309</b>	<b>4,728,000</b>	<b>161,132</b>	<b>-</b>	<b>11,245,801</b>

# Consolidated statement of financial position (continued)

As at 15 July 2013

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited and its subsidiaries	Fair value adjustment	Elimination	Consolidated financial statements as at amalgamation date
<b>Shareholders' equity</b>							
Share capital - issued and fully paid	1,834,774	4,301	8,900	1,579,258	-	-	3,427,233
Share premium	-	1,023,151	406,806	1,973,481	-	-	3,403,438
Share discount	-	-	-	(400,000)	-	-	(400,000)
Deficit on amalgamation	-	-	-	-	1,759,471	(9,187,383)	(7,427,912)
Retained earnings							
Appropriated - statutory reserve	-	1,000	1,000	147,721	-	-	149,721
Unappropriated (deficit)	(436,145)	23,820	125,484	2,582,576	(137,752)	-	2,157,983
Other components of shareholders' equity	-	-	-	(6,038)	9,735	-	3,697
Non-controlling interests of the subsidiary	-	-	-	2,161	-	-	2,161
<b>Total shareholders' equity</b>	<b>1,398,629</b>	<b>1,052,272</b>	<b>542,190</b>	<b>5,879,159</b>	<b>1,631,454</b>	<b>(9,187,383)</b>	<b>1,316,321</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,584,866</b>	<b>2,253,395</b>	<b>2,511,499</b>	<b>10,607,159</b>	<b>1,792,586</b>	<b>(9,187,383)</b>	<b>12,562,122</b>

## Separate financial statement of financial position

As at 15 July 2013

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited	Fair value adjustment	Elimination	Separate financial statements as at amalgamation date
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	1,521	79	170	83,256	-	-	85,026
Current investments	-	-	-	107	-	-	107
Trade and other receivables	-	-	-	395,712	-	-	395,712
Short-term loan to related parties	141,274	-	-	6,108,081	-	-	6,249,355
Inventories - net	-	-	-	961,334	-	-	961,334
Other current assets	19,332	1	-	22,906	-	-	42,239
<b>Total current assets</b>	<b>162,127</b>	<b>80</b>	<b>170</b>	<b>7,571,396</b>	<b>-</b>	<b>-</b>	<b>7,733,773</b>
<b>Non-current assets</b>							
Restricted bank deposit	-	-	-	60,000	-	-	60,000
Parent ducks	-	-	-	88,892	-	-	88,892
Investment in subsidiaries	3,967,335	1,193,224	2,511,329	904,489	-	(7,671,888)	904,489
Investment in associates	455,404	1,060,091	-	-	-	(1,515,495)	-
Other long-term investments	-	-	-	2	-	-	2
Investment properties	-	-	-	31,200	8,000	-	39,200
Property, plant and equipment	-	-	-	1,097,334	90,050	-	1,187,384
Goodwill on business combination	-	-	-	-	1,910,483	-	1,910,483
Intangible assets	-	-	-	-	667,508	-	667,508
Deferred tax assets	-	-	-	64,483	-	-	64,483
Other non-current assets	-	-	-	522	-	-	522
<b>Total non-current assets</b>	<b>4,422,739</b>	<b>2,253,315</b>	<b>2,511,329</b>	<b>2,246,922</b>	<b>2,676,041</b>	<b>(9,187,383)</b>	<b>4,922,963</b>
<b>Total assets</b>	<b>4,584,866</b>	<b>2,253,395</b>	<b>2,511,499</b>	<b>9,818,318</b>	<b>2,676,041</b>	<b>(9,187,383)</b>	<b>12,656,736</b>

## Separate financial statement of financial position (continued)

As at 15 July 2013

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited	Fair value adjustment	Elimination	Separate financial statements as at amalgamation date
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts and short-term							
loans from financial institutions	-	-	-	952,767	-	-	952,767
Trade and other payables	75,956	12,543	18,816	222,498	-	-	329,813
Short-term loan from related party	3,110,281	1,188,580	1,950,493	-	-	-	6,249,354
Current portion of liabilities under							
finance lease agreements	-	-	-	2,115	-	-	2,115
Current portion of long-term loan	-	-	-	186,000	-	-	186,000
Income tax payable	-	-	-	42,486	-	-	42,486
Other current liabilities	-	-	-	15,442	-	-	15,442
<b>Total current liabilities</b>	<b>3,186,237</b>	<b>1,201,123</b>	<b>1,969,309</b>	<b>1,421,308</b>	<b>-</b>	<b>-</b>	<b>7,777,977</b>
<b>Non-current liabilities</b>							
Long-term loan, net of current portion	-	-	-	2,852,000	-	-	2,852,000
Provision for long-term employee							
benefits	-	-	-	12,665	-	-	12,665
Deposit for agro credit sales	-	-	-	16,405	-	-	16,405
Deferred tax liabilities	-	-	-	8,280	153,111	-	161,391
Other non-current liabilities	-	-	-	1	-	-	1
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,889,351</b>	<b>153,111</b>	<b>-</b>	<b>3,042,462</b>
<b>Total liabilities</b>	<b>3,186,237</b>	<b>1,201,123</b>	<b>1,969,309</b>	<b>4,310,659</b>	<b>153,111</b>	<b>-</b>	<b>10,820,439</b>

# **Separate financial statement of financial position (continued)**

**As at 15 July 2013**

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited	Fair value adjustment	Elimination	Separate financial statements as at amalgamation date
<b>Shareholders' equity</b>							
Share capital - issued and fully paid	1,834,774	4,301	8,900	1,579,258	-	-	3,427,233
Share premium	-	1,023,151	406,806	1,973,481	-	-	3,403,438
Share discount	-	-	-	(400,000)	-	-	(400,000)
Deficit on amalgamation	-	-	-	-	2,629,473	(9,187,383)	(6,557,910)
Retained earnings							
Appropriated - statutory reserve	-	1,000	1,000	147,721	-	-	149,721
Unappropriated (deficit)	(436,145)	23,820	125,484	2,174,366	(73,710)	-	1,813,815
Other components of shareholders' equity	-	-	-	32,833	(32,833)	-	-
<b>Total shareholders' equity</b>	<b>1,398,629</b>	<b>1,052,272</b>	<b>542,190</b>	<b>5,507,659</b>	<b>2,522,930</b>	<b>(9,187,383)</b>	<b>1,836,297</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,584,866</b>	<b>2,253,395</b>	<b>2,511,499</b>	<b>9,818,318</b>	<b>2,676,041</b>	<b>(9,187,383)</b>	<b>12,656,736</b>

## Consolidated income statement

For the period as from 1 January 2013 to 15 July 2013

(Unit: Thousand Baht)

Bangkok Ranch Public  
Company Limited and its  
subsidiaries

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	
<b>Revenues</b>				
Sales	-	-	-	3,842,636
Interest income	-	2	3	145,721
Other income	474	3,134	-	14,647
<b>Total revenues</b>	<b>474</b>	<b>3,136</b>	<b>3</b>	<b>4,003,004</b>
<b>Expenses</b>				
Cost of sales	-	-	-	3,255,744
Selling expenses	-	-	-	150,285
Administrative expenses	1,379	104	136	171,854
<b>Total expenses</b>	<b>1,379</b>	<b>104</b>	<b>136</b>	<b>3,577,883</b>
<b>Profit (loss) before finance costs and income tax expenses</b>	(905)	3,032	(133)	425,121
Finance costs	(119,149)	(12,799)	(19,431)	(138,844)
<b>Profit (loss) before income tax expenses</b>	(120,054)	(9,767)	(19,564)	286,277
Income tax expenses	-	-	-	(52,242)
<b>Profit (loss) for the period</b>	<b>(120,054)</b>	<b>(9,767)</b>	<b>(19,564)</b>	<b>234,035</b>



