



2017

ANNUAL REPORT

Bangkok Ranch Public Company Limited

TRANSFORMATION





Bangkok Ranch Public Company Limited

Annual Report 2017

- Translation -

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Message from Chairman



01

บริษัท บางกอกแลนด์ จำกัด (มหาชน)

In 2017, the Company's financial performance returned to a gratifying level, showing a net profit of Bath 551 million. The improvement was mainly attributable to successful production cost control in Thailand, increased duck feather price and a positive reversal of price trend of raw duck in Europe after the bird flu toward the end of 2016 causing supply shortage. The Company's gross profit margin increased to 18% from a 15% in the previous year.

As for the 2018 outlook, the Company's export to Europe is expected to be somewhat affected by its relocation of roasted duck production from Bangphli to a new factory in Pathumthani province. However, the export shortfall to Europe will be compensated by sale increases in domestic and overseas market such as Japan, Hong Kong, or Singapore as well as sales from new product lines such as sausage

and ham from a new factory in Prachinburi province. On the other hand, in 2018 the duck price in European market is expected to be competitive again due to the return of Hungarian duck producers who had recovered from the bird flu problem at the end of 2016. Nevertheless, the Company anticipates that the duck price in European market on a whole year average basis would not be less than the average market price of last year as the duck prices in the second half of 2017 had substantially increased resulting in a high duck price at the beginning of 2018.

Moving Forward, the Company will continue to invest in production capacity both domestically and overseas. At present, the Company is planning to build a new slaughterhouse in Sra-Kaew province as well as establishing joint venture with a large conglomerate in Indonesia to build a new slaughterhouse there. Such investments will build a strong foundation for the Company to grow and sustain its business platform.

On Behalf of the Board of Directors, I would like to thank all our shareholders, customers, partners, employees and other stakeholders including both domestic and international financial institutions for your continuous support. We are committed to operating our business with care, transparency, good corporate governance and ensuring sustainable business development to create the highest benefits for all stakeholders, and to achieve the Company's vision of becoming a reputable duck company in the world.

Joti Bhokavanij

Chairman of the Board of Directors

Message from the Vice-Chairman



processing factory (Food City) has started operating in the second half of 2017. The Company has also acquired a new sausage factory in Prachinburi Province to differentiate and experienced a new industry as well as to utilize our own raw materials. Internationally, the Company invested and established various subsidiaries to explore new market in the Asean Economics Forum and other Asian countries.

In 2018, we will be keeping our promise to expand and strengthen our business both domestic and overseas. The Company has started building the new slaughterhouse in Sra-Kaew province in order to increase the production capacity as well as the new parent stock farm in the east of Thailand to support and supply the duck for future expansion.

Our greatly successful are a result of the endlessly support from the customers, shareholders and investors as well as the dedication of the Board of Directors, management teams and employees. Therefore, we would like to thank you everyone for the trust and thank you all of our employees for your efforts which help the Company to grow continuously and sustainably.

Mr. Joseph Suchaovanich

Vice Chairman and Managing Director of
Asia and Asia Pacific

2017 had been counted as one of the great year of Bangkok Ranch Public Company Limited as a result of the recoveries of duck industries worldwide, the stability of duck prices in Thailand and Europe, the closing of only one competitor in the Netherlands, and the increasing number of duck consumption in global market. Therefore, the total net profit has increased to 551 Million baht in 2017.

Bangkok Ranch Public Company Limited has a mission to become the World-class purveyor of duck meat. The company then has invested in various business both domestics and overseas in order to penetrate to new market and enlarge customer base under the theme of 2017 Transformation. The Company has built a new hatchery in Rayong province as well as the food

02

รายงานประจำปี 2560

Message from the MD of DUCK-TO HOLDING BV, The Netherlands



Duck-To Holding BV (DTH) in The Netherlands is a leading supplier of premium quality Duck meat products and solutions (mainly) in Europe and is developing markets in other geographies. The aim of DTH is to become the largest and most reputable producer of Duck and Duck products in Europe. According to ITC (Trade statistics), DTH in 2017 was already the largest exporter of Raw Frozen Duck meat in the World.

In 2016 the single other Duck integration in The Netherlands (Farmer Cooperative VSE) closed down their business and DTH was able to take over all VSE farmers (upstream) and customers (downstream). With this incorporation of farmers, DTH was able to increase its production in 2017 to 8.1 million Duck (coming from a level of 4.8 million Ducks in 2015). DTH is now the third largest duck supplier in Europe with a majority share in the premium market.

Due to export prohibition from the EU to Russia in the last 3 years, the increased production in both Hungary and Poland could not be sent to Russia and so this product partially entered the EU countries. This had caused a fall in sales prices during the past years. At the end of 2016 and early 2017 the EU was hit by Avian Influenza (Bird flu), mostly in Hungary and Germany. This resulted in a substantial shortfall of Pekin Duck during 2017 with resulted in a price improvement of the raw duck in the EU. Together with the reduction of cost price due to increased production, the margin of DTH showed substantial improvement in second half of 2017.

After acquisition of Hatchery and Farm in 2016, in 2017 DTH acquired all remaining land and buildings (including the Slaughterhouse and Lucky Duck premises) which they used to rent. The transactions were finalized in October 2017 and as of that date DTH has no more rental contracts

(and reduction of overhead costs). After the 2016 placement of 7.500 Solar panels on the roofs of the farms, in 2017 DTH was also awarded a substantial governmental subsidy on the placement of another 5.000 Solar panels on the roofs of the slaughterhouse. With this we aim to be Energy Neutral and contribute to Corporate Social Responsibility.

After the successful reorganization of subsidiary Lucky Duck BV in 2016 we now have turned this company into a well-equipped further processing plant, who has also taken over a number of further processing activities from VSE. Furthermore in 2017 Lucky Duck acquired the IFS certificate.

In 2017 we have further expanded our business by entering into a joint venture (29%) of a (Green field) production unit in Kosovo (South-East Europe). This company will be operating a specialized cooking plant (for specific EU markets) and will only use our raw Duck. Unfortunately there was one solitaire case of Bird Flu in The Netherlands in December 2017. Due to this we will not be able to send raw duck to Kosovo for a few months. The plant is now completely finalized and expected to be operational in the first half of 2018 when ducks can be sent in again.

In the financial year 2017 DTH has seen, due to improvements as mentioned above, its total sales increase by more than 30% against the level of the financial year 2016 (in 2016 the sales were already 15% higher against the year 2015). Selling prices of raw duck improved substantially during the year and as a result of all this, DTH has been able to more than triple its EBITDA bottom line result against 2016.

Of course all of this would not be possible without the utmost effort of our dedicated employees and farmers, which I would like to thank for the work they have done and trust will continue to do.

A handwritten signature in blue ink, appearing to read 'Gertjan Tomassen'.

(Mr. Gertjan Tomassen)
MD Duck-To Holding BV



www.bangkokranch.com

VISION

The world's most reputable purveyor of duck products.

MISSION

Sustaining a valuable business platform based on quality duck-related products, satisfying customer demand as well as benefiting all stakeholders and the public a large.

SUSTAINABLE TARGET

The Company and its Shareholders' Value:

To expand a group of business with stability and sustainability to lead to growth in the value of the shareholder in a long term basis.

Customers and Consumers:

To present the valuable and modernized products to the Company's customers.

Member of the Staff and Organization:

To enhance the knowledge, ability of the staff within the organization with happiness.

Society and Environment:

To receive recognition that they are a good citizen who are responsible to the society and the environment.

CORE VALUE "PDF"

P – Partnership

Give opinions or recommendations to his/her supervisor when he/she observes situations that may cause problems in the future; demonstrate a willingness to involve any work that support the success of organization; be a good partner or an advisor to provide useful information to colleagues and supervisor.

D – Dedication

Work and address problems immediately to solve urgent task required as target; willing to participate in any activities or works that may not be his/her roles and responsibilities; demonstrate fully sacrifice and dedicate all capabilities for him/her.

F – Fairness

Discuss with direct supervisor on the requirements of task (objective, result, timeframe, process etc.) with immediate actions needed to preventive problems; treat his/her supervisor colleagues and subordinates with equality and fairness; work attitude by focusing on benefits of organization more than his/hers.

CSR



ภาพกิจกรรม

Corporate Social Responsibility



Financial Highlight

Statement of Consolidated Financial Statement

Consolidated Statement of Financial Position of Bangkok Ranch Public Company Limited and its subsidiaries

As at 31 December 2017 and 31 December 2016

	As at					
	31 December 2017		31 December 2016		31 December 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	298	3	557	6	193	3
Trade and other receivables	802	9	724	8	613	8
Inventories	1,244	13	1,506	17	1,790	25
Current biological assets	58	1	73	1	41	1
Other current assets	59	1	69	1	29	0
Total current assets	2,461	27	2,930	34	2,665	37
Non-current biological assets	109	1	108	1	57	1
Investments in associates	2	0	2	0	2	0
Investments in joint venture	336	4	0	-	-	-
Other long-term investments	103	1	7	0	9	0
Investment property	60	1	32	0	32	0
Property, plant and equipment	3,374	36	2,786	32	1,664	23
Goodwill on business combination	1,954	21	1,954	23	1,954	27
Intangible assets	704	8	718	8	742	10
Other non-current assets	127	1	87	1	89	1
Total non-current assets	6,769	73	5,695	66	4,548	63
Total assets	9,230	100	8,625	100	7,213	100
Bank overdrafts and short-term loans from financial institutions	1,326	15	1,910	22	1,698	24
Trade and other payables	484	5	459	5	459	6
Current portion of long-term loans	444	5	80	1	-	-
Other current liabilities	113	1	56	1	47	1
Total current liabilities	2,367	26	2,505	29	2,205	31
Long-term loans, net of current portion	1,811	20	1,441	17	98	1
Other non-current liabilities	214	2	215	2	209	3
Total non-current liabilities	2,025	22	1,655	19	307	4
Total liabilities	4,392	48	4,160	48	2,511	35
Total Shareholders' Equity	4,838	52	4,465	52	4,702	65
Total Liabilities and Shareholders' Equity	9,230	100	8,625	100	7,213	100

Consolidated Income Statement of Bangkok Ranch Public Company Limited and its subsidiaries For the year ended 31 December 2015 - 2017

	For the year ended					
	31 December 2017		31 December 2016		31 December 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales	8,829	99	8,088	100	7,729	100
Other income	46	1	18	0	30	0
Total revenues	8,875	100	8,106	100	7,759	100
Cost of sales	(7,208)	89	(6,871)	(85)	(6,280)	(81)
Selling and Administrative expenses	(931)	11	(809)	(10)	(702)	(9)
Total expenses	(8,139)	(92)	(7,680)	(95)	(6,983)	(90)
Share of income from investment in associate	2	0	2	0	0	0
Profit before finance costs and income tax expenses	738	8	428	5	776	10
Finance costs	(86)	(1)	(67)	(1)	(127)	(2)
Income tax expenses	(101)	(1)	(149)	(2)	(99)	(1)
Profit for the period	551	6	213	3	550	7
Attributable to non-controlling interests of subsidiary	(3)	0	0	0	0	0
Profit for the period of the Company	554	6	213	3	550	7

Consolidated Statement of Comprehensive Income of Bangkok Ranch Public Company Limited and its subsidiaries for the year ended 31 December 2015 - 2017

	For the year ended					
	31 December 2017		31 December 2016		31 December 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit for the period	551		213		550	
Exchange differences on translation of financial statements in foreign currency	(0)		(13)		5	
Gain on change in value of available-for-sale investments, net of income tax	-		(2)		(3)	
Actuarial gains, net of income tax	-		(3)		-	
Total comprehensive income for the period	551		194		552	
Attributable to non-controlling interests of subsidiary	(3)		(0)		(0)	
Total comprehensive income for the period of the Company	554		194		552	

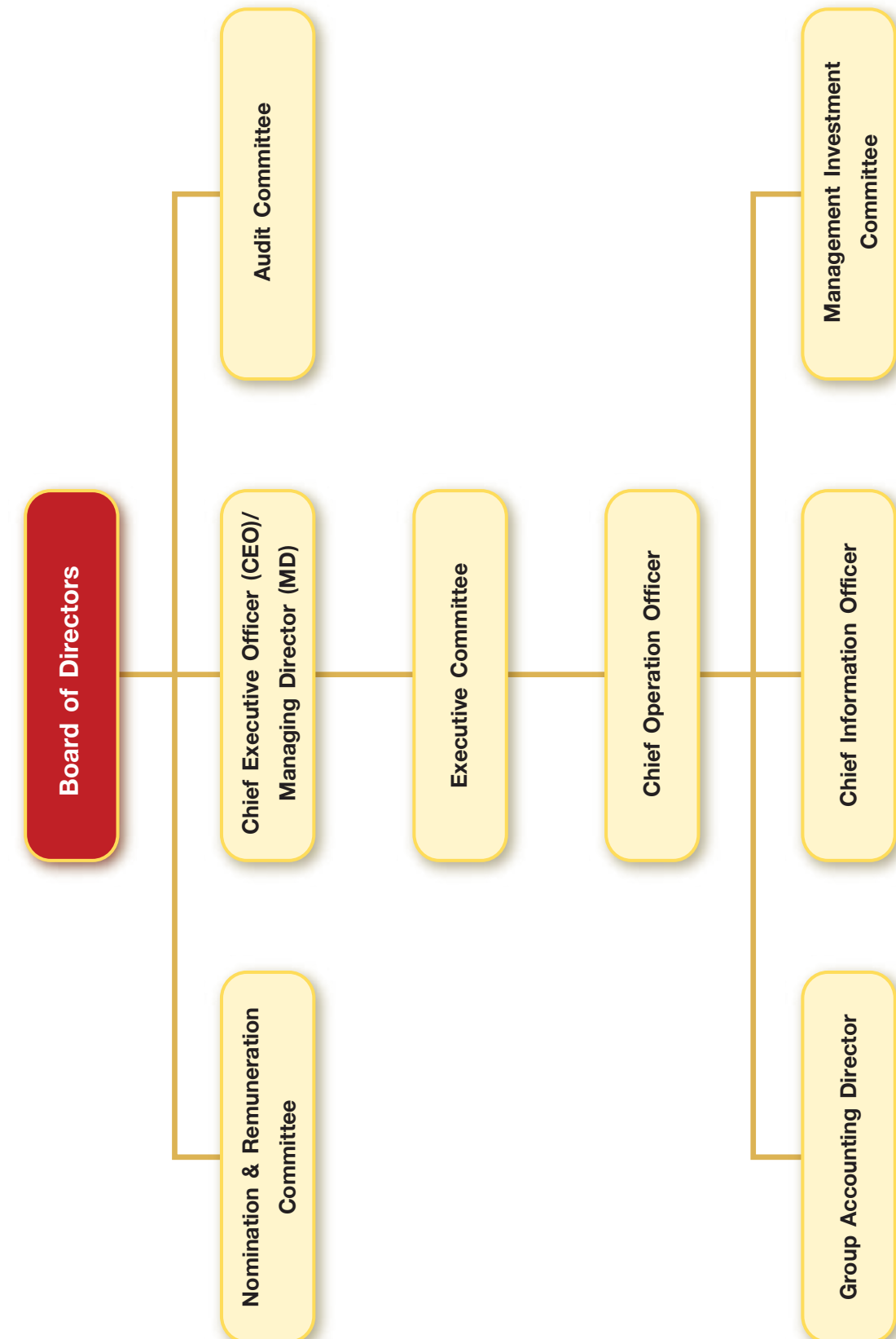
Consolidated Cash Flow Statement of Bangkok Ranch Public Company Limited and its subsidiaries
For the year ended 31 December 2015 - 2017

	For the year ended					
	31 December 2017		31 December 2016		31 December 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Net cash from operating activities	1,059		531		161	
Net cash used in investing activities	(1,271)		(1,344)		(549)	
Nes cash from (used in) financing activities	(39)		1,178		318	
Increase (decrease) in translation adjustments	(8)		(1)		5	
Net increase (decrease) in cash and cash equivalents	(259)		364		(65)	
Cash and cash equivalents at beginning of period	557		193		258	
Cash and cash equivalents at end of period	298		557		193	

Financial Ratios of Bangkok Ranch Public Company Limited and its subsidiaries

Liquidity Ratio	For the year ended		
	31 December 2017	31 December 2016	31 December 2015
Current Ratio (times)	1.04	1.17	1.21
Quick Ratio (times)	0.46	0.51	0.37
Cash Ratio (times)	0.43	0.23	0.08
Account Receivable Turnover (times)	11.57	12.10	12.06
Average Collection Period (days)	31.11	29.76	29.84
Inventory Turnover (times)	5.00	4.03	4.20
Inventory Turnover Period (days)	71.95	89.34	85.70
Account Payable Turnover (times)	15.29	14.97	14.50
Average Payment Period (days)	23.54	24.05	24.82
Cash Cycle (days)	79.52	95.05	90.72
Profitability Ratio	31 December 2017	31 December 2016	31 December 2015
Gross Profit Margin (%)	18%	15%	19%
Operating Profit Margin (%)	8%	5%	10%
Net Profit Margin (%)	6%	3%	7%
Return on Equity or ROE (%)	12%	5%	16%
Efficiency Ratio	31 December 2017	31 December 2016	31 December 2015
Return on Assets or ROA (%)	6%	3%	8%
Total Assets Turnover (times)	0.99	1.02	1.14
Leverage Ratio or Financial Ratio	31 December 2017	31 December 2016	31 December 2015
Debt / Equity Ratio (times)	0.91	0.93	0.53
Interest Coverage (times)	12.25	7.96	1.27
Debt Service Coverage (times)	3.49	4.82	8.40
Dividend Payout (%)	86%	83%	0%