## Separate income statement

For the period as from 1 January 2013 to 15 July 2013

(Unit: Thousand Baht)

	BT Partners Limited	Middle Village Limited	Thongchai Asia Limited	Bangkok Ranch Public Company Limited
<b>Revenues</b>				
Sales	-	-	-	2,870,565
Interest income	-	2	3	142,942
Dividend income	-	-	-	300,407
Other income	474	3,134	-	12,506
<b>Total revenues</b>	<b>474</b>	<b>3,136</b>	<b>3</b>	<b>3,326,420</b>
<b>Expenses</b>				
Cost of sales	-	-	-	2,432,305
Selling expenses	-	-	-	134,355
Administrative expenses	1,379	104	136	117,373
<b>Total expenses</b>	<b>1,379</b>	<b>104</b>	<b>136</b>	<b>2,684,033</b>
<b>Profit (loss) before finance costs and income tax expenses</b>	(905)	3,032	(133)	642,387
Finance costs	(119,149)	(12,799)	(19,431)	(134,838)
<b>Profit (loss) before income tax expenses</b>	(120,054)	(9,767)	(19,564)	507,549
Income tax expenses	-	-	-	(41,865)
<b>Profit (loss) for the period</b>	<b>(120,054)</b>	<b>(9,767)</b>	<b>(19,564)</b>	<b>465,684</b>

“Goodwill” in the separate statement of financial position, amounting to Baht 1,910 million, arose from BT Partners Limited’s purchase of shares of Middle Village Limited and Bangkok Ranch Public Company Limited on 28 December 2012. As a result of this acquisition, BT Partners Limited directly and indirectly held 96 percent of the paid up share capital of Bangkok Ranch Public Company, with costs of investment directly attributable to the acquisition amounting to Baht 4,228 million, while the net fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date, in proportion to its shareholding, amounted to Baht 2,318 million.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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 Thai language financial statements.

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

## 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bangkok Ranch Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		2014	2013	
		%	%	
<u>Held by the Company</u>				
Anatis Foods Limited	Holding business and regional operating headquarter	100	100	Thailand
BR Agriculture Co., Ltd.	Duck farming business	100	-	Thailand
<u>Held by Anatis Foods Limited</u>				
Anatis Foods (Hong Kong) Limited	Duck meats trading	100	100	Hong Kong SAR
Anatis Foods (Singapore) Pte. Ltd.	Duck meats trading	100	100	Singapore
Duck-To Holding B.V.	Holding business	100	100	The Netherlands

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		2014	2013	
		%	%	
<u>Held by Duck-To Holding B.V.</u>				
Tomassen Duck-To B.V.	Slaughterhouse and duck meats trading	100	100	The Netherlands
Duck-To Farm B.V.	Duck farming business	100	100	The Netherlands
Tomassen Transport B.V.	Not yet operational	100	100	The Netherlands
Canature B.V.	Not yet operational	100	100	The Netherlands
<u>Held by Tomassen Duck-To B.V.</u>				
Lucky Duck International Food B.V.	Food Processing	90	90	The Netherlands

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the consolidated statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary 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.
- g) Tomassen Duck-To B.V. acquired an interest in Lucky Duck International Food B.V., representing 90% of its registered share capital, for a price of EUR 1.5 million or approximately Baht 58 million. The acquisition cost was approximately EUR 1 million, or approximately Baht 41 million, in excess of the net fair value of the identifiable assets, liabilities and contingent liabilities of that company, in proportion to its shareholding, and this amount was recorded as "Goodwill" in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Financial reporting standards that became effective in the current accounting year**

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

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

Financial Reporting Standard Interpretations:

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

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

**(b) Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

**TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income

#### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company's and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

#### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company's and its subsidiaries believes that this standard will not have any impact on the Company and its subsidiaries' financial statements.

#### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

## **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

At present, the management of the Company's and its subsidiaries is evaluating the impact to the financial statements in the year when this standard is adopted.

### **4. Significant accounting policies**

#### **4.1 Revenue recognition**

##### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

##### *Interest income*

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

##### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Trade and other receivables**

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

#### **4.4 Inventories**

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

#### **4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investment in subsidiary is accounted for in the separate financial statements using the cost method.
- d) Investment in associate is accounted for in the consolidated financial statements using the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event, the Company and its subsidiaries reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

Depreciation of investment properties, which is building for rent, is calculated by reference to their costs on the straight-line basis over estimated useful lives of 2 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.



#### 4.7 Property, plant and equipment / Depreciation

Land, buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of land improvements, buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

	Estimated useful lives	
	The Company	The subsidiaries
Land improvements	20 years	-
Building and building improvements	20, 30 years	5 years
Machinery	10 years	3-10 years
Tools and equipment	3, 5 years	5 years
Furniture and fixtures and office equipment	5 years	5 years
Motor vehicles	5 years	5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.9 Parent ducks

Expenses incurred during the non egg-laying period of parent ducks are capitalised and amortised during the egg-laying period in proportion to the number of eggs produced.

#### 4.10 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Customer relationships	40 years
Computer software	5 years

Intangible assets with indefinite useful lives (trade name) are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually.

#### 4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.12 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

#### **4.13 Long-term leases**

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.14 Foreign currencies**

The consolidated financial statement is presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in profit or loss.

#### **4.15 Impairment of assets**

At each reporting date, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and intangible assets with finite lives whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined having no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.16 Employee benefits**

##### ***Short-term employee benefits***

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

### ***Post-employment benefits and other long-term employee benefit plan***

#### ***Defined contribution plans***

The Company, its subsidiary and its employees have participated in a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiary are recognised as expenses when incurred.

#### ***Defined Post-employment benefit plans and other long-term employee benefit plan***

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the subsidiaries provide other long-term employee benefit plan, namely long service awards and paid annual leave.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation, less unrecognised actuarial gains or losses.

### **4.17 Provisions**

Provisions are recognised when the Company and its subsidiaries has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **4.18 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### **Current tax**

Current income tax of the Company and its subsidiary in Thailand is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Current income tax of overseas subsidiaries is calculated in accordance with the tax rates applicable under the tax legislation of those countries.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.19 Derivatives****Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in profit or loss. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

**Interest rate swap contracts**

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

**5. Significant accounting judgments and estimates**

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

**Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

**Allowance for doubtful accounts**

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

**Allowance of diminution in value of inventory**

In determining an allowance of diminution in value of inventory, the management makes judgment and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting period. Also, the management makes judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

**Amortisation of parent ducks**

In determining amortisation of parent ducks, the management needs to exercise judgment, in terms of estimating the number of eggs from the time the duck begins laying until it is put out, based upon past egg-laying history information and current events.

**Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

**Impairment of equity investments**

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

**Property, plant, equipment and building for rent /Depreciation**

In determining depreciation of plant, equipment and building for rent, the management is required to make estimates of the useful lives and residual values of the plant and equipment of the Company and its subsidiaries and to review estimate 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 impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit 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.

### **Litigation**

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## **6. Related party transactions**

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the year ended 31 December 2014	For the period as from 15 July 2013 to 31 December 2013	For the year ended 31 December 2014	For the period as from 15 July 2013 to 31 December 2013	
<b><u>Transaction with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,574	673	Agree between parties
Commission expenses	-	-	80	34	Per contract



(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	For the period		For the period		
	For the	as from	For the	as from	
	year ended	15 July 2013 to	year ended	15 July 2013 to	
	31 December	31 December	31 December	31 December	
	2014	2013	2014	2013	Pricing policy
<b><u>Transaction with associate</u></b>					
Labour income	2	2	-	-	Market price
Labour expenses	7	7	-	-	Market price
<b><u>Transaction with related parties</u></b>					
Sales of goods	2	3	2	3	Market price
Purchase of goods	4	4	4	4	Agree between parties
Management fee	13	13	-	-	Agree between parties
Rental expenses	30	5	-	-	Per contract
Other service fee	1	1	-	-	Agree between parties
Purchase of machine and equipment	2	-	2	-	Price that approximate cost

The balances of the accounts as at 31 December 2014 and 2013 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
<b><u>Trade receivables</u></b>				
Subsidiaries	-	-	268,263	160,337
Associate	139	165	-	-
Related companies	91	3,182	91	3,182
Total trade receivables - related parties	230	3,347	268,354	163,519
<b><u>Other receivables</u></b>				
Subsidiaries	-	-	312	-
Related companies	-	488	-	488
Total other receivables - related parties	-	488	312	488
Total trade and other receivables - related parties	230	3,835	268,666	164,007
<b><u>Trade and other payables - related parties (Note 17)</u></b>				
<b><u>Trade payables</u></b>				
Subsidiaries	-	-	116	-
Related party	59	203	59	203
Total trade payables - related parties	59	203	175	203
<b><u>Other payables</u></b>				
Subsidiaries	-	-	147,820	66,728
Associate	665	617	-	-
Total other payables - related parties	665	617	147,820	66,728
<b><u>Accrued interest expenses</u></b>				
Subsidiary	-	-	3,365	3,365
Total accrued interest expenses - related party	-	-	3,365	3,365
Total trade and other payables - related parties	724	820	151,360	70,296

## **Directors and management's benefits**

The Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	For the year ended 31 December 2014	as from 15 July 2013 to 31 December 2013	For the year ended 31 December 2014	as from 15 July 2013 to 31 December 2013
Short-term employee benefits	75,218	23,875	28,994	10,696
Post-employment benefits	2,053	1,049	560	249
Total	77,271	24,924	29,554	10,945

## **7. Cash and cash equivalents**

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	4,279	6,393	725	1,613
Bank deposits	253,244	209,109	138,226	176,374
Total	257,523	215,502	138,951	177,987

As at 31 December 2014, bank deposits in saving accounts carried interests between 0.13 and 1.75 percent per annum (the Company only: between 0.13 and 1.75 percent per annum) (2013: between 0.13 and 2.25 percent per annum and the Company only: between 0.13 and 2.25 percent per annum).

## **8. Trade and other receivables**

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	158	369	176,530	140,595
Past due				
Up to 3 months	72	1,005	91,824	20,951
3 - 6 months	-	667	-	667
6 - 12 months	-	1,306	-	1,306
Total trade receivables - related parties	230	3,347	268,354	163,519

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	557,025	639,551	236,582	228,526
Past due				
Up to 3 months	86,719	103,505	32,239	38,177
3 - 6 months	8,172	683	8,172	429
6 - 12 months	5,710	1,570	5,710	1,443
Over 12 months	15,977	14,364	15,876	13,153
Total	673,603	759,673	298,579	281,728
Less: Allowance for doubtful accounts	(20,243)	(13,701)	(20,032)	(12,007)
Trade receivables - unrelated parties, net	653,360	745,972	278,547	269,721
Total trade receivables - net	653,590	749,319	546,901	433,240
<u>Other receivables</u>				
Other receivables from related parties	-	488	312	488
Accrued income	-	27	-	-
Prepaid expenses	13,223	5,491	12,111	5,491
Advances	1,629	37	1,814	37
Total other receivables	14,852	6,043	14,237	6,016
Total trade and other receivables - net	668,442	755,362	561,138	439,256

Trade receivables of overseas subsidiaries have been pledged as collateral to secure their bank overdrafts.

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Raw materials	273,585	344,603	(1,890)	(1,432)	271,695	343,171
Frozen ducks and finished products	727,698	706,424	(36,768)	(23,440)	690,930	682,984
Feed products	16,994	22,505	-	-	16,994	22,505
Fresh eggs, eggs in hatchery and ducklings	26,862	28,220	-	-	26,862	28,220
Ducks	13,302	14,326	-	-	13,302	14,326
Duck cages, feathers and components	39,443	38,240	(360)	(357)	39,083	37,883
Goods in transit	100,171	40,866	-	-	100,171	40,866
Total	1,198,055	1,195,184	(39,018)	(25,229)	1,159,037	1,169,955

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Raw materials	273,424	344,603	(1,890)	(1,432)	271,534	343,171
Frozen ducks and finished products	541,670	486,179	(36,768)	(23,440)	504,902	462,739
Feed products	16,825	22,264	-	-	16,825	22,264
Fresh eggs, eggs in hatchery and ducklings	15,514	16,056	-	-	15,514	16,056
Ducks	3,027	4,112	-	-	3,027	4,112
Duck cages, feathers and components	26,646	26,521	(360)	(357)	26,286	26,164
Goods in transit	70,315	4,301	-	-	70,315	4,301
Total	947,421	904,036	(39,018)	(25,229)	908,403	878,807

During the current year, the Company reduced cost of inventories by Baht 21 million (For the period as from 15 July 2013 to 31 December 2013: Baht 8 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 7 million (For the period as from 15 July 2013 to 31 December 2013: Baht 31 million), and reduced the amount of inventories recognised as expenses during the period.

As at 31 December 2014, frozen ducks and finished products of Duck-To Holding B.V. and its subsidiaries of Euro 4 million or approximately Baht 157 million (2013: Euro 5 million or approximately Baht 204 million) were pledged as collateral to secure their bank overdrafts facilities.

#### 10. Restricted bank deposits

The outstanding balance as at 31 December 2013 is fixed deposits that were pledged as collateral to secure credit facilities, as mentioned in Note 16 and 18 to the financial statements. During the year 2014, the Company redeemed these pledged deposits from financial institutions.

#### 11. Parent ducks

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Parent ducks	144,276	131,150	143,409	131,150
Less: Accumulated amortisation	(59,500)	(54,782)	(59,500)	(54,782)
Parent ducks - net	84,776	76,368	83,909	76,368
Amortisation expenses for the period	97,325	52,963	97,325	52,963

## 12. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period	
							For the period	
							For the year ended	as from 15 July
							31 December	2013 to 31 December
	2014	2013	2014	2013	2014	2013	2014	2013
	Million Baht	Million Baht	%	%				
Anatis Foods Limited	904	904	100	100	904,489	904,489	180,000	-
BR Agriculture Co., Ltd.	50	-	100	-	50,000	-	-	-
Total					954,489	904,489	180,000	-

On 26 February 2014, the Company's Board of Directors Meeting passed a resolution to approve the incorporation of BR Agriculture Company Limited, in which the Company's interest is 100 percent, with a registered capital of Baht 200 million (20 million ordinary shares of Baht 10 each) of which Baht 2.50 per share is to be initially called up, or a total of Baht 50 million.