Management Structure



Profile of the Directors and Management



Mr. Joti Bhokavanij

Chairman and Member of Nomination & Remuneration Committee

Age: 76 Years

Nationality: Thai

Education

- 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

Director Training

- How to Develop a Risk Management Plan (HRP) 3/2013
- How to Measure the Success of Corporate Strategy (HMS) 1/2012
- Successful Formulation and Execution of Strategy (SFE) 15/2012
- Advanced Audit Committee Program (AACP)
- Directors Certification Program (DCP) 121/2009
- Directors Accreditation Program (DAP) 1/2003
- Role of the Chairman Program (RCP) 2/2001
- The Thai Institute of Directors Association (IOD)

BR's Shareholding: 8,803,576 shares or 0.96% as of 29 December 2017

Family Relationship with Management Team: - None -

Position in Other Listed Company

- 2017 - Present Independent Director and Chairman of the Audit Committee, True Corporation PCL
- 2013 - Present Independent Director and Member of the Audit Committee, Siam Makro PCL
- 2012 - Present Independent Director and Member of the Audit Committee, Loxley PCL
- 2012 - Present Member of the Finance Committee, and Member of the Compensation and Nominating Committee True Corporation PCL
- 1999 - 2017 Independent Director and Member of the Audit Committee, True Corporation PCL

Position in Other Non-Listed Company

- 2009 - Present Director, Thai Smart Card Co., Ltd.
- 2002 - 2017 Director, Bangkok InterTech Co., Ltd.
- Director, True Move Co., Ltd.
- 1999 - 2017 Director, Kingfisher Holdings Limited

Position in other companies potentially having conflict of Interest: - None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Nomination & Remuneration Committee's Meeting 3 / 3 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 15 July 2013



Mr. Taveechai Charoenbundit

Vice Chairman and Independent Director

Age: 78 Years

Nationality: Thai

Education

- Barrister at Law, Legal Thai Bar Association
- Bachelor of Law, Thammasat University

Director Training

- Director Accreditation Program (DAP)
- The Thai Institute of Directors Association (IOD)

BR's Shareholding

100,000 shares or 0.01% as of 29 December 2017

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

- Year 2009 Senior Judge of the office of the Director-General, Regional 1
- Year 2001 Senior Judge Courts, Intellectual Property and International Trade Court (8 Years)
- Year 2000 The judicial level 8 (Vice-president of the Supreme Court of Justice), The president of the Intellectual Property and International Trade Court
- Year 1998 Deputy of Director General of Appeal Court Regional 8 and the President of the Court of Appeal 8
- Year 1996 Presiding Judge of the Panel of the Supreme Court
- Year 1993 Judge of the Supreme Court
- Year 1991 Presiding Judge of the Panel of the Appeal Court
- Year 1988 Judge of the Appeal Court
- Year 1986 Presiding Judge of the Panel of the Civil Court
- Year 1982 Presiding Judge of the Civil Court

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Audit Committee's Meeting 1 / 1 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 2 May 2014


Mr. Joseph Suchaovanich

Vice Chairman, Executive Director, and
Managing Director of Asia and Asia Pacific

Age: 65 Years

Nationality: Thai

Education

- MBA, Beijing Institution of Economic Management, Beijing, China

Director Training

- Director Certification Program (DCP)
The Thai Institute of Directors Association (IOD)

BR's Shareholding

629,603 shares or 0.07% as of 29 December 2017

Family Relationship with Management Team

Spouse to Mrs. Rosanna Suchaovanich

Position in Other Listed Company: - None -

Position in Other Non-Listed Company

2017 - Present Director, NS Delicatessen Co., Ltd.
Director, Win Thai Food (Hong Kong) Co., Ltd.
Director, Win Thai Food (Cambodia) Co., Ltd.
Director, Asia Pacific International Trading Co., Ltd.
2016 - Present Director, BR Investment (Hong Kong) Co., Ltd.
Director, Food City Co., Ltd.
Director, Crown Eagle Co., Ltd.
2014 - Present Director, BR Agriculture Co., Ltd.
Director, BM Agriculture Co., Ltd.
2009 - Present Director, Noodle Ratchada Co., Ltd.
2008 - Present Director, Anatis Foods Co., Ltd.
Director, Anatis Food (Hong Kong) Co., Ltd.
Director, Anatis Food (Singapore) Co., Ltd.
2007 - Present Director, London 8 Co., Ltd.

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2016

- The Board of Directors' Meeting 7 / 7 times
- Executive Committee's Meeting 6 / 7 times
- Nomination & Remuneration Committee's Meeting 3 / 3 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 15 July 2013


Mrs. Rosanna Suchaovanich

Director, Executive Director, Chairman of Nomination & Remuneration Committee,
and Chief Operating Officer

Age: 63 Years

Nationality: Thai

Education

- MBA, Beijing Institution of Economic Management, Beijing, China

Director Training

- Director Certification Program (DCP)
The Thai Institute of Directors Association (IOD)

BR's Shareholding

3,881,798 shares or 0.42% as of 29 December 2017

Family Relationship with Management Team

Spouse to Mr. Joseph Suchaovanich

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

2017 - Present Director, NS Delicatessen Co., Ltd.
Director, Win Thai Food (Hong Kong) Co., Ltd.
Director, Win Thai Food (Cambodia) Co., Ltd.
Director, Asia Pacific International Trading Co., Ltd.
2016 - Present Director, BR Investment (Hong Kong) Co., Ltd.
Director, Food City Co., Ltd.
Director, Crown Eagle Co., Ltd.
2014 - Present Director, BR Agriculture Co., Ltd.
Director, BM Agriculture Co., Ltd.
2008 - Present Director, Anatis Foods Co., Ltd.
Director, Anatis Food (Hong Kong) Co., Ltd.
Director, Anatis Food (Singapore) Co., Ltd.

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Executive Committee's Meeting 7 / 7 times
- Nomination & Remuneration Committee's Meeting 3 / 3 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 15 July 2013


Mr. Vudhiphol Suriyabhivadh

Independent Director, Chairman of Audit Committee,
and Member of Nomination & Remuneration Committee

Age: 74 Years

Nationality: Thai

Education

- Bachelor Commerce(Accountancy), University of New South Wales, Australia
- Bachelor of Law, Sukhothai Thammathirat University
- Executive Course, International Institute for Management Development, Lausanne, Switzerland

Director Training

- Directors Certificate Program Update (DAPU) 3/2015
- The Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP 7/2005)
- The Thai Institute of Directors Association (IOD)
- Directors Certificate Program (DAP) 36/2003
- The Thai Institute of Directors Association (IOD)

BR's Shareholding: 8,023,576 shares or 0.88% as of 29 December 2017

Family Relationship with Management Team: - None -

Position in Other Listed Company

2009 - Present Independent Director, Chairman of Audit Committee, and Vice Chairman, LPN. Development PCL.
Independent Director, Member of Nomination & Remuneration Committee, and Chairman of Audit & Risk Committee, Laguna Resort & Hotel PCL.
Independent Director, Member of Nomination & Remuneration Committee, and Chairman of Audit & Risk Committee, Thai Wah PCL.

Position in Other Non-Listed Company: - None -

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Audit Committee's Meeting 6 / 6 times
- Nomination & Remuneration Committee's Meeting 3 / 3 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 15 July 2013


Mr. Gertjan Tomassen

Vice Chairman, Executive Director, and Managing Director of Europe

Age: 48 Years

Nationality: Dutch

Education

- None -

Director Training

- None -

BR's Shareholding

1,612 shares or 0.0001% as of 29 December 2017

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

1998 - Present : CEO, Duck-To Holding BV, Tomassen Duck-To BV, Duck-To Farm BV (Netherlands)
2013 - Present: Director, LISUDA, Vastgoed B.V. Ermelo
2007 - Present: Director, London 8 Limited
2007 - Present: Director, Anatis Foods Limited
2007 - Present: Director, Anatis Foods (Hong Kong) Limited
2007 - Present: Director, Anatis Foods (Singapore) Pte Ltd.
2003 - Present: Director, Fly Eagle Holdings Limited, (Hong Kong)
1998 - Present: Director, GJ. Tomassen Holding BV (Netherlands)
1998 - Present: Director, Duck-To Holding B.V. Ermelo, (Netherlands)
1998 - Present: Director, Tomassen Duck-To B.V., Duck-To Farm B.V. Tomassen Transport B.V.
1986 - 1998: COO, Tomassen Poeliersbedrijf BV

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 4 / 7 times
- Executive Committee's Meeting 3 / 7 times
- Nomination & Remuneration Committee's Meeting 2 / 3 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 15 July 2013


Associate Professor Dr. Poranee Pataranawat

Independent Director and Member of the Audit Committee

Age: 67 Years

Nationality: Thai

Education

- Ph.D. Environmental Toxicology, Technology and Management, Asian Institute of Technology (AIT)
- M.Sc. (Botany), Chulalongkorn University
- B.Sc. (Botany), Chulalongkorn University

Director Training

- Director Accreditation Program (DAP)
- The Thai Institute of Directors Association (IOD)

BR's Shareholding

200,000 shares or 0.02% as of 29 December 2017

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

- 2014 - Present Director, Aswin Chanadai Co., Ltd
- 2014 - Present Adviser on Environmental & Sustainable Development, The Karen National Union (KNU), Mergui
- 2014 - Present Professional in The Environmental Impact Assessment (EIA) Committee on Petroleum Development
- 2013 - Present Special Lecturer, Master of Science in Environmental Technology and Doctor of Philosophy in Environmental Technology (International Programme), Faculty of Public Health, Mahidol University, Ratchatevi Campus and Master of Architecture, Silpakorn University, Wang Tha PhraCampus

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Audit Committee's Meeting 6/6 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date: 2 May 2014


Mrs. Nutthaporn Luangsuwan

Director

Age: 54 Years

Nationality: Thai

Education

- Master of Science in Finance, Suffolk University
- Master of Economic Development, NIDA

Director Training

- Director Accreditation Program (DAP) 118/2015
- The Thai Institute of Directors Association (IOD)
- Thailand National Defence College
- Senior Director Capital Market Academy
- Advanced Management Program - Harvard Business School

BR's Shareholding

350,000 shares or 0.04% as of 29 December 2017

Family Relationship with Management Team

- None -

Position in Other Listed Company

2013 - Present Director, Bangkok Bank PCL.
Executive Vice President, Bangkok Bank PCL

Position in Other Non-Listed Company

- None -

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

15 July 2013


Mr. Thanawat Aroonpun

Director and Member of the Audit Committee

Age: 40 Years

Nationality: Thai

Education

- Master of Economics, Kasetsart University

Director Training

- None -

BR's Shareholding

15,000 shares or 0.001% as of 29 December 2017

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

- 2014 – Present Managing Director, Straits Asset Group Co., Ltd.
- 2010 – Present Managing Director, Straits Asset Advisory Co., Ltd.
- 2012 – 2013 Advisor to the Standing Committee on Monetary Affairs, House of Representatives

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 7 / 7 times
- Audit Committee's Meeting 5 / 5 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

15 July 2013


Mr. Gerard Martin Elbertsen

Director and Executive Director

Age: 53 Years

Nationality: Dutch

Education

- Bachelor in Business Administration (BBA), HEAO Finance and Economic Management (Windesheim Zwolle)

Director Training

- None -

BR's Shareholding

1,400,000 shares or 0.15% as of 29 December 2017

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

- 2005 – Present CFO, Duck-To Holding BV
- 2003 – 2005 Controller / Head of Administrator, Van Panhuis Ermelo BV
- 1998 – 2002 Controller / Head of Administrator, De Heus Veevoederfabriek BV

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2017

- The Board of Directors' Meeting 4 / 7 times
- Executive Committee's Meeting 2 / 7 times
- Annual General Shareholders' Meeting 1 / 1 time
- Extraordinary General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

15 July 2013

Management Team

Mr. Weerasak Wahawisal

Group Accounting Director

Work Experience:

2006 - Present	Independent Director, Member of Audit Committee, and Member of Nomination, Remuneration, & CG Committee	LPN Development PCL.
2006 - 2016	Vice President in Accounting	RCL PCL.
2004 - 2005	Senior Vice President,	Hutchison CAT Wireless Multimedia Co., Ltd.
2001 - 2004	Head of Finance Support,	TA Orange Co., Ltd. (Present is True Move Co., Ltd.)

Education:

Master Degree	Accounting Sciences	University of Illinois, USA
Master Degree	Business Administration	Ohio University, USA
Bachelor Degree	Business Administration (2nd class honors)	Thammasart University

Family Relationship with Management Team: - None -

Mr. Wutinai Ulit

Chief Information Officer (CIO)

Work Experience:

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

Education:

Master Degree	Business Administration, Commercial & Accounting	Chulalongkorn University
Master Degree	Computer Information System	Assumption University

Family Relationship with Management Team: - None -

Mr. Phon Suchaovanich

Senior Business Development Manager and VP Investment

Work Experience:

2009 - 2011	Operation Manager,	Food Architect Co., Ltd..
2007 - 2009	Associate Consultant South East Asia,	Hewitt Associates LLC.

Education:

Master Degree	MSc. In Analysis, Design and Management of Information Systems	The London School of Economics and Political Science
Bachelor Degree	Business Administration in Economics	University of Michigan – Ann Arbor

Family Relationship with Management Team: Son of Mr. Joseph and Mrs. Rosanna Suchaovanich

Ms. Chanida Lertsatchayan

Vice President – Investment department at Corporate level

Work Experience:

2011 - 2017	Senior Financial and Accounting Manager,	UTAC Thai Limited.
2007 - 2011	Accounting and Micro Finance Manager,	World Vision Foundation of Thailand.
2002 - 2007	Senior Accounting Auditor,	Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

Education:

Master Degree	Business Administration in Finance	NIDA
Bachelor Degree	Commerce and Accountancy	Thammasart University

Family Relationship with Management Team: - None -

Mr. Chonlachart Worawuthichongsathit

Assistant to CEO

Work Experience:

2010 - 2015	Assistant to Investment Director,	Brooker Group PCL.
2005 - 2010	Financial Advisor,	Kasikorn Bank PCL.

Education:

Master Degree	Commerce and Accountancy in Finance	Chulalongkorn University
Master Degree	Chemical Enginerring	Loughborough University
Bachelor Degree	Chemical Engineering	Chulalongkorn University

Family Relationship with Management Team: - None -

Company Secretary

Mr. Athiraj Kulanuphong
Corporate and Compliance Director & Company Secretary

Work Experience:

2015 - 2017	Vice President Legal and Compliance,	The Platinum Group PCL.
2012 - 2015	Senior Legal Manager,	Big C Supercenter PCL.
2009 - 2011	Legal Manager,	Berli Jucker PCL.
2004 - 2008	Assistant Legal Manager,	TCC Land Co. Ltd.

Education:

Bachelor Degree	Faculty of Law	Thammasart University
Master Degree	Faculty of Law in Business Law	Chulalongkorn University

Family Relationship with Management Team: - None -

Business Policy and Overview

Overview

Bangkok Ranch Group of Companies is a business leader in full cycle production of food from duckmeat by operating an agro-industry business and food production from premium quality duck meat. The business of the company is currently classified into 6 categories; 1) Animal feed, i.e. feed production for raising duck breeders and meat ducks for both of the company and the contract farmers who entered into the Contract Farm agreement with the Company; 2) The Parent Stock Farm business is the raising and the reproduction of meat duck breeders from eggs; 3) Hatchery business is the hatching of duck eggs to raise duck chickas 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 farmers via the agriculture contract farms; 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; and 6) The restaurant business in Bangkok Metropolitan region.