## 13. Investment properties

The investment properties are non-operating land and land and building rented to a subsidiary.

The net book values of investment properties as at 31 December 2014 and 2013 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
			Land and building		
	Non-operating land	Total	Non-operating land	for rent	Total
31 December 2014:					
Cost	39,200	39,200	39,200	11,345	50,545
Net book value	39,200	39,200	39,200	11,345	50,545
31 December 2013:					
Cost	39,200	39,200	39,200	-	39,200
Net book value	39,200	39,200	39,200	-	39,200

A reconciliation of the net book values of investment properties for the year 2014 and for the period as from 15 July 2013 to 31 December 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended	For the period as	For the year ended	For the period as
	31 December	from 15 July 2013	31 December	from 15 July 2013
	2014	to 31 December	2014	to 31 December
	2014	2013	2014	2013
Net book value at beginning of the period	39,200	39,200	39,200	39,200
Transfer from property, plant and equipment (Note 14)	-	-	11,345	-
Net book value at end of the period	39,200	39,200	50,545	39,200

The fair value of the investment properties as at 31 December 2014 and 2013 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Non-operating land	40,210	39,200	40,210	39,200
Land and building for rent	-	-	13,467	-

The fair value of non-operating land has been determined based on market prices assessed by an accredited independent valuer. The fair value of the land and building held for rent has been determined by management using the income approach. Key assumptions used in the valuation include yield rate, inflation rate and long-term growth in real rental rates.

The Company and its subsidiaries have pledged investment properties amounting to approximately Baht 39 million (2013: Baht 39 million) (The Company only: Baht 51 million, 2013: Baht 39 million) as collateral against credit facilities received from financial institutions.

## 14. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land	Land improvements	Building and building improvements	Machinery	Tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>									
15 July 2013	337,800	275,463	1,627,938	1,022,921	482,488	54,656	111,917	21,450	3,934,633
Additions	-	375	6,562	19,330	3,594	4,840	170	88,468	123,339
Disposals/write-offs	-	-	(164,503)	(14,592)	(6,326)	(436)	(924)	-	(186,781)
Transfer between classes of accounts	-	1,186	32,589	4,027	773	309	-	(38,884)	-
Translation adjustments	-	-	6,235	15,127	-	3,008	9,698	-	34,068
31 December 2013	337,800	277,024	1,508,821	1,046,813	480,529	62,377	120,861	71,034	3,905,259
Additions	-	999	3,547	21,635	19,389	1,113	14,345	270,477	331,505
Disposals/write-offs	-	-	(318)	(9,523)	(3,991)	(3,336)	(4,681)	-	(21,849)
Transfer between classes of accounts	-	929	115,125	82,706	7,296	121	-	(206,177)	-
Adjustment	-	-	939	-	-	-	-	-	939
Translation adjustments	-	-	(7,317)	(19,252)	-	(3,534)	(11,821)	-	(41,924)
31 December 2014	337,800	278,952	1,620,797	1,122,379	503,223	56,741	118,704	135,334	4,173,930
<b>Accumulated depreciation:</b>									
15 July 2013	-	214,382	1,152,353	708,716	427,193	50,931	90,691	-	2,644,266
Depreciation for the period	-	3,051	39,946	81,775	12,693	3,331	6,087	-	146,883
Depreciation on disposals/write-offs	-	-	(151,829)	(14,253)	(6,347)	(432)	(924)	-	(173,785)
Translation adjustments	-	-	5,534	10,502	-	2,808	7,969	-	26,813
31 December 2013	-	217,433	1,046,004	786,740	433,539	56,638	103,823	-	2,644,177
Depreciation for the year	-	6,533	75,785	138,979	23,959	1,682	8,153	-	255,091
Depreciation on disposals/write-offs	-	-	(318)	(6,877)	(3,847)	(3,327)	(4,037)	-	(18,406)
Adjustment	-	-	939	-	-	-	-	-	939
Translation adjustments	-	-	(6,621)	(13,746)	-	(3,236)	(9,615)	-	(33,218)
31 December 2013	-	223,966	1,115,789	905,096	453,651	51,757	98,324	-	2,848,583
<b>Net book value:</b>									
31 December 2013	337,800	59,591	462,817	260,073	46,990	5,739	17,038	71,034	1,261,082
31 December 2014	337,800	54,986	505,008	217,283	49,572	4,984	20,380	135,334	1,325,347
<b>Depreciation</b>									
For the period as from 15 July 2013 to 31 December 2013 (Baht 95 million included in manufacturing cost, and the balance in selling and administrative expenses)									146,883
For the year ended 31 December 2014 (Baht 152 million included in manufacturing cost, and the balance in selling and administrative expenses)									255,091

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvements	Building and building improvements	Machinery	Tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>									
15 July 2013	337,800	275,463	1,539,817	823,026	482,037	27,977	15,659	21,450	3,523,229
Additions	-	375	6,291	4,810	3,454	891	-	88,468	104,289
Disposals/write-offs	-	-	(164,503)	(14,592)	(6,326)	(436)	(924)	-	(186,781)
Transfer between classes of accounts	-	1,186	32,589	4,027	773	309	-	(38,884)	-
31 December 2013	337,800	277,024	1,414,194	817,271	479,938	28,741	14,735	71,034	3,440,737
Additions	-	999	1,678	6,763	19,389	474	-	233,575	262,878
Disposals/write-offs	-	-	(318)	(8,980)	(3,991)	(235)	-	-	(13,524)
Transfer between classes of accounts	-	929	115,125	82,706	7,296	121	-	(206,177)	-
Adjustment	-	-	939	-	-	-	-	-	939
Transfer to investment properties (Note 13)	(6,700)	(3,399)	(37,609)	(2,314)	(3,545)	(300)	(371)	-	(54,238)
31 December 2014	331,100	275,553	1,494,009	895,446	499,087	28,801	14,364	98,432	3,636,792
<b>Accumulated depreciation:</b>									
15 July 2013	-	214,382	1,074,961	578,748	426,888	25,658	15,208	-	2,335,845
Depreciation for the period	-	3,051	35,345	52,417	12,645	470	189	-	104,117
Depreciation on disposals/write-offs	-	-	(151,829)	(14,253)	(6,347)	(432)	(924)	-	(173,785)
31 December 2013	-	217,433	958,477	616,912	433,186	25,696	14,473	-	2,266,177
Depreciation for the year	-	6,533	72,856	118,571	23,876	1,068	251	-	223,155
Depreciation on disposals/write-offs	-	-	(318)	(6,334)	(3,847)	(226)	-	-	(10,725)
Adjustment	-	-	939	-	-	-	-	-	939
Transfer to investment properties (Note 13)	-	(2,107)	(34,305)	(2,314)	(3,499)	(297)	(371)	-	(42,893)
31 December 2014	-	221,859	997,649	726,835	449,716	26,241	14,353	-	2,436,653
<b>Net book value:</b>									
31 December 2013	337,800	59,591	455,717	200,359	46,752	3,045	262	71,034	1,174,560
31 December 2014	331,100	53,694	496,360	168,611	49,371	2,560	11	98,432	1,200,139

**Depreciation**

For the period as from 15 July 2013 to 31 December 2013 (Baht 60 million included in manufacturing cost, and the balance in selling and administrative expenses)

104,117

For the year ended 31 December 2014 (Baht 124 million included in manufacturing cost, and the balance in selling and administrative expenses)

223,155



As at 31 December 2014, the Company and its subsidiaries had vehicles and equipment with net book values of Baht 3 million (The Company only: Baht 1 million) which was acquired under finance lease agreements (2013: Baht 9 million, The Company only: Baht 3 million).

The Company and its subsidiaries have pledged their property, plant and equipment amounting to approximately Baht 871 million (The Company only: Baht 854 million) (2013: Baht 919 million, The Company only: Baht 919 million), as collateral against credit facilities received from commercial banks.

As at 31 December 2014, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,203 million (The Company only: Baht 1,005 million) (2013: Baht 1,135 million, The Company only: Baht 935 million).

## 15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	Customer relationships	Trade name	Total
<b>Cost:</b>				
15 July 2013	18,232	504,706	274,699	797,637
31 December 2013	18,232	504,706	274,699	797,637
31 December 2014	18,232	504,706	274,699	797,637
<b>Accumulated amortisation:</b>				
15 July 2013	18,232	6,834	-	25,066
Amortisation for the period	-	5,783	-	5,783
31 December 2013	18,232	12,617	-	30,849
Amortisation for the year	-	12,618	-	12,618
31 December 2014	18,232	25,235	-	43,467
<b>Net book value:</b>				
31 December 2013	-	492,089	274,699	766,788
31 December 2014	-	479,471	274,699	754,170

(Unit: Thousand Baht)

	Separate financial statements			
	Computer software	Customer relationships	Trade name	Total
<b>Cost:</b>				
15 July 2013	18,232	486,688	187,410	692,330
31 December 2013	18,232	486,688	187,410	692,330
31 December 2014	18,232	486,688	187,410	692,330
<b>Accumulated amortisation:</b>				
15 July 2013	18,232	6,590	-	24,822
Amortisation for the period	-	5,577	-	5,577
31 December 2013	18,232	12,167	-	30,399
Amortisation for the year	-	12,167	-	12,167
31 December 2014	18,232	24,334	-	42,566
<b>Net book value:</b>				
31 December 2013	-	474,521	187,410	661,931
31 December 2014	-	462,354	187,410	649,764

**16. Bank overdrafts and short-term loans from financial institutions**

(Unit: Thousand Baht)

	Interest rate		Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013	2014	2013
	(percent per annum)	(percent per annum)				
Trust receipts	3.23 - 4.75	3.28 - 3.80	178,771	137,698	178,771	137,698
Promissory notes	5.25	5.31 - 6.00	380,000	887,602	380,000	887,602
Bank overdrafts	2.38 - 3.75	2.47 - 3.75	163,215	259,539	-	-
Total bank overdrafts and short-term loans from financial institutions			721,986	1,284,839	558,771	1,025,300

The Company can renew the promissory notes until it decides to repay these loans.

The overseas subsidiaries have a cap interest rate agreement to manage the risk associated with bank overdrafts carrying interest at a floating rate. The agreement relates to interest on principal amounts of EUR 2 million (2013: EUR 2.5 million), which mature in June 2015. Under the agreement, from June 2012, the overseas subsidiaries are required to pay interest to the financial institution, at a rate of the 1-month Euribor + 2.25% but not exceed 3.75% per annum, while the financial institution is required to pay interest to the overseas subsidiaries at a rate of the 1-month Euribor + 2.25% per annum.

As at 31 December 2014, short-term loans from financial institution of the Company are secured by mortgage of land with structures thereon, machinery, equipment, investment properties, partial of the Company's shares, subsidiary's shares, guarantee provided by the Company's director and guarantee provided by a subsidiary (2013: secured by bank deposit, mortgage of land with structures thereon, machinery, equipment, investment properties and partial of the Company's shares, and by a guarantee provided by the Company's director).

Bank overdrafts of Duck-To Holding B.V. and its subsidiaries are guaranteed by their trade receivables and inventories.

Bank overdrafts agreement of subsidiaries contains several covenants relating to, among other things, the maintenance of certain financial ratios in accordance with rates prescribed in the agreement.

## 17. Trade and other payables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2014	2013	2014	2013
Trade payables - related parties	59	203	175	203
Trade payables - unrelated parties	194,288	175,597	118,908	82,347
Other payables - related parties	665	617	147,820	66,728
Other payables - unrelated parties	76,085	40,155	72,079	39,962
Accrued interest expenses - related parties	-	-	3,365	3,365
Accrued interest expenses - unrelated parties	2,564	5,368	1,131	3,523
Accrued expenses	133,009	98,940	109,957	66,912
Total trade and other payables	<u>406,670</u>	<u>320,880</u>	<u>453,435</u>	<u>263,040</u>

## 18. Long-term loans

The Company has long-term loan agreements with a group of domestic lenders as follows:

Loan	Interest rate (percent per annum)	Repayment schedule	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements	
			2014	2013
Facility A	Closed to MLR	Repayment in monthly installments commencing January 2013, with the final installment due in December 2020	2,528,000	2,976,000
Facility B	Closed to MLR	Repayment in monthly installments commencing June 2015, with the final installment due in December 2018	200,000	-
Total			<u>2,728,000</u>	<u>2,976,000</u>
Less: Portion due within one year			<u>(379,889)</u>	<u>(248,000)</u>
Long-term loans - net of current portion			<u>2,348,111</u>	<u>2,728,000</u>

As at 31 December 2014, the loan is secured by mortgage of its land with structures thereon, machinery, equipment, investment properties, partial of the Company's shares, subsidiary's shares, guarantee provided by the Company's director and guarantee provided by a subsidiary (2013: secured by bank deposit, mortgage of land with structures thereon, machinery, equipment, investment properties and partial of the Company's shares, and by a guarantee provided by the Company's director).

The loan agreements contain several covenants relating to, among other things, entering into other loan agreements and the maintenance of certain financial ratios in accordance with rates prescribed in the agreements.

As at 31 December 2013, the Company was unable to maintain the debt to equity ratio stipulated in the loan agreements with the banks. However, the banks granted waivers of the debt to equity ratio covenant and as at 31 December 2013 the Company therefore classified the loans in accordance with the original repayment schedules stipulated in the loan agreements.

## 19. Provision for long-term employee benefits

Provision for long-term employee benefits were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Compensations		Other long-term employee benefits		Paid annual leave		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Defined benefit obligation at								
beginning of period	14,742	13,843	6,663	5,739	7,278	7,398	28,683	26,980
Current service cost	1,108	606	288	301	13,967	5,755	15,363	6,662
Interest cost	510	293	-	-	-	-	510	293
Benefits paid during the period	-	-	-	-	(15,711)	(6,619)	(15,711)	(6,619)
Actuarial gains	(3,878)	-	-	-	-	-	(3,878)	-
Translation adjustments	-	-	(755)	623	(686)	744	(1,441)	1,367
<b>Provisions for long-term employee</b>								
<b>benefits at end of period</b>	<b>12,482</b>	<b>14,742</b>	<b>6,196</b>	<b>6,663</b>	<b>4,848</b>	<b>7,278</b>	<b>23,526</b>	<b>28,683</b>

(Unit: Thousand Baht)

	Separate financial statements	
	Compensations	
	2014	2013
Defined benefit obligation at beginning of period	13,368	12,665
Current service cost	760	439
Interest cost	434	264
Actuarial gains	(2,998)	-
<b>Provisions for long-term employee benefits at end of period</b>	<b>11,564</b>	<b>13,368</b>