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

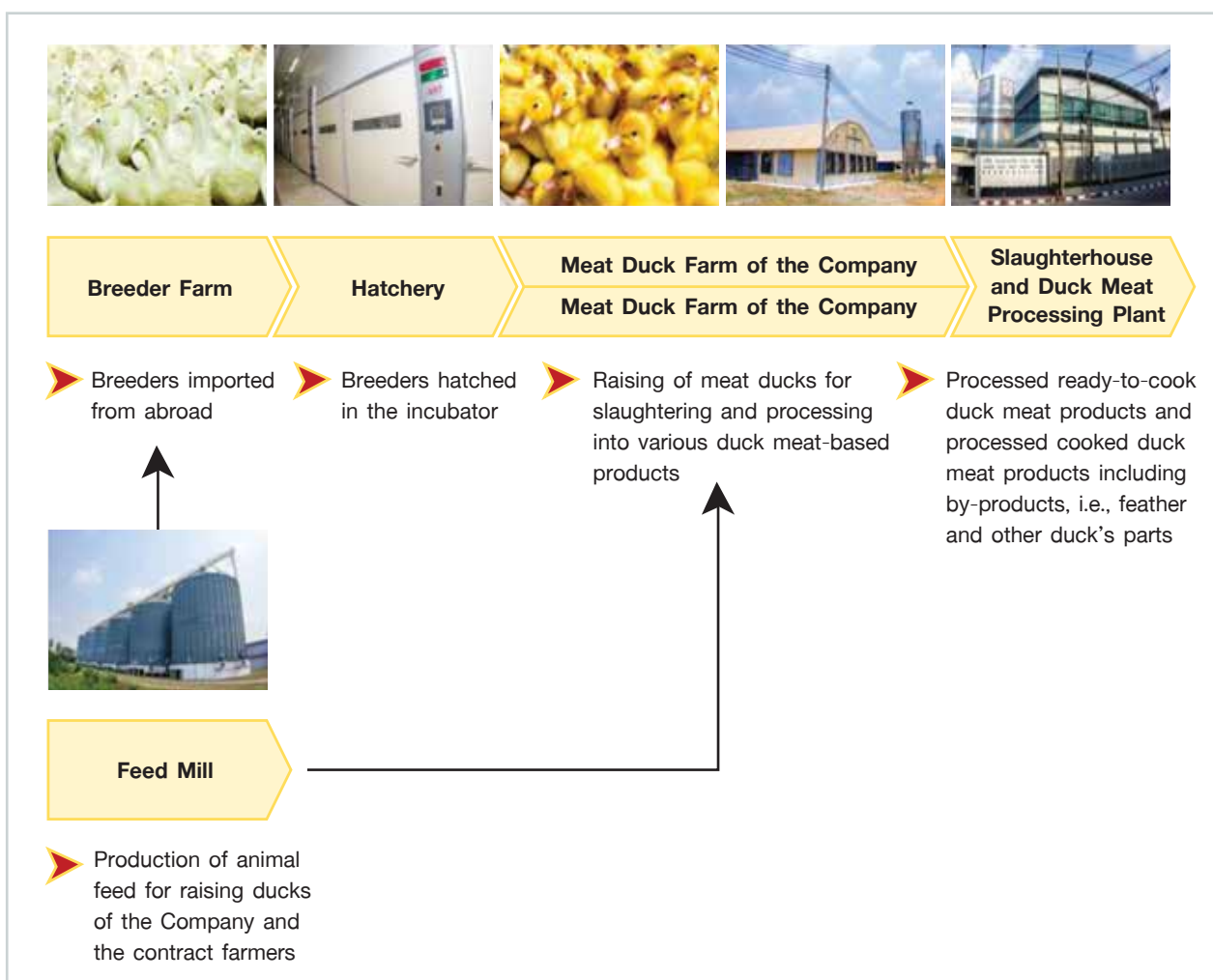
Business in Thailand

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 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 trademarks of “Bangkok Ranch”, “Dalee” and “Duck Delight” or under the trademarks 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 Public Company Limited, 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 Company Limited.

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 Company Limited which is the International Headquarter: IHQ. That is to say, it is a company founded under the Thai laws to provide support and services to foreign affiliates operating abroad. The affiliate serves as an International Headquarter which enjoys tax benefit. The earnings from providing of IHQ 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 services in handling goods and products of the Company to be exported to various countries in Asia. In 2016 and 2017, the Company has established Win Thai Food (Hong Kong) Company Limited, Asia Pacific International Trading Joint Stock Company and Win Thai Food (Cambodia) Company Limited in order to produce, import, export and distribute food products in Hong Kong, Vietnam, and Cambodia, respectively as well as established Food City Company Limited and NS Delicatessen Company Limited in order to expand the food processing business. The Company has also in the same year established Crown Eagle Company Limited and invest in Man Food Holdings Company Limited in order to enter into restaurant industries.

The structure of operating the full-cycle business in Thailand



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 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 brands: "Duck-To", "Duck-To Smul", "Canature" or under the trademarks 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, i.e. Duck-To Farm B.V., which operates parent stock farm, hatchery, duckling, and animal feed; Tomassen Duck-To B.V., which operates slaughterhouse, duck processing, fresh and frozen duck distribution, food processing, and by-product from duck; Lucky Duck International Food B.V., which 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; 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); Veluwse Pluimvee Keuring B.V., which operates a business of inspection of the poultry slaughterhouse in the Netherlands; and Tomassen Transport B.V., which operating a business of transport of goods, it started operations in April 2015 and ceased operations in September 2016, as a result of the dissolution of VSE. 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 the quality of the goods and safety for the consumers in addition to attention given to and responsibility to the community, society and the environment.

Target and Strategies

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 shareholder in a long term basis.

Customers and consumers: To present the valuable and modernize products to the company's customers.

Member 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.

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 hypermarkets to increasingly focus on smaller consumers.

- To expand customers base in foreign countries continuously for main European markets and new export markets such as Japan, Russia, Vietnam, Indonesia and other countries which are duck meat consumers and being importers of duck meat and create high profitability to the Company.

- To invest and joint venture with other businesses specializing in retail market or direct sale to customers in order to support the Company distribution channel effectively.

Product Strategy

- To crown the success of the Company through creating a strong brand of goods such as the goods under the brands "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,

- o 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 which the duck will be served separately from the curry broth. The customers can warm the product before serving, etc.

- o The processed ready-to-eat duck meat product for consumers. The product can be warmed before serving.

Operation Strategy

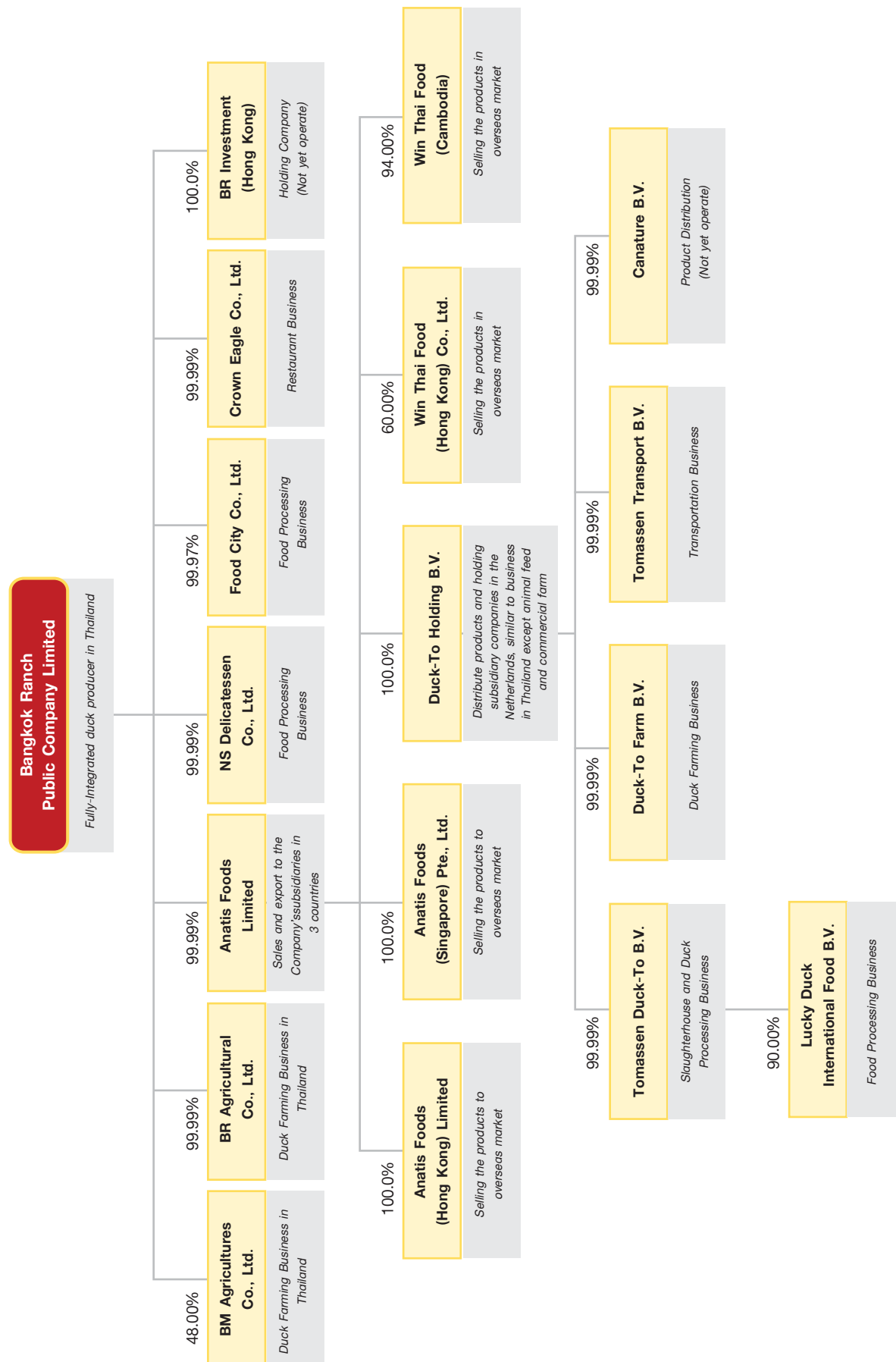
- To increase potential production for the Company in upstream production process for animal feed, prent stock farms and commercial duck farms as to increase its capability to control cost and create profitability for the Company.

- To adjust the production capacity at various plants in Thailand and 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 the Netherlands will be sold to the customers in the same region instead of exporting from Thailand to European continent.

- To share knowledge and experience within the organization. Working collaboration between the business in Thailand and 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 business expansion of the slaughterhouse (butchering) and duck meat based food processing abroad with high potential for consumption.

Shareholding Structure of the Company and its Subsidiaries as of 31st December 2017

History, Significant Change, and Development



History

Bangkok Ranch Company Limited was established on 16 July 1984 with initial registered capital of 20 Million Baht by the joint venture of Mr. Joseph and Mrs. Rosanna Suchaovanich, KCT International Development Company Limited which operated its business through holding company in Thailand, and German investors for business operation in production and distribution of fresh duck, frozen fresh duck, and by-products from duck dissection.

In 1986, the Company initiated the application of Contract Farm System which both the Company and the farmers agreed that the Company shall deliver duckling, animal feed, and drug to the farmers for duck raising and the Company promises to re-purchase of those ducks as agreed. The Company has continuously expanded its business.

In 1993, the Company entered as the listed company in the Stock Exchange of Thailand on 1 February 1993.

During 1997-1998, it has been the crucial step of the Company to become the fully-integrated of duck meat producer. The Company has started its own feed mill operation in Sing Buri Province for use in raising the Company's ducks and distributing to sub-buyers. In addition, the company has also opened its own duck hatchery farm in Phetchaboon Province.

In 1998, the Company was severely affected from economic crisis due to its confrontation with financial difficulty from flotation of Baht value, resulting in significantly increase in the existing debt obligation in USD currency. The Company filed the request for business rehabilitation plan to the Central Bankruptcy Court.

In the following year, the Company's rehabilitation plan had been implemented whereas the new joint investor, Navis Asia Fund of Navis Capital Partners, has entered as the major shareholder through London 8 Limited, Thongchai Asia Company Limited and Middle Village Company Limited.

In 2000, the Company increased its registered capital for 80 million shares and offering for sales to London 8 Limited, Thongchai Asia Company Limited and Middle Village Company Limited which have been the Group of the Companies for investment of Navis Asia Fund.

In 2004, Thailand encountered with the crisis of Avian Influenza Virus outbreak nationwide, resulting in decrease in duck consumption of customers both in domestic and abroad around 50%. Nevertheless, the Company decided to change its strategy by expanding its production capacity and export of pre-cooked and processed products in stead of raw products. However, the situation was eased up into the improved way with collaborations of public sector, farmers and entrepreneurs in solving problems and finding measures for prevention and control to minimize problems since the husbandry of the Company's duck farms are mostly in closed system and the Company therefore was not much affected.

In 2005, the Company's financial status was improved from business rehabilitation plan and it was approved from the Stock Exchange of Thailand for re-entry to normal trading of the Company's securities.

In 2007, it was regarded as the year with considerable significant development in the Company under strategic adjustment for long-term expansion of the Company's business. The Company has entered into the joint venture by purchase of all shares of Duck-To Holding B.V. ("DTH") of the Netherlands (kindly consider the shareholding structure in Chart 1.5). Tomassen Duck-To B.V. which is the subsidiary of DTH Group was established since 1964 by the Tomassen Family for operations of chicken production business. However, around the year of 1985, Chinese restaurants in various European countries tended for growth, resulting in more popularity of duck consumption. The Company therefore has decided to change into the operation of duck dissection business for distribution to those Chinese restaurants. At present, DTH Group has become the biggest duck meat producer in the Netherlands and has been one of the biggest duck producers of Europe.

DTH is the leading company in fully-integrated whole fresh duck business with distribution network that contributes to support the Company's export in several countries in Europe starting from merger and operation under the name of "Tomassen Bangkok Ranch" for Europe market. This has been the initial point causing the Company to be more well-known and accepted in Europe market. Such business acquisition has caused the Group of the Companies become one of the biggest industrial duck entrepreneurs in the world excluding the manufacturers in China. The Company has commenced to step into an international company through the merger of DTH whereas the merger has resulted in the critical changes such as the shift of distribution system management, product mark-up in European market, product change and integration, originality in part of other actions, and adaptation of more advanced technology from DTH with duck production in Thailand.

However, for management flexibility, the Company's major shareholders then decided on voluntary delisting whereas London 8 Limited, Thongchai Asia Company Limited and Middle Village Company Limited, which are the major shareholders of the Company submitted the offer for purchase of all of the Company's securities by offering for purchase of shares for 9.67% of total sold shares. The people with sales intention were 7.89% and after offering for purchase of securities, the shareholding proportion was 47.75% for London 8 Limited, 34.53% for Thongchai Asia Company Limited, and 15.94% for Middle Village Company Limited. All of the Company's securities which were ordinary shares were approved for delisting as the listed securities since 5 August 2009.

Later in 2010, the Company entered to acquire the business in Cherry Valley Farms Limited ("CVF") which is the business of breed development and sales of duck breeders (Duck genetics) for extension of upstream business of the Company.

In 2012, the group of the executives led by Mr. Joseph Suchaovanich, Mr. Gertjan Tomassen and Mrs. Rosanna Suchaovanich, together with other investors, bought back the shares from Navis Asia Fund the major shareholder in the name of BP Partner Company Limited. The shareholding was restructured through amalgamation under the Civil and Commercial Code among Bangkok Ranch Public Company Limited, Thongchai Asia Company Limited, Middle Village Company Limited, and BT Partner Company Limited in the level of shareholders for appropriate shareholding restructuring with registration in the Stock Exchange of Thailand.

In 2015, the Company listed its shares in the Stock Exchange of Thailand on 15 July 2015.

In 2016, the Company established new subsidiary called Food City Company Limited, to acquire the existing factory and re-building the factory in order to expand the distribution channel of the food processing business and the other subsidiary called Crown Eagle Company Limited, in order to expand restaurant and coffee shop business under D-Duck brand. Within the same year, Coöperatieve Verenigde Slachtpluimvee Export (VSE), the only one competitor in the Netherlands duck had been closing down, therefore, DTH has become the only one duck producers in the Netherlands. In addition, the Company has also established BR Investment (Hong Kong) Company Limited in Hong Kong, in order to support the overseas investment of the Company in the future.

In 2017, the Company established Win Thai Food (Hong Kong) Company Limited to produce, import, export and distribute food products within Hong Kong and established Asia Pacific International Trading Joint Stock Company and Win Thai Food (Cambodia) Company Limited to import and export food products in Vietnam and Cambodia as well as NS Delicatessen Company Limited, in order to expand its food processing business. The Company has also invested in Man Food Holdings Company Limited, in order to expand and enter into restaurant industries.

Significant Development

Year	Situation
1984	Initial registered capital of 20 million Baht by joint venture with KCT International Development Company Limited which operated its business in production and distribution of fresh duck, frozen fresh duck and by-products from duck dissection.
1993	Entered to be the listed company in the Stock Exchange of Thailand
1997	Opened the operation of feed mill in Prom Busi, Sing Buri Province.
1998	Opened the hatchery farm in Wichean Buri, Petchaboon Province.
1999	The Company file a petition for business rehabilitation with the Central Bankruptcy Court due to the Company was severely affected from economic crisis in 1997.
2000	- The Central Bankruptcy Court approved for business rehabilitation and plan of the Company which Bangkok Ranch Planner Company Limited is planner and plan administrator who has power to manage the Company's assets. - Navis Asia Fund of Navis Capital Partners became major shareholder through London 8 Company Limited, Thongchai Asia Company Limited, and Middle Village Company Limited.
2001	The Company has certified ISO 9001:2000 in the hatchery.
2002	Feed Mill has certified GMP while parent stock farm and duck farm have certified ISO 9001:2000
2003	- Feed Mill has certified HACCP for slaughterhouse and food processing factory has certified GMP and HACCP - Laboratory has certified ISO/IEC17025 - Hatchery has certified GMP and HACCP
2004	- Feed Mill has certified ISO 9001:2000 while Slaughterhouse and food processing factory have certified ISO 9001:2000 and British Retail Consortium (BRC) - The Company is experiencing a regressive business operation because encountered with the crisis of Avian Influenza Virus outbreak nationwide in the beginning of 2004. However, the situation was eased up into the improved way with collaborations of public sector and entrepreneurs in solving problems and finding measures for prevention and control to minimize problems

Year	Situation
2005	- The middle of 2005, the rehabilitation plan administrator has filed a petition for revocation of the rehabilitation plan with the Central Bankruptcy Court, then the court approved the cancellation of the business rehabilitation of the company. After that, the Company requested to the Stock Exchange of Thailand in order to change the Company's type of business from ongoing business revision to food industrial and agriculture as normal, then it was approved from the Stock Exchange of Thailand for re-entry to normal trading since 20 December 2005. - Hatchery has certified ISO 14001:2004
2006	- Slaughterhouse and food processing factory have certified ISO 14001:2004 - Feed Mill has certified ISO 14001:2004
2007	- Slaughterhouse, food processing factory, and hatchery have certified OHSAS 18001:1999 และ TIS 18001:1999 - Purchased 100% of shares to join venture with Duck-To Holding B.V. in Netherlands, the leader in completely fresh duck business with distribution network that contributes products export to several countries in Europe.
2008	- Slaughterhouse and food processing factory have certified IFS - Feed Mill has certified ISO 22000:2005
2009	The Company's securities were approved for delisting as the listed securities since 5 August 2009
2010	Acquired Cherry Valley Farms Limited, duck genetics business and selling parent stock of ducks.
2012	- On 28 December 2012, the group of the executives led by Mr. Joseph Suchaovanich, Mr. Gertjan Tomassen and Mrs. Rosanna Suchaovanich, together with other investors in the name of BP Partner Company Limited bought back the shares of the Company and Middle Village Company Limited ("MV"), shareholder of Navis Asia Fund who is major shareholder. BP Partner bought back MV's ordinary and private shares for 57.8% or 3,967 Million Baht and bought back the Company's ordinary shares for 5.7% or 261 Million Baht from London 8 Company Limited. Total share purchasing is 4,228 Million Baht. - The subsidiary sold all shares of Anatis UK Limited in CVF out of the Company Group on 28 December 2012 to Navis Asia Fund at the amount of 1,732.7 Million Baht.