Long-term employee benefit expenses included in the profit or loss consist of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	For the	as from	For the	as from
	year ended	15 July 2013 to	year ended	15 July 2013 to
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Current service cost	15,363	6,662	760	439
Interest cost	510	293	434	264
<b>Long-term employee benefit expenses for the period</b>	<b>15,873</b>	<b>6,955</b>	<b>1,194</b>	<b>703</b>

As at 31 December 2014, cumulative actuarial gains, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 3.9 million (The Company only: Baht 3.0 million) (2013: Nil).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	For the	as from	For the	as from
	year ended	15 July 2013 to	year ended	15 July 2013 to
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.02 - 4.19	4.44 - 4.59	4.06 - 4.19	4.59
Future salary increase rate	2.51 - 3.44	0.01 - 4.49	2.51 - 2.67	2.09 - 4.41
Staff turnover rate (depending on age)	0 - 84.00	0 - 81.00	0 - 84.00	0 - 81.00

The amounts of compensations and other long-term employee benefits and experience adjustments for the current year and the past year are as follows:

(Unit: Thousand Baht)

	Compensations and other long-term			
	employee benefits		Experience adjustments on the obligations	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2014	23,526	11,564	(1,434)	(588)
Year 2013	28,683	13,368	-	-

## 20. Warrants/share capital

Before amalgamation, Bangkok Ranch Public Company Limited issued and allocated warrants to the employees and the arranger in accordance with the criteria prescribed by Bangkok Ranch Public Company Limited on 23 April 2009. The warrants have a life of up to 5 years from the issue date of warrants, with the following conditions, the annual targets and exercise period set by Bangkok Ranch Public Company Limited.

The warrants were transferred to Bangkok Ranch Public Company Limited after the amalgamation. However, the warrant holders have not been able to exercise the warrants because the annual targets or the level of achievement set by the Board of Directors have not been achieved and the warrants have expired in April 2014. The Company registered the reduction of its share capital with respect to the unissued shares to be allocated to support the exercise of the warrants on 28 November 2014.

On 30 October 2014, the Extraordinary General Meeting of the Company's shareholders No. 1/2014 passed the following significant resolutions.

- Approved a decrease its registered share capital from Baht 3,508,752,790 (350,875,279 ordinary shares of Baht 10 each) to Baht 3,427,232,790 (342,723,279 ordinary shares of Baht 10 each).
- Approved a change in the par value of the ordinary shares from Baht 10 each (342,723,279 ordinary shares of Baht 10 each) to Baht 5 each (685,446,558 ordinary shares of Baht 5 each).
- Approved an increase its registered share capital from Baht 3,427,232,790 (685,446,558 ordinary shares of Baht 5 each) to Baht 4,569,643,720 (913,928,744 ordinary shares of Baht 5 each) to support an initial public offering.

The Company registered the change in the par value and the decrease and increase of its capital with the Ministry of Commerce on 28 November 2014.

## **21. Deficit on amalgamation**

As discussed in Note 1.2 to the financial statements, the Company was established via an amalgamation under civil and commercial law between Bangkok Ranch Public Company Limited, Thongchai Asia Limited, Middle Village Limited and BT Partners Limited on 15 July 2013. Prior to 15 July 2013, Thongchai Asia Limited, Middle Village Limited and BT Partners Limited had held the shares of Bangkok Ranch Public Company Limited and controlled its operations since acquisition date. This amalgamation was thus considered to be a business combination under common control. The investments in subsidiaries and associates recorded in the financial statements of Thongchai Asia Limited, Middle Village Limited and BT Partners Limited that represented cross holdings and holdings in Bangkok Ranch Public Company Limited therefore had to be eliminated from the financial statements of the new company after amalgamation. The difference between the cost of such investments and the addition adjustment of fair value of the identifiable assets, liabilities and contingent liabilities acquired, including goodwill, of Bangkok Ranch Public Company Limited, in proportion to the shareholding of BT Partner Limited at the acquisition date, amounting to Baht 7,428 million (the Company only: Baht 6,558 million), was recorded as “Deficit on amalgamation” and separately presented in the statements of changes in shareholders’ equity.

## **22. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	For the year ended 31 December 2014	as from 15 July 2013 to 31 December 2013	For the year ended 31 December 2014	as from 15 July 2013 to 31 December 2013
Salaries and wages and other employee benefits	706,377	309,411	451,564	178,331
Depreciation	255,091	146,883	223,155	104,117
Amortisation expenses	109,493	58,746	109,492	58,540
Electricity	162,766	68,488	141,669	57,438
Professional fee	58,981	34,833	21,708	15,081
Transportation and gasoline	129,411	65,489	91,763	42,070
Rental expenses from operating lease agreements	142,196	61,645	99,577	55,710
Raw materials and consumables used	5,543,127	2,652,362	4,041,557	1,826,085
Changes in inventories of finished goods and work in progress	14,584	(76,403)	48,550	(78,383)

## 24. Income tax

Income tax expenses for the year ended 31 December 2014 and for the period as from 15 July 2013 to 31 December 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the period		For the period	
	For the year ended 31 December 2014	as from 15 July 2013 to 31 December 2013	For the year ended 31 December 2014	as from 15 July 2013 to 31 December 2013
<b>Current income tax:</b>				
Corporate income tax charge for the period	179,358	35,295	147,413	22,453
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(40,367)	(9,327)	(35,211)	(2,376)
<b>Income tax expense reported in the income statement</b>	<b>138,991</b>	<b>25,968</b>	<b>112,202</b>	<b>20,077</b>



The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2014 is deferred tax relating to actuarial gains and gain on changes in value of available-for-sale investment which amounts are not material (for the period as from 15 July 2013 to 31 December 2013 is deferred tax relating to gain on changes in value of available-for-sale investments).

Reconciliation between accounting profit and income tax expenses is shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the period		For the period	
	For the	as from	For the	as from
	year ended	15 July 2013 to	year ended	15 July 2013 to
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Accounting profit before tax	800,090	207,260	718,840	98,738
Applicable tax rate (percent)	0 - 25	0 - 25	20	20
Accounting profit before tax multiplied by income tax rate	172,367	27,151	143,768	19,748
Effects of:				
Non-deductible expenses	5,719	473	5,717	350
Exempt income	(37,812)	(1,635)	(36,000)	-
Additional expense deductions allowed	(1,283)	(21)	(1,283)	(21)
Total	(33,376)	(1,183)	(31,566)	329
Income tax expense reported in the income statement	138,991	25,968	112,202	20,077

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	4,006	2,401	4,006	2,401
Allowance for diminution in value of inventories	7,804	5,046	7,804	5,046
Allowance for asset impairment	53,630	49,786	53,630	49,786
Provision for long-term employee benefits	2,406	2,812	2,313	2,674
Amortisation parent ducks	10,559	-	10,559	-
Unused tax loss	110	-	-	-
Total	78,515	60,045	78,312	59,907

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Deferred tax liabilities</b>				
Surplus on revaluation of land	8,280	8,280	8,280	8,280
Surplus on revaluation assets	3,775	22,929	-	13,773
Customer relationships	96,750	99,296	92,471	94,904
Trade name	59,304	59,304	37,482	37,482
Total	168,109	189,809	138,233	154,439