Year	Situation
	An initial capital in the Company's CF in 2012 was 1,539.3 Million Baht that made the Company gain profit at the amount of 193.4 Million Baht from share selling. Meanwhile, the booked value of CVF is 2,336.9 Million Baht, this is the value of the equity method and Included in consolidated financial statements of the Company. Therefore, the Company had to make accounting adjustment by recorded as loss on disposal of investment in subsidiary at the amount of 604.2 Million Baht that made CVF has terminated from the Company's subsidiary status.
2013	- On 26 February 2013, MV has decreased capital from 7.4 Million Baht to be 4.3 Million Baht that made BT Partner holding more MV's shares ratio from 57.8% to be 100%. - On 2 April 2013, foreign fund group of BT Partners Limited has increased BT Partners' capital at the amount of 231 Million Baht in order to purchase remaining shares of Navis Asia fund at the amount of 194 Million Baht that made BT Partner directly holding more the Company's shares for 10% after purchased the Company's business. BT Partners then has shareholding ratio both direct and indirect for 99.1% of paid-up capital. - On 15 July 2013, Bangkok Ranch Public Company Limited has established Amalgamation Company under Civil and Commercial Code between Bangkok Ranch Public Company Limited, BT Partners Limited, Thongchai Asia Company Limited, and Middle Village Company Limited in the level of shareholders for appropriate shareholding restructuring with registration in the Stock Exchange of Thailand. - Acquired Lucky Duck International Food B.V., the food processing business in Netherlands.
2014	- The Group Company established BR Agriculture on 17 February 2014 with initial registered capital 200 Million Baht, in order to invest in duck meat business. - The Group Company established BM Agriculture on 15 December 2014 with initial registered capital 5 Million Baht, in order to invest in duck meat business.
2015	The Company re-entered to be listed company in the Stock Exchange of Thailand on 15 July 2015.
2016	The Group Company established Food City Company Limited on 28 April 2016 with initial registered capital 400 Million Baht in order to expand food processing business.

Year	Situation
	- The Group Company established Crown Eagle Company Limited on 5 October 2016 with initial registered capital 10 Million Baht, in order to expand restaurant and coffee shop business - The Group Company established BR Investment (Hong Kong) Company Limited on 4 August 2016 with initial registered capital 100,000 HK Dollars in order to support the overseas investment of the Company in the future.
2017	- The Group Company established Win Thai Food (Hong Kong) Company Limited on 10 February 2017 with initial registered capital 1 Million Hong Kong Dollars and later on increased the registered capital to 2.2 Million Hong Kong Dollars in order to produce, import, export and distribute food products in Hong Kong. - The Group Company established NS Delicatessen Company Limited on 14 June 2017 with initial registered capital 100 Million Baht (Currently Paid-up for 75 Million Baht) in order to expand the food processing business. - The Group Company entered into the joint venture agreement to establish Asia Pacific International Trading Joint Stock Company in Vietnam on 21 April 2017 with the registered capital 4,081.61 Million Vietnam Dong (Common Stock 408,164 shares, par value 10,000 Vietnam Dong) with the proportion of 49%. The first paid up capital is made on 19 January 2018 in the amount of 2,264 Million Vietnam Dong. - The Group Company entered into the joint venture agreement to establish Win Thai Food (Cambodia) Company Limited in Cambodia on 22 June 2017 with the registered capital 250,000 US Dollars (Common Stock 25,000 shares, par value 10 US Dollars) with the proportion of 94%. The first paid up capital is made on 30 January 2018 in the amount of 110,000 US Dollars. - Joint venture with Man Food Holdings Company Limited on 4 August 2017 which the Company has been paid up for shares in the amount of 329 Million Baht with 41% of shareholding in order to operates restaurant business.

Nature of Business

Revenue Structure as Financial Statement

Revenue Structure according to the consolidated financial statement Year 2015 – 2017 is summarized as follows:

	2015		2016		2017	
	MB	%	MB	%	MB	%
<u>Businesses in Thailand</u>						
Revenue from Upstream	2,384	31	2,420	30	2,250	25
Revenue from Downstream	3,546	46	3,550	43	3,795	43
Revenue from Collaborations	(1,462)	(19)	(1,442)	(17)	(1,711)	(19)
Total revenue from businesses in Thailand	4,468	58	4,528	56	4,334	49
<u>Businesses in Netherlands</u>						
Revenue from Upstream	589	8	694	9	904	10
Revenue from Downstream	1,590	21	1,857	23	2,363	27
Total revenue from businesses in Netherlands	2,179	28	2,551	32	3,267	37
<u>Supporting Businesses</u>						
Revenue from supporting businesses	1,081	14	1,008	12	1,228	14
Total Revenue	7,728	100	8,087	100	8,829	100

Characteristics of products

The group of companies operate the complete businesses of food production from ducks. The agricultural and industrial businesses cover the upstream; Feed, Parent Stock Farm, Hatchery, Commercial Farm and Contract Farm until the downstream; Slaughterhouse and Food Processing to distribute premium quality of duck products to consumers. Most revenues of the upstream businesses derived from feeds, duckling, and vaccines to contract farmers who raise ducks for the Company to manufacture them as ready-to cook processed duck and cooked processed duck which are the Company's main products distributed to end users. The characteristics of Company groups' main businesses can be classified to 2 parts according to duck production base of the Company groups; 1) Businesses in Thailand, 2) Businesses in the Netherlands.

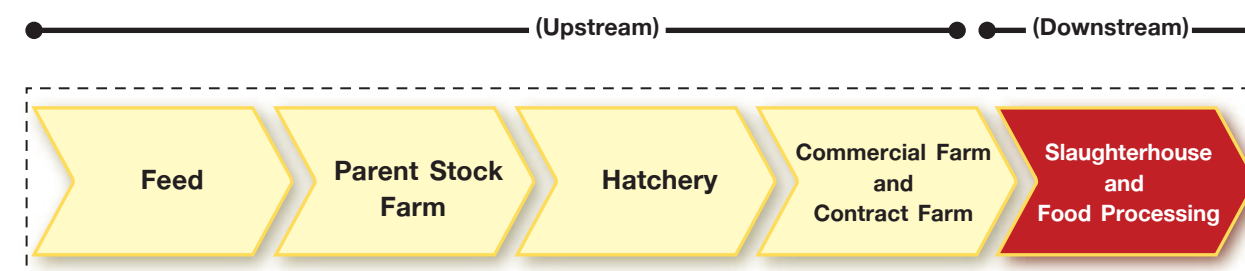
Businesses in Thailand

The Company is one of the largest duck meat producers in Thailand who operates the fully integrated of duck products and exporting of duck products. The businesses of the Company can be divided into 6 categories as follows:

Company's Revenue from Businesses in Thailand

	2015		2016		2017	
	MB	%	MB	%	MB	%
<u>Business in Thailand</u>						
Revenue from Upstream	2,384	54	2,420	53	2,250	51
Revenue from Downstream	3,546	79	3,550	78	3,795	87
<u>Revenue from selling domestic products</u>						
Duck	1,896	43	2,023	45	1,845	43
By Products and Others	319	7	333	7	354	8
Total revenue from selling domestic products	2,215	50	2,356	53	2,199	51
<u>Revenue from exporting products</u>						
Duck	1,172	26	1,070	24	1,377	32
By Products and Others	159	3	124	3	219	5
Total revenue from export products	1,331	29	1,194	27	1,596	37
Total revenue from businesses in Thailand	5,930	133	5,970	132	6,045	139
Revenue from collaborations	(1,462)	(33)	(1,442)	(32)	(1,711)	(39)
Net revenue from businesses in Thailand	4,468	100	4,528	100	4,334	100

Diagram of the Complete Duck Businesses in Thailand



Origins of the Company's businesses are as follows:

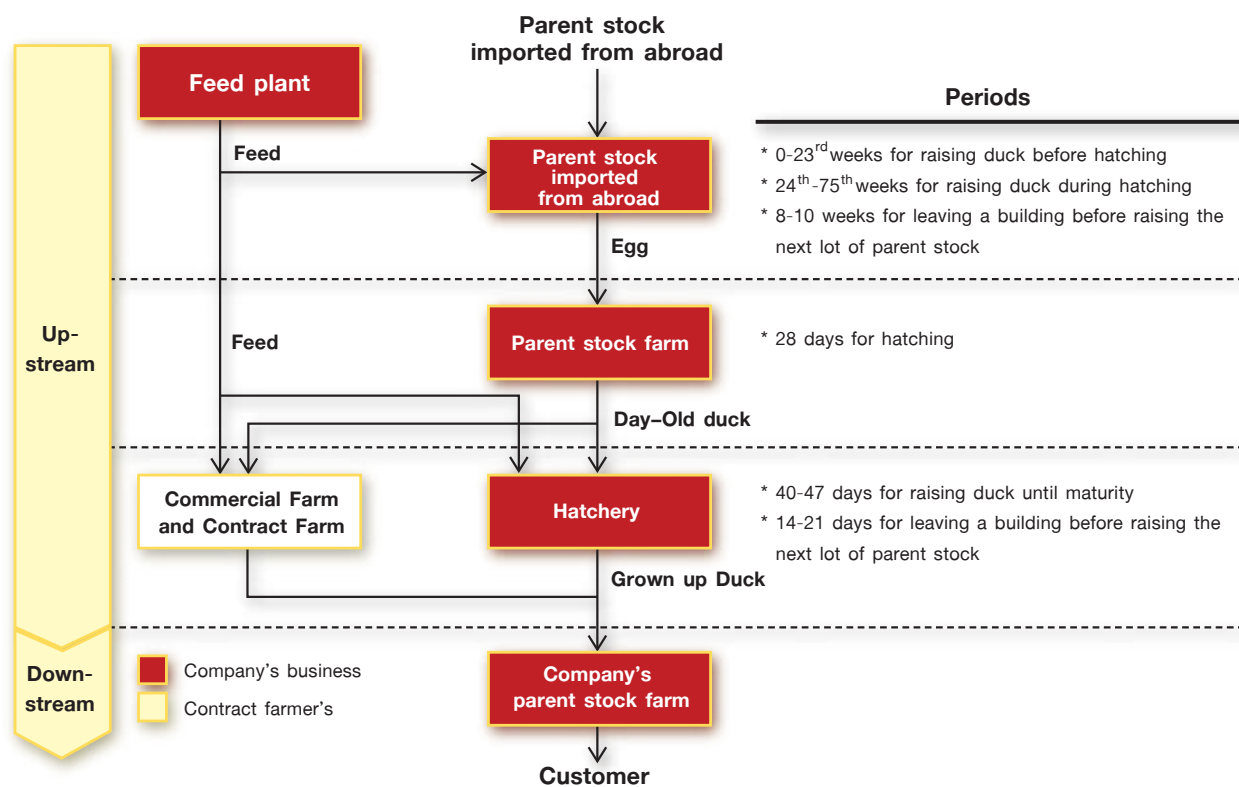
- 1) Feed:** Manufacturing feed for raising parent stock and commercial ducks of the Company and contract farmers.
- 2) Parent Stock Farm:** The Company imports all parent stocks from abroad to raise and breed commercial ducks from parents' eggs.
- 3) Hatchery:** A breeder's duck eggs will be brought to a hatchery to produce as ducklings and provide to the Company's commercial farm and contract farm and distribute to contract farmers.
- 4) Commercial Farm and Contract Farm:** The farms are operated by both the Company and contract farmers. The current proportion of contract farmers are around 90 per cent of the Company's commercial duck capacity. However, the Company has the policy to increase the Company's own commercial farm and

reduce the number of contract farming in order to increase the gross profits and to implement the Company's expansion plan of the slaughterhouse in the future.

5) Slaughterhouse and Food Processing: When commercial ducks are mature, the Company will purchase mature commercial ducks with the standardized weight only from the farm and bring commercial ducks raised by the Company itself to the slaughterhouse and food processing plant. Commercial ducks will be processed as various products such as ready-to-cook duck, cooked processed duck, throughout manufacturing products from duck under the Company's brand or other brands determined by customers and distribute to domestic and overseas consumers. The Company's products are well-known and widely recognized because they have good and safe quality for a long time resulting from the close relationship with major customers.

More than 30 years of the Company and the executive team's experience, the Company has become one of the two biggest companies who manufactures industrial duck with high market share in commercial duck manufacturing industry for consumption. In addition, Moreover, there are only a few chance for the new competitors to enter to the market as the fully-integrated duck industry requires high investment, expertise, and experienced to operate in order to generate the economies of scale. Due to such reasons, there are only few fully-integrated duck meat producers in Thailand.

Diagram of the Businesses in Thailand



1. Parent Stock Farm Business

The commercial farm is divided into 2 categories which are raising the commercial ducks and raising the egg ducks. The Company is aiming to raise the ducks to produce and distribute duck meats to consumers. The Company then decided to use the commercial ducks as parent stocks. There are many popular species of the commercial ducks in Thailand such as Pekin duck, Muscovy, Mule duck, Kabinburi, and Hybrid breed. The Company's parent stock is Pekin duck breed which has been developed as Hybrid Pekin duck for commercial since it has been developed and bred for properties as a market's need. The Company chooses Hybrid Pekin duck of Cherry Valley Farms Ltd. ("CVF") of England or Cherry Valley which has been developed from Pekin duck. It is white likewise Pekin duck but the body size is bigger and it could grow up faster. The rate of changing weight of feed to be duck weight (rate of meat change) is good resulting in appropriate production cost so it is suitable to raise it for commerce. However, the Company is currently on the trial process to raise the Hybrid Pekin Ducks from other companies as well.

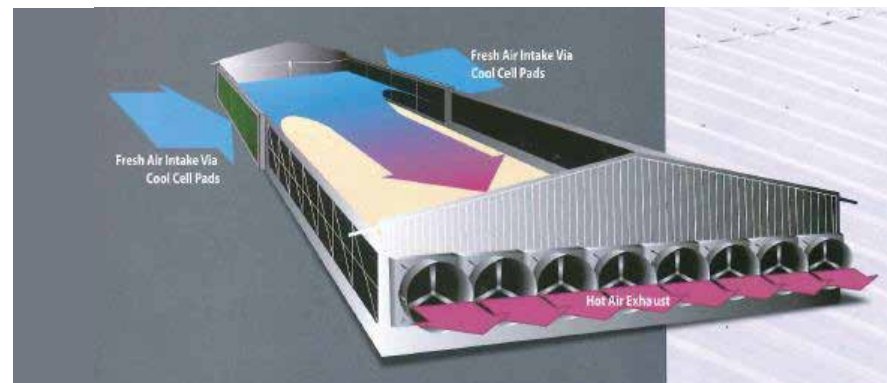


Cherry Valley Duck has been developed from Pekin duck and it is the main species that the Company chooses for raising.

The Company's parent stock farm started from importing parent stock from abroad. The Company purchases and imports parent stock from 2 manufacturers. The first one is the Cherry Valley breed from CVF which has been raised in England and Germany. The second is the Pekin breed from the other company in Europe. The parent stock will be imported at the age of 1 days old where the Company will conduct its own import plan yearly by generates the information from the demands of both domestic and overseas consumers to forecast the plan. Such parent ducklings will be then perfectly taken care in the closed EVAP building (Evaporative Cooling System) which has been certified the standard from the Department of Livestock Development. The floor is appropriately modified by sparkling chaff in order to balance moistness on the floor. This closed EVAP building could control moistness, temperature, light, and ventilation to match each age period of duck. Moreover, the building has been designed to use the energy in an appropriate level and automatically feeding water and food to the ducks. In addition, it protects the ducks from insects to avoid the infection in ducks and greatly protect the epidemic in ducks, especially Avian Influenza. In addition, the health checking of ducks is being another quality control strategy of the Company. The parent stock will be weighted in each level of age. The maintenance of the building, the moistness and the ventilation are being another concerns in order to control the quality of the parent stock. Normally, one parent stock has the breeding age about 52 weeks.

The Closed Evaporative Cooling System of Parent Stock Farm

EVAP is the closed building system. One side of the building can let the fresh air passed in through the special curtain which made from the paper and can absorb water. The Air which passes into the building could control and adjust the level of temperature and the moistness inside the house. The other side of the building will then pass the air out via the ventilator. This ventilator could adjust the wind speed and control water absorbing level to estimate the temperature and level of moistness. According to such engineering structure of the building, EVAP system can perfectly control the level of temperature for ducks raising.



Model of EVAP Building

However, throughout the age of parent stock, one breeder will lay 250 eggs approximately. When the raising period has been ended on week 75, such parent stock will be discharged. The building will be cleaned and equipment will be sterilized both inside and outside i.e. water feeding and food feeding tools. After cleaning the building and equipment, the house will be suspended for 8-10 weeks before raising the next lot of parent stock.

The volume of laying egg ducks depends on parent's health and treatment such as feed, ventilation system, and duck's livelihood, etc. The Company has regularly arranged an animal husbandman to check parent stock's health and sanitary including vaccination according to the age of duck, cleaning control and an entrance and an exit of the farm. A person must wash their body by taking a bath both entering and going out from the farm, changing to clean and sterilized cloth and sterilizing diseases which probably come with luggage by an ultraviolet ray scanner including a transportation vehicle must be sterilized every time before entering in the area of farm.

The Company presently has 7 parent stock farms. The 5 farms are located in Petchaboon Province and one each in Rayong and Chonburi Province. All farms have been certified the agriculture operation for the parent stock farm from the Department of Livestock Development and the license as the poultry detention center for import and export.



The parent stock farm

2. Hatchery

Eggs gained from the parent stock farm will be delivered to the hatchery every day in order to hatch in an appropriate state by using modern hatching technology to get the regular and high hatching rate. The output is Day-Old Duck.

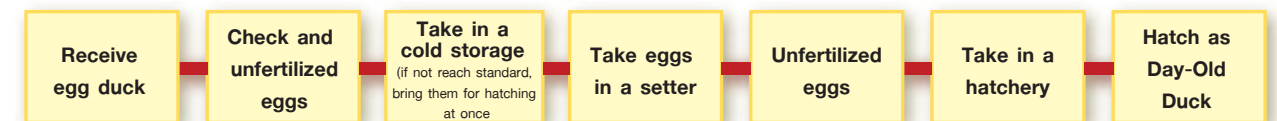


Diagram of the Hatchery Businesses

The hatchery starts from the process of choosing eggs which do not reach the Company's standard and sold to other customers such as undersize, cracked, thin peel, rough, abnormal shape, distorted or brickel, etc before keeping standardized eggs in a cold storage which controls temperature at 18-19 degree Celsius. The process of hatching eggs starts from taking eggs in a setter and upside down hourly to breeder to spread heat thoroughly for 25 days with the temperature of 37 degree celsius. After this process, the unfertilized eggs will be sorted out by lighting method.



*Eggs that the hatchery receives from the parent stock farm
and waited for hatching in a setter*

After fertilizing eggs, the eggs will be taken into the hatcher to control temperature and moistness for 3 days. Ducklings will gradually chip egg peel as a strong and healthy duckling. Then it will be delivered to the Company's commercial duck farms or contract farmers to raise commercial duck and distribute excessive amounts of duckling to general customers. Currently, the Company has 2 hatcheries in Thailand; located in Petchaboon and Rayong Province with the capacity of 28.5 Million eggs per year. Both Hatcheries are not far from most parent stock farms of the Company to reduce risk from damage of transportation and facilitate duck eggs transportation.



Hatchery



Day-Old Duck will be delivered to the commercial farm

The Company's strength in the hatchery business is the modern technology of the machines and the automatic system. Both setter and hatcher can be regularly controlled temperature and moistness to become appropriate for hatching the duck eggs. Therefore, the Company could retain the high hatchability and low fluctuation rate. In addition, all processes are controlled by HACCP (Hazard Analysis Critical Control Point) which protects hazard from bacteria that probably come with egg peel, protect infection in the hatching process, and control cleanness of an entrance-an exit. A staff or an external person must be passed the sterilizing process, taking a bath, and wearing a cloth prepared by a hatchery before entering in the internal area. Moreover, equipment or things to be brought in the hatchery must be sterilized by ultraviolet ray so that the Company can protect infection completely. The standard of Company's hatchery was being certified with Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), ISO9001, ISO14001, ISO18001, and ISO 22000.

3. Commercial Farm

The Company is one of the two biggest manufacturers in Thailand who raises industrial duck. The Company has 2 farming systems; Commercial Farm operated by the Company itself and Contract Farm made the contract with farmers who will purchase duckling, feed, and vaccination from the Company. Then the Company will purchase the ducks back from the farmers at the agreed price. In the past, the Company did not have its own commercial farm and relied on contract farmers. However, the Company realizes on the importance to be a leader in duck industry so the Company started operating its own commercial farm 2012. This was not only guiding the company to understand the cycle of commercial farms and contract farmers but also controlling the quality of commercial ducks, costs of selling and administration and ducks' allocation and forecasting. Moreover, the Company could increase the profit from operating its own commercial farms.

As of 31 December 2017, the Company had total 78 contract farmers. The Company also has the policy to expand and invest more on its own commercial farm to meet the increasing demand of duck consumption. However, the contract farmers are still important to the Company in the near future.

The commercial farm has duty to raise ducks and deliver them to the Company's slaughterhouse for processing. The commercial farm will purchase the duckling from the hatchery and raise them in the EVAP farm for 40-47 days to grow them as maturity. During they were being raised, contract farmers must order and use feed and medicine from the Company only. Raisers must have knowledge, ability, expertise, and correct approaches according to the Company's standard for ducks raising in order to control the quality until the duckling grow to the determined size. When the duckling becomes mature, the farmers only has the right to sell the ducks to the Company. The price of duckling, finished foods, vaccinations, and oversized ducks will be agreed in advance and state clearly in the contract. Only the oversized ducks will be determined later by the Company depends on the maturity of the ducks. The unmaternity of ducks will re-purchase at the lower price. However, all raising processes will be controlled by Department of Livestock Development and the farm veterinarian who passed the training and had the license to be the veterinarian to control the poultry farm in Thailand in order to get the quality ducks for slaughtering and processing further food production.



Sample of EVAP farm with the building size of 24 m.x100 m.

In the future, the Company has the policy to increase the proportion of their own commercial farm in order to increase the Company's gross profit margin under the operation of BR Agriculture Co., Ltd. The Company is presently prompted the investment from the Board of Investment (BOI).

4. Feed

Feed is being another key business which generates the advantage to the Company to grow sustainably. As the feed are the main costs of the Company, the feed mill then was established in 1996 in Sing Buri Province which is strategic location to sort the raw materials and easy to deliver to the commercial farm and contract farming. However, the Company currently has no policy to sell the feeds to general customers but the Company is only focusing for the feed production for its own commercial use. The feed mill has the capacity of 138,000 tonnes per year.

The Company contributes a lot of patience on the production process in order to get good quality and standardized feed. The feed mill had received various certificate to certify the quality and production standard such as Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), ISO9001, ISO14001, ISO 22000 and UFAS Standard of UK. Such processes are starting from choosing raw materials with good quality entering the manufacturing process controlled by computer system. All processes are tested from the Company's food scientists.

The Company's feed production process starts from selecting the raw materials and keep it in the silo then grinding mixing it in the ratios of the Company's special formula to get the highest nutrition for ducks. Then it will be packed to the pellets and contained in a bag or a sack or a bulk as it is easy to deliver to the commercial farm and contract farms. However, the volume of feed production is depending on the amount of ducks and their age because each age range requires different food nutrition.



Company's Feed Plant in Singburi Province

The main raw materials that used in feed production can be divided into 2 main categories; protein such as soybean meal, rapeseed meal, full fat soy, and energy such as corn, rice bran, broken-milled rice, wheat, cassava, sorghum and vegetable oil. A strength in the Company's feed business is the ability to manage raw material costs effectively. The Company regularly develops and improves the proportion of raw materials

in accordance with the prices of such resources whereas the nutrition \ remains the same. The Company has proactive cost management of raw materials starting from the estimation of raw material prices, selection of raw materials from suppliers who provide the best quality and price including procurement of raw materials from raw material manufacturers directly such as corn fields in various provinces in order to choose raw materials with high quality and reasonable prices used in manufacturing.

5. Slaughterhouse and duck processing

When duck is mature with the weight and quality standard determined by the Company, the Company will purchase the ducks from all contract farmers at the agreed price and also deliver the Company's own commercial ducks to the slaughterhouse in Bangplee District, Samutprakarn Province.

When ducks are delivered to the slaughterhouse, the ducks will be hanged on the hanging belts, soak in waters and pass through mild electric shock before slaughter under the Islamic principal (Halal). After slaughtering, the ducks will be sent to the process of scalding in hot water and removing and depilating feather with hot wax to remove the feather from their bodies.



Process of slaughtering duck

The next process is to take out the entrails which has been controlled by the officer of the Department of Livestock Development to ensure the quality of ducks. If any ducks are failed, it will be sorted out immediately. The ducks will then pass to a chiller to reduce the temperature in the meats by soaking in cold water in order to maintain freshness and quality of ducks to keep the standard. The ducks will be re-hanged again to assort the size and cut up. When this process has been done, some ducks will be packed by using a vacuum packing machine in order to maintain freshness and quality of ducks and cleanness for consumers before entering the process of chilling or freezing depends on products categories prior to distribute as ready-to-cook duck products. The left ducks will be processed by roasting, smoking and stewing as the cooked processed products. This is the strategy to add value to the products before distributing to domestic and overseas customers. The domestic distribution will be sold through modern trades channel such as supermarkets and supercenters, restaurants, and hotels, including wholesalers and retailers. The current capacity of the slaughterhouse is around 18 million ducks per year.

In addition, the Company also produces Ready to cook products to sell to restaurant and hotel customers as well as Ready to eat products to sell to retail customers under the Company's own brands.

The Company has exported products to more than 20 countries. The main importing countries are European Union and Asia. The Company has been certified the quality system and BRC standard (British Retail Consortium), GMP, HACCP, OHSAS, ISO14001, ISO9001, BRC, IFS and Halal. Therefore, all Company's products can be sold in a variety of channels and recognized by consumers regarding the quality and standard of clean and safe manufacturing.



Cut up process



X-Ray machine to screen the bone in the cut up meat

Characteristics of Company's products can be divided into 5 types as follows:

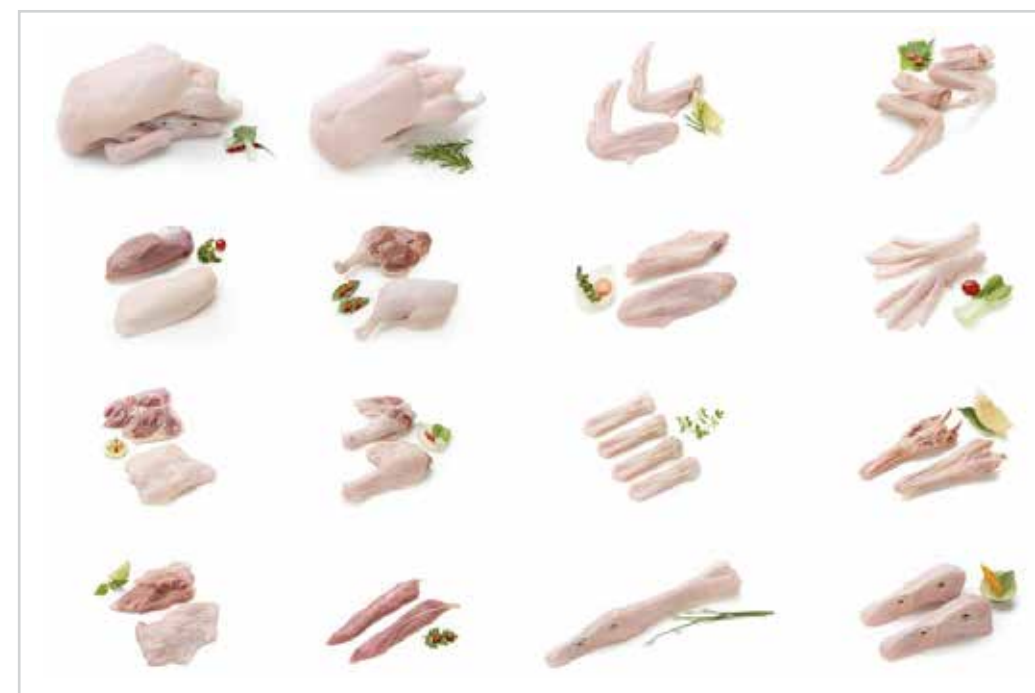
1) Whole Duck and Griller

The Company sells 2 types of the whole uncooked ducks; Whole Duck and Cut-Up. Most whole uncooked ducks are sold domestically. Due to the spread of bird flu in Thailand in 2004, the major trading partners like Japan and countries in the European Union suspended imports of uncooked ducks from Thailand.

Then, the Company has reduced the proportion of selling uncooked ducks in overseas and increase the proportion of domestic sales as the domestic market still has high demand. This is partly a result of the growth of different types of restaurants which are the Company's main customers. Currently, Japan has already cancelled such policy resulting in higher sales volume of raw ducks. Therefore, the sales volume of whole ducks is increasing both domestic and international.

2) Cut-Up

Cut-Up is to sell the duck meats in pieces such as breast, calf and hip, wing, leg, tenderloin, etc. which generates high margins to the Company, especially to sell the cut up parts to overseas market.



Ready-to-Cook processed duck products (uncooked) of the Company

3) By-Product

By-Product is the product remained from Cut-Up such as blood, gizzard, pieces of duck, bone, etc. They can be sold to fish farms and general customers.

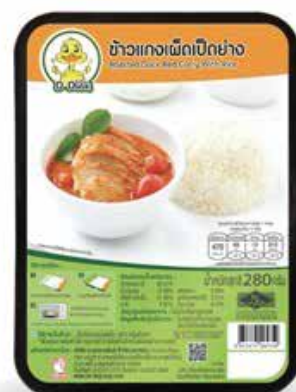
4) Cooked Products

The Company has its own research and development department in order to creatively and innovatively develops new products to meet customers need and the change of customer behavior. The Company is also paying high attention to produce the products with high nutrition, taste and hygiene.

The cooked products will be sold both domestic and overseas such as roasted duck in red curry, Palo ducks, smoke ducks as well as to produce the products under customer's brands. In addition, the Company also has the vision to become the duck meats producers which offered various kinds of cooked products.



Samples of the Company Food Processing Products



Samples of D-Duck Products

5) Feather

Feather is another product which add value of the products. Feather peeled off by wax from the slaughterhouse will be transported through a pipeline to the feather plant. Feather will be cleaned before rolling out water and bring feather in a baker. After that, feather will be packed in big sacks and contained in a container. All dry feather of the Company will be sold to foreign partners. Most of them bring feather to manufacture cloths with high quality and price such as sweaters. Therefore, feather is the product which has high gross margin.

6. Other Business

1) Noodle

The production capacity of the noodle factory is around 1,000 kilograms per day which can be divided into 2 categories; pancake and noodle. The main target group of customers are restaurants, hotels, and retail shops. By producing the noodles, it does not only to produce the raw material which relevant to Company's main products but also to add the value to ready to eat products, for example, roasted duck leg with noodles or half aromatic duck with pancake and sauce.

2) Restaurant and Cooffee Shop

The restaurant and coffee shop business are operated by Crown Eagle Company Limited with the purpose to reach the end customers. The first restaurant is located in Udonthani Province, nearby Company's main distribution center of North East region with the aims to understand customer's current behavior and to reponse customers needs.

At the same time, the coffee shop has also been operated under the brand D-Coffee which the first branch is located at the front of Company's Head Office. The Company is aiming to expand the brand nationwide by franchising and now the first franchise branch is located at Plaza Athenee Hotel, Wireless Road.



In addition, in June 2017, the Company has invested in Man Food Holdings Company Limited which is the joint venture between BTS Group Holdings Public Company Limited and Mr. Man Wai Yin. The business can be divided into 2 categories which are restaurant business and food production factory. The main purpose to invest in food production factory is derived from an increasing demand of both local and overseas customers. Currently, there are 9 branches of the restaurant around Bangkok which mainly sell the Chinese-Hong Kong cuisine to various group of customers under the Company's own brands.

3) Food Processing Plant

The Company's food processing plant is located in Pathumthani Province and operated by Food City Company Limited with the aims to expand duck meat production line and implement the line with chicken meat production as well. The products will be produced under the Company's brand and customer's brand i.e. Smoked Duck Meat/ Chicken Meat, Duck Meat/ Chicken Meat Tsukune, Ready to eat products. Current capacity of this food processing plant is around 2,500 tonnes per year per 1 work shift which 90% of the products will be export overseas and to be sold locally for 10%.



Food Processing Plant in Pathumthani Province



The machine in the plant

4) Sausage Production Plant

In June 2017, the Company established NS Delicatessen Company Limited in order to produce the sausage in Prachinburi Province. The capacity is around 1,030 Million Tonnes per year with the purpose to expand the production line and target group of customers. The products will be sold under the Company's own brand i.e. Arabiki Sausage, Tokyo Sausage, Cheese Sausage, Cha Chu pork.



Sausage Production Plant in Prachinburi



The Packed Sausage

5) Import and Export Business

Due to an increasing demand of duck meat in world's market and the opening of Asean Economics Community, the Company then decided to establish various subsidiaries overseas to support and implement overseas import and export transaction and to expand the target group of customers. Details are as follows;

5.1 The Group of Win Thai Food Company Limited

Win Thai Food (Hong Kong) Company Limited was registered and establish in Hong Kong in order to import and export of duck products and other consumable products such as moon cake, fruit, food ingredients. The main target group of customers are restaurants, hotels, casinos in Hong Kong, Macau and China.



The opening of Win Thai Food (Hong Kong) Company Limited

Win Thai Food (Cambodia) Company Limited was registered and establish in Cambodia in order to import of duck products and operate the restaurant and catering business. The main target group of customers are local and restaurant consumers in Cambodia.