## 25. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company are as follows

Details		
1. Certificate No.	2477(3)/2556 (Previous number as 1748(3)/2551)	1507(2)/2557
2. Promotional privileges for	Manufacturing or preserving foods	Raising duck
3. The significant privileges are		
3.1 Exemption from corporate income tax for profit from promoted operations and exemption from income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted. If losses are incurred during the corporate income tax exemption period, the Company is allowed to utilise the losses as a deduction against profit for up to five years after the expiry of the tax exemption period.	8 years	8 years (Exemption limited to investment excluding in land and working capital)
3.2 Exemption from import duty on machinery as approved by the Board of Investment.	Granted	Granted
4. Date of first earning operating income	1 June 2008	Not yet granted income tax exemption

The Company's operating revenues for the year ended 31 December 2014 and for the period as from 15 July 2013 to 31 December 2013 divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	For the period		For the period		For the period	
	For the	as from	For the	as from	For the	as from
	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to
	31 December	31 December	31 December	31 December	31 December	31 December
	2014	2013	2014	2013	2014	2013
Sales						
Domestic sales	17,423	27,222	4,620,425	1,861,658	4,637,848	1,888,880
Export sales	528,184	292,818	1,105,952	380,985	1,634,136	673,803
Total sales	545,607	320,040	5,726,377	2,242,643	6,271,984	2,562,683

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued during the period, and after adjusting the number of shares for the period as from 15 July 2013 to 31 December 2013 to reflect the impact of the change in par value described in Note 20 to the financial statements. In this respect, the number of ordinary shares was adjusted as if the share split had occurred at the beginning of the first reporting period.

	Consolidated financial statements		Separate financial statements	
	For the period		For the period	
	as from		as from	
	For the year ended	15 July 2013 to	For the year ended	15 July 2013 to
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
Profit for the year (Thousand Baht)				
Equity holders of the Company	660,864	181,220	606,638	78,661
Weighted average number of ordinary shares				
(Thousand shares)	685,447	685,447	685,447	685,447
Earnings per share (Baht)	0.96	0.26	0.89	0.11

For the year ended 31 December 2014 and for the period as from 15 July 2013 to 31 December 2013, the Company did not calculate the dilutive effect of the warrants because the warrantholders can no longer exercise the warrants as mentioned in Note 20 to the financial statements.

## **27. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its entity group and there are the following four reportable segments:

**Entity group 1:** Animal feed, duck farm, hatchery, duck slaughterhouse & by-products and food products in Thailand.

**Entity group 2:** Regional operating headquarters business.

**Entity group 3:** Duck farm, duck slaughterhouse and duck meat trading in The Netherlands.

**Entity group 4:** Duck meat trading in Singapore and Hong Kong SAR.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2014 and for the period as from 15 July 2013 to 31 December 2013.

(Unit: Million Baht)

	Thailand				Overseas				Total reportable segments	Adjustments and eliminations	Consolidated					
	Entity group 1		Entity group 2		Entity group 3		Entity group 4				For the period		For the period		For the period	
	For the period		For the period		For the period		For the period				For the period		For the period		For the period	
	For the	as from	For the	as from	For the	as from	For the	as from			For the	as from	For the	as from	For the	as from
	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to			year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December			31 December	31 December	31 December	31 December	31 December	31 December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013		
Revenue from external customers	4,698	1,889	-	-	2,435	1,389	1,351	452	8,484	3,730	-	-	8,484	3,730		
Inter-segment income	1,574	673	111	55	3	-	389	297	2,077	1,025	(2,077)	(1,025)	-	-		
Interest income	2	2	-	-	-	-	-	-	2	2	-	-	2	2		
Other income	200	7	70	1	7	5	76	34	353	47	(330)	(34)	23	13		
<b>Total revenues</b>	6,474	2,571	181	56	2,445	1,394	1,816	783	10,916	4,804	(2,407)	(1,059)	8,509	3,745		
Cost of sales	(4,653)	(1,934)	-	-	(2,180)	(1,265)	(1,584)	(683)	(8,417)	(3,882)	1,976	982	(6,441)	(2,900)		
Selling expenses	(314)	(131)	-	-	(96)	(48)	(98)	(36)	(508)	(215)	176	82	(332)	(133)		
Administrative expenses	(245)	(107)	(15)	(11)	(50)	(20)	(47)	(15)	(357)	(153)	5	(5)	(352)	(158)		
Depreciation and amortisation	(333)	(163)	-	-	(32)	(43)	-	-	(365)	(206)	-	-	(365)	(206)		
Other expenses	-	(13)	-	-	-	-	-	-	-	(13)	-	-	-	(13)		
<b>Total expenses</b>	(5,545)	(2,348)	(15)	(11)	(2,358)	(1,376)	(1,729)	(734)	(9,647)	(4,469)	2,157	1,059	(7,490)	(3,410)		
<b>Profit (loss) before share of</b>																
<b>income from investment in</b>																
<b>associate, finance costs and</b>																
<b>income tax expenses</b>	929	223	166	45	87	18	87	49	1,269	335	(250)	-	1,019	335		
Share of income from investment in																
associate	-	-	-	-	-	1	-	-	-	1	-	-	-	1		
Finance costs	(210)	(124)	-	-	(9)	(5)	-	-	(219)	(129)	-	-	(219)	(129)		
Income tax expenses	(112)	(20)	(10)	(4)	(17)	(2)	-	-	(139)	(26)	-	-	(139)	(26)		
<b>Profit for the period</b>	607	79	156	41	61	12	87	49	911	181	(250)	-	661	181		

Revenues of the Company and its subsidiaries are separated in two principal types: (1) upstream revenues and (2) downstream revenues.

Upstream revenues consist of revenues from animal feed, duck farms and hatcheries.

Downstream revenues consist of revenues from the duck slaughterhouse and by-products and food products.

Below is the consolidated financial information of the Company and its subsidiaries for the year ended 31 December 2014 and for the period as from 15 July 2013 to 31 December 2013 separately by revenue.

(Unit: Million Baht)

	Thailand						Overseas						Adjustments		Consolidated	
	Regional operating															
	Up-stream revenues		Down-stream revenues		headquarter revenues		Up-stream revenues		Down-stream revenues		and eliminations					
	For the period		For the period		For the period		For the period		For the period		For the period					
	For the	as from	For the	as from	For the	as from	For the	as from	For the	as from	For the	as from				
	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to	year ended	15 July 2013 to		
31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December			
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013			
Revenue from external customers	2,177	860	2,521	1,029	-	-	653	337	3,133	1,504	-	-	8,484	3,730		
Inter-segment revenue	-	-	1,574	673	111	55	3	-	389	297	(2,077)	(1,025)	-	-		
Total revenues	2,177	860	4,095	1,702	111	55	656	337	3,522	1,801	(2,077)	(1,025)	8,484	3,730		

For the year ended 31 December 2014 and for the period as from 15 July 2013 to 31 December 2013, the Company and its subsidiaries have no major customers with revenues that account for 10 percent or more of any entity's revenue.

## 28. Provident fund

The Company, its subsidiary and employees have participated in Thaipanich Master Fund Registered Provident Fund as approved by Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiary contributed to the fund monthly at the rates of 3 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year, the Company and its subsidiary contributed Baht 3 million (the Company only: Baht 3 million) (For the period as from 15 July 2013 to 31 December 2013: Baht 1 million, the Company only: Baht 1 million).

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

As at 31 December 2014, the Company and its subsidiary have capital commitments of approximately Baht 138 million (The Company only: Baht 137 million), relating to purchase machine and build up godown for feed (2013: Baht 127 million, the Company only: Baht 127 million), relating to renovate cold storage and purchase machine).