5.1 Asia Pacific Trading Joint Stock Company

Asia Pacific Trading Joint Stock Company was registered and establish in Vietnam in order to import both raw and cooked duck products to sell to local customers and HORECA under the Company’s own brands.

With regard to operations in Thailand, the Company has received 11 promotion cards from the Board of Investment according to the table below.

	Card No.	Approval Date	Receive Revenue	Expiry Date	Business	Type	Remarks
1.	1507(2)/2557	26 February 2014	3 March 2015	2 March 2023	Manufacture duckling	1.5 Breed or raise animals	Received a promotion card on behalf of Bangkok Ranch Public Company Limited
2.	59-0898-0-00-1-0	18 April 2016	3 May 2017	2 May 2025	Manufacture duckling	1.5 Breed or raise animals	Received a promotion card on behalf of Bangkok Ranch Public Company Limited
3.	60-1373-0-00-1-0	19 April 2016	Not yet start	8 years	Manufacture dissected duck and dried feather	1.9 kill and dissect of animals and 1.17 production from by-product or agricultural waste	Received a promotion card on behalf of Bangkok Ranch Public Company Limited
4.	1600(2)/2557	11 April 2014	15 May 2015	14 May 2023	Manufacture germ duck egg	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited
5.	2101(2)/2557	4 August 2014	Not yet start	8 years	Raise commercial farm	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited
6.	2102(2)/2557	4 August 2014	Not yet start	8 years	Raise commercial farm (under the change of business to manufacturing germ duck egg)	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited

	Card No.	Approval Date	Receive Revenue	Expiry Date	Business	Type	Remarks
7.	60-1374-0-00-1-0	18 April 2016	Not yet start	8 years	Manufacture germ duck egg	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited
8.	60-1380-0-00-1-0	18 April 2016	Not yet start	8 years	Manufacture germ duck egg	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited
9.	60-1381-0-00-1-0	18 April 2016	Not yet start	8 years	Raise commercial farm	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited
10.	58-2094-0-01-1-0	28 July 2015	26 August 2015	25 August 2023	Raise commercial farm	1.5 Breed or raise animals	Received a promotion card on behalf of BM Agriculture Company Limited
11.	60-0167-1-00-1-0	20 December 2016	2 August 2017	1 August 2022	Produce frozen ready-to-cooked	1.11 Manufacture or preserve foods or food additives by modern technology	Received a promotion card on behalf of Food City Company Limited

Businesses in the Netherlands

Company's sales revenue from businesses in the Netherlands

	2015		2016		2017	
	MB	%	MB	%	MB	%
Businesses in the Netherlands						
Revenue from Upstream	589	27	694	27	904	28
Revenue from Downstream	1,590	73	1,858	73	2,363	72
Duck Products	1,484	68	1,503	59	2,188	67
By-Products and others	106	5	355	14	175	5
Total revenue from businesses in the Netherlands	2,179	100	2,552	100	3,267	100

The Company operates the complete businesses of duck manufacturing in the Netherlands likewise businesses in Thailand except feed business, which purchased from the supplier in the Netherlands. DTH covers from upstream to downstream such as parent stock farm, hatchery, contract farm, and slaughterhouse and cooked duck processing. The parent stock farm as well as control and coordination are operated through contract farmers. Hatching duck egg as well as control and coordination through contract farmers are operated by DTF. The slaughterhouse is operated by TDT and the cooked duck processing plant is operated by Lucky Duck. All three companies are subsidiaries. DTH hold 100 per cent of shares in DTF and TDT and Lucky Duck is held shares by TDT with the proportion of 90 per cent. The Company groups in the Netherlands run the businesses in Ermelo, the Netherlands.

Moreover, the Company runs other related businesses in the Netherlands such as the business of inspecting standard of the poultry slaughterhouse in the Netherlands by the experts of poultry inspection who have been certified by the Department of Livestock Development in the Netherlands. It is operated by VPK but others are dormant companies such as Canature, the distributor of duck meat products, and TT, as a Company which transports duck meat products of VSE, started business in April 2015 and stopped business in September 2016 because of VSE stopped running business.

1. Parent Stock Farm

Raising parent stock is operated by DTF. It imports Pekin parent stock which is the popular species of meat duck in Europe. Parent stock ducklings are purchased from Cherry Valley Farms Limited, a Company which manufactures and develops species of meat duck and operated in the UK. In addition, DTF imports parent stock from a Company in France and it is Pekin species as well.

Parent stock ducklings purchased by DTF will be raised during the first 18 weeks at the meat duck farm of

DTF. This period is important to development of ducklings in terms of weight and health. Therefore, the Company pays much attention to take care of ducks during this period. After 18 weeks, the Company will deliver some parent stock to contract farmers to continue raising them and the Company will accept to purchase all duck eggs back. For another part, DTF will raise parent stock by itself. Ability to raise parent stock during the first 18 weeks in the Company's farm is 10,000 parent stocks and the Company has the ability to raise them throughout their life in the Company's farm for 31,000 parent stocks per generation. The reason to raise some parent stocks is to use them as the model of raising parent stock for contract farmers and to be another channel of developing potential and technologies of raising meat duck of the Company. Parent stock will be continuously raised up to the 24th week and begin to lay eggs and hatch ducklings.

Parent stock will be raised in the EVAP farm (or Evaporative Cooling System), which controls temperature and moistness to be suitable with ducks and straw will be added all the time of raising to control moistness on the floor in the appropriate level. Within the farm, there is an automatic water and food feeder. The proportion of female parent stocks to male parent stock is five to one, which is a suitable ratio for the rate of hatching from female parent stocks. Female duck will lay eggs for about one year or 52 weeks after the first date of laying eggs. Therefore, parent stocks will be raised for about 75 weeks and moved them out. However, one female parent stock will lay about 250 eggs on average throughout its life age.

In 2017, the Company has purchased land and building from Mr.Gertjan Tomassen in order to operate Parent Stock Farm and Hatchery, which was already approved in the Extra-ordinary General Meeting no.1/2017. After purchased, DTF has additional investment in Solar Panel installation for 7,500 panels on the roofs of farm. Currently, DTF can produce its own power at the amount of 2,000,000 Kilowatt Hour. This power can be used with the slaughterhouse and cold storage of the Company and its affiliated companies.



Parent Stock in the Netherlands

2. Hatchery

DTF will purchase duck eggs from contract farmers at the end of every month or bring eggs from the DTF's parent stock farm to the hatchery which is located in the same area. The hatchery will manufacture

Day-Old Duck and accepts eggs from the parent stock farm every day to hatch them in the closed-hatchery using modern machinery, control cleanness, sterilizing for the high and regular hatching rate. The current capacity of the hatchery is approximately 153,000 eggs per week and can manufacture about 125,000 ducklings per week.

The hatchery starts from choosing duck eggs from the parent stock farm and bring them in a setter to turn upside down eggs for every one hour to spread heat evenly for 25 days at a temperature of 37 degrees Celsius. Then it is the process of separating unfertilized eggs. Then eggs will be hatched in a hatcher) which is controlled temperature and moistness for 3 days so that ducklings will chip egg peel. The strong and healthy ducklings will be delivered to the contract farm and raise them in a next lot.

The DTF hatchery has been operated according to the standards of Hazard Analysis Critical Control Point (HACCP) and DQP (Duck Quality Programme), which are the standards of the Netherlands Food and Consumer Product Safety Authority. Moreover, it was audited and certified for the manufacturing quality and operated by many countries such as Thailand, South Korea, Russia, Canada, etc. so that duck meat products manufactured in downstream has been permitted to export. Such standards ensure confidence to customers of Company groups in the Netherlands for the quality of duck meat continuously and for a long period.

3. Commercial Farm and Contract Farm

DTF controls raising meat duck of contract farmers. The Company does not raising meat duck by itself but it employs contract farmers because the Netherlands is a country which has progress of agriculture so there are farmers who have good quality as contract farmers and has no problem of farmer shortage to raising meat duck. There are presently total 70 contract farmers and capacity of raising is about 9 million ducks per year.

DTF made the contract farmers. They will accept to purchase Day-Old Duck from the DTF's hatchery and farmers agree to sell meat duck back when it is due of determined age and weight to DTF, which operates the slaughterhouse. Moreover, DTF is responsible for selling feed purchased from the external feed manufacturers and resell to contract farmers. This approach can reduce the cost of purchasing feed for farmers because DTF has the authority to negotiate the price from feed sellers and make procurement with large volume. With regard to other raw materials such as vitamins which are needed for raising ducks, DTF purchases and resells to contract farmers to continue raising ducks.

Amounts of contract farmers who are under the contract farming systems are sufficient for duck meat capacity of the DTF's Company groups. If the capacity is increased, the DTF's Company groups can supply farmers to the network in the future within a short period because it has a good reputation, long-term business, good relationship with farmers and provide attractive and competitive conditions of payment to accept to purchase ducks back to farmers.



Sample of commercial farm and contract farm in the Netherlands

The Company employs farmers to raise ducks in the EVAP farm (Evaporative Cooling System) likewise raising ducks in Thailand. Moreover, there is an automatic water and food feeder, good ventilation system, control moistness, temperature, light, including prevent contact or spread of animal diseases from outside. The animal husbandman adjusts the state of floor by sprinkling straw to maintain level of moistness as appropriate. After raising ducks of each round, the farm must be left for 5-10 days to prepare the state of building for raising meat duck in the next lot.

4. Slaughterhouse and food processing

TDT operates the slaughterhouse and accepts to purchase mature meat duck from contract farmers and bring them into process of slaughtering. The TDT's slaughterhouse is one of the most modern slaughterhouses in the world. It uses an automatic slaughtering system. After the acquisition of VSE, the current capacity is around 9.5 million ducks per year for 5 working days per week and 8 working hours per day. There are only 160 permanent employees and most of them stand by at the end of production line in the parts of packaging and goods storage.

The TDT's slaughterhouse has been certified IFS (International Food Standard) and BRC (Global Standard for Food Safety of BRC or British Retail Consortium). These standards are required to operate the duck slaughterhouse according to the requirement of The Netherlands Food and Consumer Product Safety Authority. Moreover, this agency sends an accredited veterinarian to be stationed at the duck slaughterhouse in order to inspect all slaughtered ducks that they have good quality and safety for consumption.

The products TDT manufacture mainly are whole uncooked duck or the proportion of approximately 90 per cent of total outputs and distributed in Europe through customers of Chinese restaurants and retail stores. The remaining are other parts of ducks such as breast or calves, etc. They are distributed in Europe Union as well. The Company's main markets for export within Europe are Germany, Spain, France, and Italy.



Slaughterhouse and food processing in the Netherlands

The cooked and food processing plant is operated by Lucky Duck, the plant which manufactures cooked and ready to eat duck meat products. The capacity is approximately 1,000 Million Tonnes per year. The products have good quality and meet needs of customers for the group which have buying power demand for high quality products. The price level is higher than the cooked and processed duck meat from China.

In addition, Lucky Duck processes other types of products such as roasted red pork, crispy pork, and cooked-marinated chicken including it sells spices such as garlic through trading for distribution to Chinese restaurants in the Netherlands and European Union as well as supermarkets to distribute product to end users. The Lucky Duck's businesses have been operated according to the Hazard Analysis Critical Control Point (HACCP), which is the standard of The Netherlands Food and Consumer Product Safety Authority.

Risk Factors

Today internal and external factors affecting businesses in this country rapidly change. Therefore, risk management process is an important tool to prepare the Company for confronting any risk factor. The Company attaches great important to risk management and fosters it to be an integral part of the organization culture. Furthermore, Management believes that role management will not only add value to the organization but will also ensure sustainable business growth. To this end, the Company has been vigilant in monitoring and assessing the environmental changes, both inside and outside the organization, with a view to mitigating business risks to a manageable and acceptable level. Risks relevant to the Company are Market Risk, Operation Risk and Financial Risk.

1. Market Risk

1.1 Demand and Supply Risk of the Company's Products

The Company's main products consist of uncooked and processed meat duck. The price that the Company can distribute these products depends on demand and supply of the products at the time including demand and supply of other types of products giving proteins. Such marketing mechanism reasonables consumer's consumption demand or purchasing power of consumers and supply or quantity of such products in the market. Presently in Thailand, prices of uncooked duck meat and live ducks are not controlled by the Department of Internal Trade, Ministry of Commerce unlike other types of products such as chicken, pork, etc. However, if in future, the related government agencies change to a price control policy for uncooked duck meat and live ducks, the Company's business may be significantly impacted in a negative way.

As the Company's main products are consumer products, changes in consumer behavior and spending present a risks to the Company. These are unpredictable factors relating to factors such as economic conditions, price, quality of product, consumer satisfaction, level of consumers' income, spending choices, products and services differentiation, etc. Thus, the Company's performance and growth depend on many factors including the Company's ability to convince customers to continue consuming the Company's products. However, consumer's negative behavioral and spending changes may impact in a negative way against consuming the Company's products including ability to retain current customers and find new ones. Therefore, the Company's business may be significantly impacted by the negative factors.

Price sensitivity is a risk on the demand side. For example, the continuous economic slowdown in Europe resulted in some consumer groups in Europe because price sensitive and changed to purchase duck meat from suppliers who provided lower quality and price. Moreover, the price of duck meat compared to other types of protein products was higher. Thus, consumers probably choose to consume other types of foods which can replace or provide same protein. Therefore, slowdown of the global economy in some regions reduces consumers' purchasing power.

However, the Company believes that continuing product development for a variety of products and meeting needs of customers, providing value and high quality products, positive recognition brand by consumers and a visionary management team with and skillful experience will make consumer trust and choose the Company's products. Moreover, the Company has regularly reviewed the strategic plan, business plan and budget to align with changed economic environment. The Management monitor performance of departments and compare with the action plans to measure the success of the set plans.

1.2 Risk of Fluctuation of Raw Material Price

The Company's main manufacturing costs are attributable to raw materials used for feed manufacturing such as soybean meal, soybean seeds, corn, sorghum, rice bran, etc. They are products which subject to price fluctuation. The prices of these raw materials in the global market depend on many factors such as supply and demand of the manufacturing and consuming countries, volume of import and export of each country, speculation of speculators in commodity prices, climate which facilitates for cultivation of each country. With regard to corns, the Company will purchase from suppliers in Thailand. For soybean meals, the Company mainly purchases them from Brazil, which is the major manufacturer in the world.

Price fluctuations of many types of raw materials will impact all Company's cost of production starting from upstream to downstream and sales pricing to the contract farmers, sales price of ducklings, payback price of duck meat throughout sales price of duck meat and processed products of the Company. Fluctuation of feed cost creates challenge in managing costs to remain at a steady level. These factors may be beyond the scope of company's control and probably results in an increase of production cost of both feed and duck meat.

The Company has a department which is skillful in the procurement of feed raw materials and has good relationship with suppliers and farmers directly. Moreover, the Company has collaborated with the association of feed manufacturers in Thailand to purchase feed raw materials together with other feed manufacturers in order to purchase raw materials at reasonable prices and good quality with lower prices. In addition, the Company has good standard storage with capacity to maintain raw materials for feed manufacturing for 3 months. Therefore, the Company can manage raw material costs during the period of price fluctuation and the Company's feed cost does not fluctuate with raw materials prices. Moreover, the Company has the research and development department that specializes in developing feed formulas for ducks and has ability to find substitute materials which have same quality but lower prices for manufacturing. Moreover, the Company has guidelines to purchase primary raw materials for processing as well. From above reasons, it shows that the Company has ability to manage feed cost to reduce the impact from raw material price fluctuations in the global market and the Company's feed cost does not entirely fluctuate with all raw materials prices.

With regard operation of the business in Netherlands under the DTH Group, the Company's subsidiary, it is not impacted materially by feed raw material price fluctuations because all feed raw materials can be purchased within Netherlands with taxed prices before procurement. DTH currently purchases raw materials

from approximately 10 manufacturers or distributors and never experience problems regarding under standard quality of raw materials or delivery resulting the subsidiary in Netherlands can manage and control the cost of feed raw materials according to the action plan.

1.3 Risk of Parent Stock Supply

In the process of manufacturing meat duck, the manufacturer must source parent stock from the breeding company which develops duck species. There are only a few companies in the world which specialize in parent stock development and production. Therefore, the Company must depend on such species development companies. In the past, the Company only chose to use Cherry Valley species of Cherry Valley Farms from England as this species grows fast with good conversion rate of weight and meat resulting in good output and efficiency. Therefore, it is suitable for commercial farm. However, the Company presently recognizes the risk of depending on a single supplier so the Company purchases parent stock from other species developers to reduce such risk.

However, the Company did not enter into any contract on a long term basis with both species development companies about purchasing parent stock. The Company has planned to annually purchase parent stock together with each producer and the species development companies will deliver parent stock to the Company as agreed. Therefore, the Company has risk of parent stock supply in case both producers cannot deliver parent stock to the Company which may impact the Company's operations significantly. Sourcing parent stock from other producers will take time due to the selection system and produce-to-order process. Beside, it may be difficult to find quality and reliable breeder as the current supplies or sourcing sufficient volume.

Never-the-less, the Company has good relationship with both suppliers and has jointly prepared the procurement plan together with each producer for about one year in advance because both producing companies are required to plan parent stock production in advance as well. In the past, both producers could continuously deliver parent stock to the Company according to the procurement plans as agreed in advance and as at specified period.

1.4 Risks of Natural Disasters, Accidents and Disruptions in Current Operations

At present, changes of global temperature and climate result in an increase in turbulancy of natural disasters such as flood, drought, etc. They cause damages to the agricultural sector, affecting both agricultural products and livestock, manufacturing, transportation, and raw material prices. Other disasters include, serious accidents such as fire and raw material and products transport accidents. As the Company operates an integrated business, in case there is a natural disaster or a serious accident resulting in disruption to the manufactures process in any step it may impact the entire manufacturing process. Moreover, relocating of the Company's operations such as parent stock farm, building, feed mill, etc. may not be conducted in a short period. Therefore, the Company may be negatively impacted by a disruption of the operation, whether it is partial or whole part including both direct and indirect damages against the Company such as direct damages against properties, disruption of utilities services system, etc. If such severe incident happens, it may impact the Company's operations and turnover significantly.

However, the Company has a preventive policy to avoid or reduce incidents by checking conditions and availability of machinery, tools, equipment, vehicle as well as providing knowledge or training to employees and contract farmers for safety and accident prevention. Moreover, the Company has prepared the Business Continuity Plan (BCP) and heads of departments are assigned to be responsible for operations and prepare plans to support emergency cases to ensure that the Business Continuity Plan of the Company operate effectively. In addition, the Company has made all risks insurance for properties used in operations, raw materials, and primary products of the Company for all production processes (exclude livestock), which covers damages from natural disasters and all types of disasters including the Business Interruption Insurance which compensates damages to the Company for every case as well. However, in the past, the Company never faced severe incidents or damages which impacted the Company's business. In addition, the great flood in Thailand at the end of 2011 resulted in damages in many areas and impacted transportation. However, the operations of the Company were not directly impacted because the Company operates in areas with low risk from flood such as Petchabun, Lopburi, etc. but the Company had been indirectly impacted from such incident because some main transport routes were cut off resulting in an increase of time for transporting raw materials or primary products with higher transportation cost and so on.

1.5 Risk from Epidemic of Communicable Diseases

Data in the past and present showed that Thailand has risk of epidemic of Avian Influenza (Bird Flu) within the country because it is reported that bird flu infections found in people and poultry continuously in neighboring countries and nearby regions. If such epidemic happens, it will directly impact on the Company's operations and turnover. For example, bird flu spread in the past impacted a cycle of raising and manufacturing, poultry consumption behavior including prohibition to import poultry products of the partner countries due to lack of confidence in safety of poultry consumption.

However, the Company has monitored, taken care of, and observed epidemic and infections in poultry in Thailand and Netherlands throughout improved technology and modern raising system by building the EVAP farm (Evaporative Cooling System), controlling temperature and moistness humidity in the appropriate level and prevent the disease from outside. Moreover, the Company has the policies and practices regarding raising animals and good environment for animals according to the international standard, management, sanitary system, and control and hygiene standards of farms of the Company and of contract farmers. In addition, the establishments for both domestic and overseas companies have been certified by the relevant government agencies such as the Department of Livestock Development. Moreover, the Company prepares an animal husbandman, specialists including developing personnel of the Company and of contract farmers to have knowledge and understanding of types of diseases, preventive risk method of outbreak, epidemic, method to do when disease is found. The Company will focus on prevention as a priority such as cleanliness of people and vehicles for an entrance and exit in the area of farm, building, slaughterhouse, etc. to reduce the risk of disease.

1.6 Risk of Consumers' Confidence in Safety of the Company's Products

Consumers presently require fresh, clean, and safe foods. Therefore the Company's turnover may be impacted if consumers' confidence in quality and safety of the Company's products reduces such as risk

of spoilage or contaminants caused by any raw materials used in the operations or from any stage of the production process from both the operation within the Company or from contract farmers in Thailand and Netherlands such as quality of ordering raw materials used in processing, transportation management systems, or storage system throughout delivery of products to consumers. Therefore, it is imperative that the Company must provide an operational system that can ensure that the Company's products meet the quality and safety standards according to the international best practices.

However, the Company realizes quality and safety of Company's products must be top priority so that consumers consume fresh, clean and safe products. The Company has operated all production processes systematically and conformed to the international standard. The Company can guarantee the quality assurance such as design and layout of the plant for production to maintain quality of the Company's fresh products with the quality control system of raw materials used in production by sampling raw materials in a laboratory for packaging, transporting throughout storing products before delivering to consumers to be in accordance with the set standard. The Company has been certified the quality of food standard for both domestic and overseas companies in many areas such as GMP (Good Manufacturing Practice), HACCP (Hazard Analysis Critical Control Point), BRC Global Standard (The British Retail Consortium), ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and HALAL. These can guarantee quality and safety of Company's products.

1.7 Risk from Changing Policy, Rules and Regulations Relating to the Operations of the Company Groups

The Company group currently runs basis its business in Thailand and Netherlands. In Thailand, the business is under supervision according to the important legal principles and regulations of the relevant authorities such as the Notice of the Standard of Farm in Thailand B.E. 2542 issued by the Ministry of Agriculture, the Control of Animal Slaughter and Meat Distribution Act B.E. 2535, Factory Act B.E. 2535, and Regulations of Permitting, Inspecting and Eliminating Diseases for Transferring Animals or Carcasses Within the Kingdom of Thailand B.E. 2546 by the Department of Livestock Development, The National Environmental Quality Maintenance and Promotion Act B.E. 2535, etc. These legal limitations and stipulations are important issues for the Company group's operations. Therefore, if the related government agencies change such policy, rule, or regulation, it may impact on the Company group's operations or cause an increase of obligation or operations cost which may negatively impact the Company's turnover.

However, the subsidiary's operation in Netherlands is under supervision according to legal principles and regulations of the relevant authorities which is not different from Thailand. The Company and its subsidiary focus on complying with related laws and regulations strictly. The Company and its subsidiary's operations in Thailand and Netherlands have never violated such regulations.

1.8 Risk from Changing Trade Measures by Importing Countries

The Company derives revenue from selling the Company group's products continuously. Approximately

24 per cent of the sales value comes from exporting duck meat to the European Union. Currently, the EU imposes tax tariff to prevent dumping and protect farmers and duck farming industry in the EU through an import quota system for each export country which started since 2013. It has no expiration unless the European Commission decides to change it. The current tariff rate on importing cooked and processed duck meat from Thailand is lower than China, the major competitor of exporters from Thailand. Moreover, there are other trade barriers or industry protection measures of the importing countries using taxation related and non-taxation measures of importing countries such as a time-consuming import permission procedure and determination of criteria or standards of hygiene and safety, etc. These may negatively impact the revenue from selling the Company group's products significantly.

However, the Company has studied and monitored rules or procedure governing importing the Company group's products in various countries from news, government's website, and partners of the Company groups in many countries by assigning responsible business units and personnels to follow-up and report to Management and related departments to keep abreast of the situation and to plan the appropriate strategy. The Company's subsidiary in Netherlands operates to reserve import quotas of duck meat in the EU in order to import cooked and processed duck meat from Thailand and participates in suggesting beneficial trade opinions to the European Commission. This is helpful for cooked and processed duck meat exporters from Thailand. Moreover, the Company has the strategy to continuously expand exports to other countries, particularly in Japan and the Middle East countries including countries in Asia region such as Cambodia, Myanmar, and Indonesia which are the major countries who consume duck meat. Moreover, this approach is to also reduce risk of dependence on one country too much.

2. Operations Risk

2.1 Risk of Dependence on Contract Farms for Raising Meat Duck

At present, about 92% of the total amount of manufactured ducks are raised by contract farmers. Therefore, the Company must depend on these farmers to raise ducks with weight and quality according to criteria determined by the Company. If there is an unexpected incident, for example, the farmer who adjusts his farm to raise other animals instead, or to raise ducks for other manufacturers (competitors) who offer a better choice it may negatively and significantly impact the Company.

However, the Company has the policy to foster duck-raising farmers by providing knowledge along with improving their competency to raise ducks to a quality standard, thereby achieving good selling prices. This will also help contract farmers' to sustain their occupation and revenue. Moreover, the Company has mitigated its dependency risk by engaging many small contract farmers. At present, the Company has totally 79 contract farmers.

2.2 Risk from Using Labor in the Process of Processing Duck Meat

As at 31 December 2017, the Company had 2,051 daily employees the majority of whom were engaged

in production and meat processing. The plant is located in Samut Prakan Province where there are many industrial zones which may result in a shortage of labor in the duck meat manufacturing and processing plant. However, increasing minimum wage and welfare to maintain laborforce in the manufacturing process will result in an increase of expenditure for employees and personnels and may negatively impact the Company's revenue. Moreover, the Company has an overall labor turnover rate of approximately 6%. Therefore, if the Company fails to employ new workers who have skills or experiences to replace those who left timely as well as employee rotation (labor) may result in new workers with inconsistent skills, these may cause the Company's products not meeting the standard, faulty, or damaged in the duck meat manufacturing and processing such as inconsistent size and weight, and may impact the Company's operations and sales significantly.

However, the Company has recognized the importance of all levels of personnel or all employees to the Company. Therefore, the Company has considered and adjusted the wage and welfare to a competitive level in order to retain all personnel and labor. Moreover, the Company has a policy to pay a diligence incentive to reduce the turnover rate as well as to motivate an increase in employees' productivity. Furthermore, the Company has plans to invest in duck meat manufacturing and processing system using automatic machines further to reduce dependency on labor and still maintain quality and standard of the Company's products. With regard to the automatic manufacturing system, the Company has considered the manufacturing technology of TDT, which is a subsidiary in Netherlands and one of the world best slaughterhouses using the automation technology reducing laborforce to about 50 workers in the slaughtering process. Additionally, such automatic manufacturing system helps to increase productivity, reduce waste from the manufacturing process and maintain high quality and standard of the Company's products.

3. Financial Risk

3.1 Risk from Fluctuations of Foreign Currency Exchange Rates

The Company has commercial transactions in foreign currencies. They are for both export and import. During the 12 months of 2017, the revenue from exports was 30% from the downstream. Such export was mainly in the form of US dollar, Euro, and Yen currencies thereby in the Company may be impacted from fluctuations of foreign exchange rate. With regard to the export, if Thai baht currency strengthens, it will reduce revenue when converting to Thai baht. With regard to importing feed raw materials used for manufacturing feed, if Thai baht weakens it will cause higher cost of raw materials and the Company's revenues and profit are impacted accordingly.

However, the Company recognizes risk from fluctuations of such currency exchange rates. Therefore, the Company has the policy to make the Foreign Currencies Exchange Forward Contract for transactions which are in foreign currencies with various financial institutes and the Company can be certain of the exact cost of manufacturing, enabling more efficient pricing. Then, the Company can forecast costs and

profits in its business plan. Moreover, as the Company runs both import and export businesses using same foreign currency, it acts as a risk protection through natural hedging. In addition, some of the Company's liability such as loans from financial institutions is in Thai baht. Therefore, such loans are not subject to exchange risk.

3.2 Risk from Fluctuations of Interest Rate

As at 31 December 2017, the Company borrowed Million Baht 2,484 million with a floating interest rate linked to MLR. Therefore, the Company has the risk from changing of interest rates which may negatively impact the Company's performance.

However, the Company has a policy to manage fluctuations of interest rate by managing the interest rate obtained from deposits with financial institutions to be close to interest rate for debt obligations with financial institutes. For example, in overseas an subsidiary had made a Cap interest rate agreement used as a tool to manage risk relating to said subsidiary's bank overdraft in June 2016. The subsidiary had the Cap interest rate agreement with the amount of 1.1 Million Euros and due on 31 December 2020 and down payment until 30 September 2025 with interest rate of 0.58% + 1.05% per year for 10 years contract.

3.3 Risk of Impairment of Intangible Asset and/or Goodwill from a Business Consolidation.

As a result of BT Partners purchased the Company's business from the original major shareholders in 2012, a fair value of the acquired tangible assets and debts were established as at the acquisition date. The difference between the cost which directly relates to such share purchase and the net fair value of the assets, liabilities, and contingent liabilities on the date of shares purchase according to the proportion of investment had been recorded as goodwill from a business consolidation. With regard to the intangible asset, it consists of computer software and relationship with customers and trade mark. The relationship with customers and trade mark are intangible assets appraised after BT Partners purchased the Company's business. The value of customer relationship was calculated from discount of cash flow from estimated earnings before interest, taxation, depreciation and amortization (EBITDA) of the Company from 2013 for the next 40 years. Such cash flow is expected by the Company that it will be obtained from maintaining business relationship with original customers who regularly and continuously purchase the Company's products during 2008-2012 and the Company will amortize such items over 40 years. With regard to the value of trade mark, it is calculated from discounting annual saving of the royalty fee for using the trade mark. The calculation of the royalty fee is bench marked with the same industry. However, the Company and its subsidiary do not amortize the intangible asset (trade mark) but they adopt an impairment test method to evaluate the intangible asset and goodwill from a business consolidation. Therefore, as at 31 December 2017, the Company booked the intangible assets which consisted of customer relationship for 422.1 million baht and trade mark of 274.7 million baht with the total amount of 696.8 million baht or 14.4 percent of the shareholders' equity. If considering the overall intangible assets by including goodwill from business consolidation of 1,954.5 million baht, there is a total of 2,651.3 million baht or 54.8 percent of the shareholders' equity. Therefore, if the Company tests the impairment of intangible assets and

goodwill from business consolidation and it shows that the intangible assets and/or goodwill from such business consolidation has incurred impairment, the Company will have to consider to record the impairment of intangible assets and/or goodwill from such business consolidation which may impact the Company's performance and reduce the shareholders' equity even though the Company has operated with care.

Basically, reduction of operating cash flow from forecast, significant changes of economic environment, and/or market condition and loss of key customers may be an indication of an impairment in case the intangible asset's book value and/or goodwill is higher than the expected amount to be returned which may negatively impact the financial performance of the period when impairment is recorded. However, the Company considers that the possibility of impairment of intangible assets and/or goodwill from business consolidation is minimal because the Company's revenue continuously increases since purchasing the business in 2012. Moreover, the Company has amortized the intangible assets. (A list of customer relationships) caused by the group restructuring of customers in 2012 for approximately 5 per cent of the value of customer relationships and the Company has gradually written off from 2013 to 2016. The remaining will be amortized in the future. Such amortization will reduce value of customer relationship in the future.

Securities and Shareholders

Registered and Paid-up Capital

As of 31st of December 2017, the Company's registered capital is Baht 4,569,643,720 and paid-up registered capital of Baht 4,567,232,790, classifying into 913,928,744 ordinary shares at par value of 5 Baht per share. The Company is public company which registered in the Stock Exchange of Thailand.

Shareholders

1) List of 10 major shareholders of the Company as of 29th of December 2017 as follows:

No.	Shareholder Lists	Number of Shares	Percentage of Shares
1.	JRGG Company Limited ¹	229,275,086	25.10
2.	Bangkok Bank Public Company Limited ²	59,236,902	6.48
3.	Black River Capital Partners Food Fund Holdings (Singapore) Pte. Ltd. ²	52,756,700	5.78
4.	Thai NVDR Company Limited	52,338,881	5.73
5.	Bualuang Long Term Equity Fund	30,651,700	3.36
6.	N.C.B.TRUST LIMITED-NORGES BANK 11	22,768,500	2.49
7.	Krungthai-AXA Life Insurances-KTAM Growth by KTAM	17,732,500	1.94
8.	Providend Fund of Electricity Generating Authority of Thailand Employees by Bualuang Fund	16,853,600	1.84
9.	Bualuang Basic Dividend LTF	14,387,100	1.58
10.	Muang Thai Life Assurance Public Cpmpany Limited	13,023,000	1.43
11.	Other Shareholders	404,422,589	44.27
	BR Associates	913,446,558	100.00

Remark 1: JRGG Company Limited, which is Holding Company, has list of shareholders as of 29th of December 2017 as follow:

1. Suchaovanich Friendship Co., Ltd.	Shareholding	34.39%
2. Fly Eagle Holdings Limited	Shareholding	37.60%
3. Mr. Joseph Suchaovanich	Shareholding	7.44%
4. Mrs.Rosanna Suchaovanich	Shareholding	7.75%
5. Mr. Gerard Elbertsen	Shareholding	3.33%
6. Mr. Phon Suchaovanich	Shareholding	4.75%
7. Mr. John Suchaovanich	Shareholding	4.75%

Remark 2: Bangkok Bank Public Company Limited, which is Financial Institution, has 10 major shareholders as of 8th of September 2017 as follow:

1. Thai NVDR Company Limited	655,764,466 shares	34.35%
2. CHASE NOMINEES LIMITED	69,603,265 shares	3.65%
3. SOCIAL SECURTY OFFICE	54,057,700 shares	2.83%
4. TSD FOR DEPOSITORS	53,794,339 shares	2.82%
5. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	34,445,670 shares	1.80%
6. BANGKOK INSURANCE PCL.	34,097,030 shares	1.79%
7. STATE STREET BANK EUROPE LIMITED	32,797,571 shares	1.72%
8. THE BANK OF NEW YORK (NOMINEES) LIMITED	28,476,330 shares	1.49%
9. MORGAN STANLEY & CO. INTERNATIONAL PLC	25,765,729 shares	1.35%
10. STATE STREET BANK AND TRUST COMPANY	25,690,400 shares	1.35%

Major Shareholders Having Significant Influence to Company's Determination of Management Policy or Operation

1) Representative Directors from JRGG Company Limited

1.1) Mr. Joseph Suchaovanich	Position	Vice Chairman, Executive Director, Member of Nomination & Remuneration Committee, Managing Director of Asia & Asia Pacific, and Authorized Director
1.2) Mrs. Rosanna Suchaovanich	Position	Director, Executive Director, Chairman of Nomination & Remuneration Committee, Chief Operation Officer, and Authorized Director
1.3) Mr. Gertjan Tomassen	Position	Director, Executive Director, and Member of Nomination & Remuneration Committee
1.4) Mr. Gerard Martin Elbertsen	Position	Director and Executive Director

2) Representative Directors from Bangkok Bang Public Company Limited

2.1) Mrs. Nutthaporn Luangsuwan	Position	Director
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Dividend Payment Policy

1. Dividend Payment Policy of the Company

The Company's policy is to pay dividend for 50% of net profit after deduction of tax, legal reserve, and other provision (if any). In consideration, the Company shall mainly consider dividend payment with concern on the shareholders' benefit such as preservation of money for future investment, or investment plan in the Subsidiaries' business expansions, or for loan payback, or as working capital inside the Company, etc.