### 29.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, machinery, equipment, car rental and services. The terms of the agreements are generally between 1 and 13 years. Operating lease agreements are non-cancellable.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Payable:				
In up to 1 year	40	34	38	34
In over 1 and up to 5 years	15	36	13	36
In over 5 years	5	7	5	7

### 29.3 Commitment of agreements with farmers

The Company has entered into agreements with farmers whereby it is committed to buy back ducks from the farmers at a unit price stipulated in the agreements. As at 31 December 2014, the Company's commitment to buy back ducks in the first quarter of 2015 total approximately Baht 384 million (2013: the Company's commitment to buy back ducks in the first quarter of 2014 total approximately Baht 393 million).

Duck-To Holding B.V. and its subsidiaries have entered into agreements with farmers whereby the subsidiaries are committed to buy back commercial ducks from the farmers at unit price stipulated in the agreements. As at 31 December 2014, the subsidiaries' commitment to buy back commercial ducks in the first quarter of 2015 amounted to approximately Euro 2 million (2013: the subsidiaries' commitment to buy back commercial ducks in the first quarter of 2014 amounted to approximately Euro 2 million).

Duck-To Holding B.V. and its subsidiaries have entered into agreements with farmers whereby they are committed to buy back parent ducks and eggs from the farmers at market price. As at 31 December 2014, the subsidiaries' commitments to buy back parent ducks and eggs amounted to approximately Euro 2 million, covering the year 2015 (2013: the subsidiaries' commitments to buy back parent ducks and eggs amounted to approximately Euro 2 million, covering the year 2014) .

### 29.4 Guarantees

There were the following outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bank guarantees for:				
Electricity use guarantees	18	18	18	18
Poultry quota application guarantees	18	16	-	-
Other guarantees	-	1	-	1

The guarantees in respect of certain performance bonds as required in the normal course of business.



## **29.5 Letter of Credit**

As at 31 December 2014, the Company has outstanding commitments of approximately USD 2.7 million and Euro 1 million (2013: USD 0.2 million) under letter of credit, relating to purchasing raw material.

## **30. Financial instruments**

### **30.1 Financial risk management**

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, investments, bank overdrafts, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

#### **Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### **Interest rate risk**

The Company and its subsidiaries are exposed to interest rate risk relates primarily to cash at banks, bank overdrafts and short-term and long-term borrowings.

Significant financial assets and liabilities as at 31 December 2014 and 2013 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

	Fixed interest rates										Effective interest rate (% per annum)	
	Over 1 and up to				Floating interest rate		Non-interest bearing		Total			
	With 1 year		5 years									
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	253	198	5	18	258	216	0.13 - 1.75	0.13 - 2.25
Trade and other receivables	-	-	-	-	-	-	668	755	668	755	-	-
Restricted bank deposit	-	-	-	-	-	60	-	-	-	60	-	2.50
	-	-	-	-	253	258	673	773	926	1,031		
<b>Financial liabilities</b>												
Bank overdrafts and short-term loans												
from financial institutions	559	1,025	-	-	-	260	163	-	722	1,285	2.38 - 5.25	2.38 - 6.00
Trade and other payables	-	-	-	-	-	-	407	321	407	321	-	-
Liabilities under finance lease												
agreements	1	1	-	4	-	-	-	-	1	5	5.85 - 6.30	2.57 - 6.45
Long-term loans	-	-	-	-	2,728	2,976	-	-	2,728	2,976	6.75	6.82
Deposit for agro credit sales	-	-	-	-	-	-	21	18	21	18	-	-
	560	1,026	-	4	2,728	3,236	591	339	3,879	4,605		

(Unit: Million Baht)

Separate financial statements

	Fixed interest rates										Effective interest rate (% per annum)	
	Over 1 and up to											
	With 1 year		5 years		Floating interest rate		Non-interest bearing		Total			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	138	165	1	13	139	178	0.13 - 1.75	0.13 - 2.25
Trade and other receivables	-	-	-	-	-	-	561	439	561	439	-	-
Restricted bank deposit	-	-	-	-	-	60	-	-	-	60	-	2.50
Investment in subsidiary	-	-	-	-	-	-	954	904	954	904	-	-
	-	-	-	-	138	225	1,516	1,356	1,654	1,581		
<b>Financial liabilities</b>												
Bank overdrafts and short-term loans												
from financial institutions	559	1,025	-	-	-	-	-	-	559	1,025	3.23 - 5.25	3.25 - 6.00
Trade and other payables	-	-	-	-	-	-	453	263	453	263	-	-
Long-term loans	-	-	-	-	2,728	2,976	-	-	2,728	2,976	6.75	6.82
Deposit for agro credit sales	-	-	-	-	-	-	21	18	21	18	-	-
	559	1,025	-	-	2,728	2,976	474	281	3,761	4,282		

The overseas subsidiaries entered into the cap interest rate agreement to manage risk associated with their bank overdrafts which are financial liabilities carrying floating interest rates. The details of bank overdrafts are set out in Note 16 to the financial statements.

### Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk arise mainly from purchase/sales transactions that are denominated in foreign currencies. The Company seek to reduce the risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
The Company						
USD	7	5	8	5	32.96	32.81
The subsidiaries						
(major balance is of Anatis						
Foods (Hong Kong) Limited)						
GBP	5	2	-	-	51.15	53.92
EUR	6	-	-	-	40.05	-

The Company manages its exposure to foreign currency risk by using derivatives considered appropriate (except for the foreign currency risk from investment in foreign countries, which the Company believes insignificantly affects to the financial statements).

Foreign exchange contracts outstanding are as summarised below.

As at 31 December 2014					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual
			Bought	Sold	Maturity date
			(Million)	(Million)	(Baht per 1 foreign currency unit)
GBP	-	1	-	51.11 - 52.00	March - May 2015
EUR	-	2	-	40.15 - 41.20	January - May 2015
USD	3	4	32.49 - 33.07	32.34 - 33.11	January - May 2015

As at 31 December 2013

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual Maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
GBP	-	1	-	47.48 - 50.99	January - May 2014
EUR	-	2	-	38.34 - 44.35	February - June 2014
USD	4	3	32.08 - 33.09	32.26 - 33.05	January - July 2014

## 30.2 Fair values of financial statements

Since the majority of financial instruments of the Company and its subsidiaries are short-term, loans carry interest at rates close to current market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

## 31. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 1.9:1 (2556: 3.2:1) and the Company's was 1.6:1 (2556: 2.4:1).

## 32. Events after the reporting period

On 7 October 2014, the Company's Board of Directors Meeting passed a resolution to approve the incorporation of BM Agriculture Company Limited, in which the Company's interest is 46 percent, with a registered capital of Baht 5 million (50,000 ordinary shares of Baht 100 each) of which Baht 100 per share is to be called up in full, or a total of Baht 5 million. The Company paid in share capital in proportion to the Company's interest, amounting to Baht 2.3 million, on 28 January 2015.

Subsequently, on 25 February 2015, the Company's Board of Directors Meeting approved an increase in the registered, issued and paid-up capital of BM Agriculture Company Limited from Baht 5 million (50,000 ordinary shares with par value of Baht 100 each) to Baht 5.2 million (50,000 ordinary shares with par value of Baht 100 each and 1,800 preference shares with par value of Baht 100 each), through the issuance of 1,800 additional preference shares with a par value of Baht 100 each, to be offered to the Company at Baht 10,000 per share, generating share premium amounting to Baht 17.8 million.

### **33. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors 25 February 2015.