The information of the Company's dividend payment year 2017 are as follows:

Net Profit (Loss) from Consolidated Statements	551,323,580	Baht
Profit (Loss) per share	0.61	Baht
Legal Reserved	16,000,000	Baht
Derived from profit under BOI privilege_per share	0.04788	Baht
Derived from profit under Non BOI privilege_per share	0.35212	Baht
Dividend Payment_per share	0.40	Baht
Total Dividend Payment	365,378,623.20	Baht
Share Amount	913,446,558	Shares

2. Dividend Payment Policy of the Subsidiaries

The dividend payment policy of Subsidiaries is 50% of net profit after deduction of tax, legal reserve, and other provision (if any). Nevertheless, the Board of Subsidiaries will consider dividend payment with concern on the shareholders' benefit such as preservation of money for future investment, or investment plan in the Subsidiaries' business expansions, or for loan payback, or as working capital inside the Company, etc.

Management Structure

As at 31 December 2017, the Company’s Board of Directors of the Company has been consisted of the Board of Directors and 3 Sub-Committees including Audit Committee, Nomination and Remuneration Committee, and Executive Committee.

The Company’s Board of Directors

1. Board of Directors

As of 31 December 2017, the Board of Directors has been consisted of 10 Directors as follows:

Directors’ Name	Position
1. Mr. Joti Bhokavanij	Chairman and Member of Nomination & Remuneration Committee
2. Mr. Taveechai Charoenbundit*	Vice Chairman and Independent Director
3. Mr. Joseph Suchaovanich	Vice Chairman, Executive Director, Member of Nomination & Remuneration Committee, and Managing Director of Asia and Asia Pacific
4. Mr. Gertjan Tomassen	Vice Chairman, Executive Director, Member of Nomination & Remuneration Committee, and Managing Director of Europe
5. Mr. Vudhiphol Suriyabhivadh	Independent Director, Member of Nomination & Remuneration Committee, and Chairman of Audit Committee
6. Dr. Poranee Pataranawat	Independent Director and Member of Audit Committee
7. Mrs. Rosanna Suchaovanich	Director, Executive Director, and Chairman of Nomination & Remuneration Committee
8. Mr. Gerard Martin Elbertsen	Director and Executive Director
9. Mrs.Nutthaporn Luangsuwan	Director
10. Mr. Thanawat Aroonpun**	Independent Director and Member of Audit Committee

Mr. Athiraj Kulanuphong is Company Secretary since 11 August 2017.

Remarks: * Mr. Taveechai Charoenbundit resigned from member of Audit Committee on 25th February 2017 but still be in the position of Vice Chairman and Independent Director.
 ** Mr. Thanawat Aroonpun was appointed to be Independent Director and Member of Audit Committee from the Board of Directors’ Meeting on 25th February 2017.
 *** Mr. Danal Pathonvanich resigned from the position of director on 24th February 2017.

Authorized Director of the Company

The directors who can sign to bind the Company shall be Mr. Joseph Suchaovanich or Mr. Gertjan Tomassen or Mr. Gerard Martin Elbertsen one of three sign together with Mrs. Rosanna Suchaovanich and affix with the Company’s seal.

Scope of Duty and Responsibility of the Board of Directors

1. To perform duties in compliance with laws, objectives, articles of associations, and Board of and shareholders’ resolutions with accountability, prudence, and integrity.
2. To consider providing details and endorse vision, business strategy, business direction, business policy, goal, guideline, operating plan and budget of the Company and its subsidiary companies as prepared by the management.
3. To monitor the operating results of the Company continuously in order to meet with the operating plan and budget of the Company.
4. To ensure that the Company and its subsidiary companies apply appropriate and efficient accounting system, as well as establish the internal control system and the internal audit system.
5. To review the risk management procedures and policies as well as follow up the results.
6. To formulate the corporate governance policy and apply such policy into practice efficiently.
7. To appoint the sub-committee such as Audit Committee, Nomination, Remuneration, Corporate Governance Committee or any other various Board Committee in order to assist and support the Board of Directors in the discharge of its responsibilities.
8. To appoint the senior executive positions of the Company such as Chairman of Executive Committee, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and any other senior officer as deemed necessary.
9. To appoint the Company’s Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
10. To seek professional opinions from external organizations if necessary so as to contribute to making proper decisions.
11. Encourage the Company’s directors and executives to attend various training courses of the Thai Institute of Directors in relation to duties and responsibilities of such directors and executives.

Nevertheless, to assign duty and responsibility of the Board of Directors are not to give proxy or sub-proxy that the Board of Directors or the proxy from the Board of Directors are to approve transaction or people that may cause conflict (As the definition in Notice of SEC or the Capital Market Supervisory Board) that they have stakes or gain benefit or may have conflict of interest with the Company or Subsidiary unless it is to approve transaction according to the policy or principles approved by shareholders' meeting or the Board of Directors' meeting.

Tenure of the Directors

In Annual Shareholders' meeting, at least 1/3 of director shall retire but if the amount of director cannot be divided as three, the nearest number shall retire. The directors that retire by rotation can be reelected to the opposition again.

2. Audit Committee

Audit Committee As of 31 December 2017, the Audit Committee consists of 3 members as follows:

Name	Position
1. Mr. Vudhiphol Suriyabhivadh*	Chairman of Audit Committee
2. Dr. Poranee Pataranawat	Member of Audit Committee
3. Mr. Thanawat Aroonpun**	Member of Audit Committee

Mr. Kosol Yamleemul is the secretary of the Audit Committee since 9 September 2014.

Remarks: * The Audit Committees has one director who has knowledge and experience in auditing and finance that is Mr. Vudhiphol Suriyabhivadh obtained a Bachelor of Science in Accounting from University of New South Wales in 1969.

** Mr. Thanawat Aroonpun has been appointed to be Independent Director and Member of Audit Committee from the Board of Directors' Meeting on 25th February 2017 replacing Mr. Taveechai Charoenbundit who resigned from member of Audit Committee but still be in the position of Vice Chairman and Independent Director.

Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee has the duties as delegated by the Board of Directors as follows:

1. To review the company's financial reporting process to ensure that it is accurate and adequate.

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit audit unitdit system to ensureprove the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business

4. To consider, select, and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.

5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company

6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information;

- An opinion on the accuracy, completeness and creditability of the Company's financial report,
- An opinion on the adequacy of the Company's internal control system,
- An opinion on the compliance with the law on securities and exchange, the Exchangeial report, or related law for the Company's business,
- An opinion on the suitability of an auditor,
- An opinion on the transactions that may lead to conflicts of interests,
- The number of the audit committee meeting, and the attendance of such meeting by each committee member,
- An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- Other transactions which, according to the audit committeettee from its performance n to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.

7. To perform any other work that the Audit Committee agrees to, as may be assigned by the Company's Board of Directors, whereas the company's activities relating to outside parties are responsible of the overall board of directors.

Tenure of the Audit Committee

The tenure of the Audit Committee is three (3) years, starting from the date of appointment. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of Directors deems appropriate.

Name	Position
1. Mr. Joseph Suchaovanich	Executive Director and Managing Director of Asia and Asia-Pacific
2. Mr. Gertjan Tomassen	Executive Director and Managing Director of Europe
3. Mrs. Rosanna Suchaovanich	Executive Director and Chief Operating Officer (COO)
4. Mr. Gerard Martin Elbertsen	Executive Director and Chief Financial Officer (CFO) (Netherlands)

Mr. Ahiraj Kulanuphong is the secretary of the Executive Board since 11 August 2017.

Scope of Duties and Responsibilities of the Executive Committee

1. Provide Strategic Direction, Management Structure and Annual Operational Plan and budget.
2. Ensure than the Company operates according to the already set plan, goals and objectives.
3. Check and Monitor the Company and its subsidiariesalready set operation and performance then report to the Board of Director in every month.
4. Seek and evaluate new business opportunities.
5. Review and recommend the dividend policy to the Board of Directors.
6. Review and approve the investment transaction, asset divestment, human resource management, financial and monetary resource, general administration of the Company's operation under the specified responsibilities approved by the Board of Directors. However, the Executive Board can assign the Management or Staff to perform the tasks as long as they are not conflicting with the Company's interests (as specified in the Companynystment transaction, asset divestment, human resource management, financial and monetary resrinciples set by the Board of Directors and related laws.
7. Review and check the risk management and the risk management system of the Company.
8. Identify the advisor or persons with independent view to provide opinion or advice as necessary.
9. Request Management or Staff to attend the Board of Director meeting to provide information on topics discussed.
10. Report the Executive Committee's activities, under authority of Executive Committee, to the Board of Director regulary. Moreover, provide other necessary information to the Board for acknowledge.
11. To self evaluate the performance of the Executive Committee every year.
12. Review and determined the adequate of this chareter then propose to the Board of Director for review and revise.
13. Perform other duties assigned by the Board of Director.

Tenure of the Executive Committee

The Executive Director will be dismissed in case of Death, Resignation, or be terminated by the Board of Directors.

Any Executive Director wishing to resign shall submit his written resignation to the Company and Chairman of the Board of Director. In the event there is a vacancy, the Board shall appoint a qualified person to fill such vacancy within Ninety (90) days.

4. The Nomination & Remuneration Committee

As of 31 December 2017, the Nomination & Remuneration Committee consists of 5 directors as follws;

Name	Position
1. Mrs. Rosanna Suchaovanich	Chairman of Nomination & Compensation Committee
2. Mr. Joti Bhokavanij	Member of Nomination & Compensation Committee
3. Mr. Vudhiphol Suriyabhivadh	Member of Nomination & Compensation Committee
4. Mr. Gertjan Tomassen	Member of Nomination & Compensation Committee
5. Mr. Joseph Suchaovanich	Member of Nomination & Compensation Committee

Ms. Kannikar Boonyarak is the Secretary of the Nomination and Remuneration Committee from 9 September 2014.

Scope of Duties and Responsibilities of the Nomination & Remuneration Committee

1. Considered and advised the overall policy for nomination of the CompanyCompanyadvis, subcommittee members and staffs, and benefit of the Company's directors, subcommittee members and staffs.
2. Determined the employment policy for executive directors under consideration on the individual competence and employment of the Executive Board; and also determined the scope of wage payment in the event of dismissal and pension management.
3. Approved total remuneration for the Chairman of the Board, and remuneration and benefit for Chief Executive Office and other executive directors through consideration on individual competence under requirement of consented policy.
4. In considering special remuneration from the Company Board, and remuneration and benefit for Chief Executive Office and other executive directors through consideration on indactor (Indicator) of the significant operations and verification of yielded turnover when compared with significant operating target and indicator of (i) the Company, and (ii) individual executive director under consideration on individual competence.
5. Approved long-term benefit such as Share Appropriation Rights, and Receipt of Performance Shares, and audit work criteria under consideration on long-term benefit of the staffs that will be received under different forms used by the Company.

6. Verified the format of benefit provision in term of Share Incentive Scheme and determined working criteria to be presented to the Board and the Meeting of Shareholders for further consideration and approval.

7. Consented the policy for approval on claim of expenses from Chief Executive Officer and Chairman of the Board.

8. Executed to ensure that the benefit in different natures is given in consistency with the policy and system of the Company’s risk.

9. Verified to be satisfactory that the guideline and policy for determination of remuneration in the report of director remuneration specified in Annual Report of the Company are fairly taken place.

10. Considered function and membership in the Nomination and Remuneration Committee’s Meeting and their own Terms of Reference to ensure of maximum benefit from their function; and advised to have change in such issue based on necessity for consideration and approval by the Board of Directors.

11. Chairman of the Nomination and Remuneration Committee had to report the Board of Directors for acknowledgement about the operation after each Nomination and Remuneration Committee’s Meeting.

12. Prohibited any director not to enter to participate in consideration of self-remuneration.

13. Advised the Board as deemed as proper in the part related to Terms of Reference that should be executed or improved.

14. Considered other issues as assigned by the Board of Directors.

Tenure of the Nomination & Remuneration Committee

The member of the Nomination & Remuneration Committee will be dismissed in case of Death, Resignation, or be terminated by the Board of Directors.

Any member of the Nomination & Remuneration Committee wishing to resign shall submit his written resignation to the Company and Chairman of the Board of Director. In the event there is a vacancy, the Board shall appoint a qualified person to fill such vacancy within Ninety (90) days.

The Managements

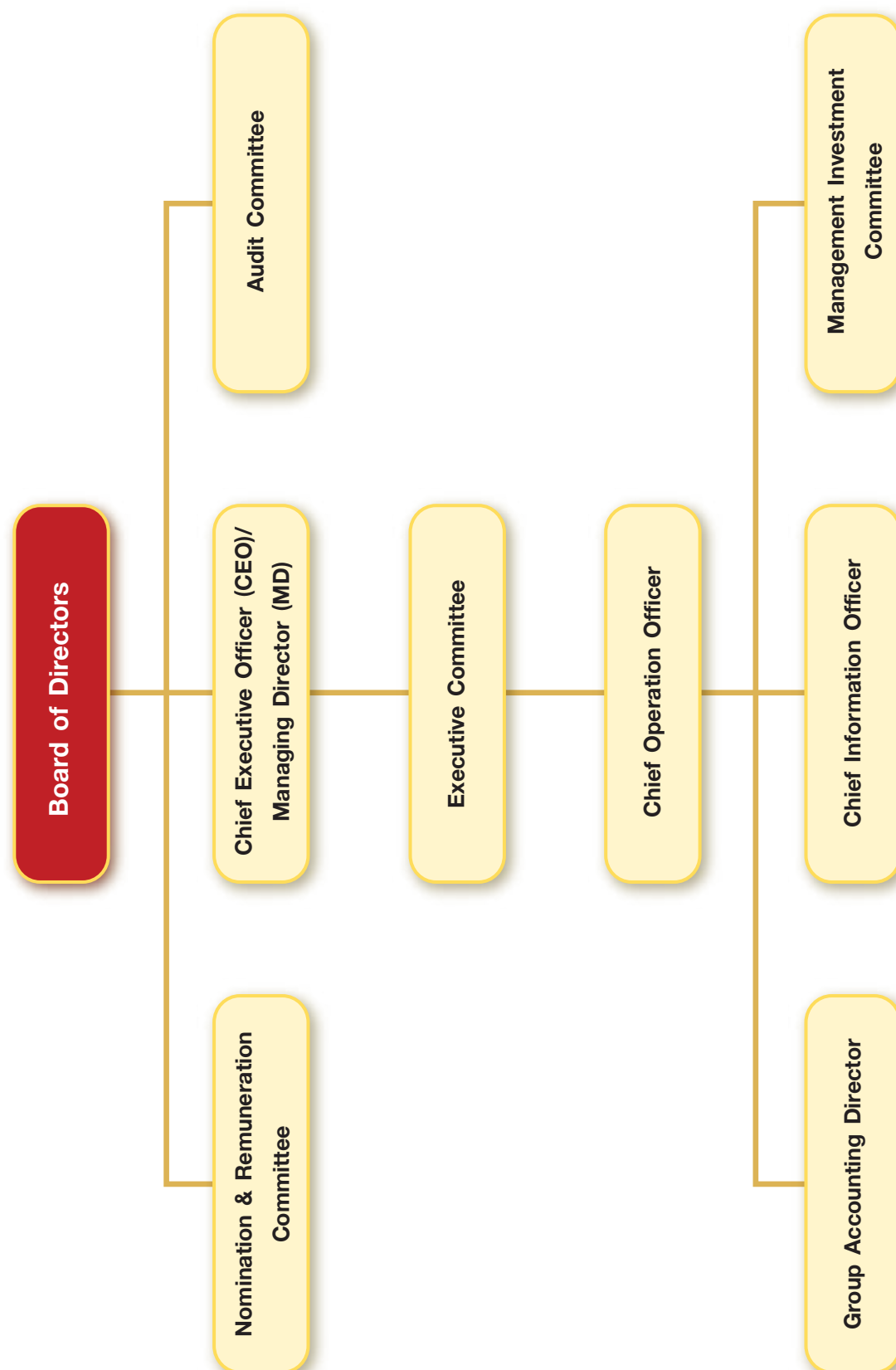
The managements in accordance with the SEC announcement No. Kor.Jor.17/22008 “Determination of Definitions in the Notification of Issuance and Offering of Securities (including additional revision)”.

As of 31stDecember 2017, there are 7 managements consist of:

Managements’ Name	Position
1. Mr. Joseph Suchaovanich	Managing Director of Asia and Asia Pacific
2. Mrs. Rosanna Suchaovanich	Chief Operation Officer (COO)
3. Mr. Weerasak Wahawisal	Group Account Director
4. Mr. Wutinai Ulit	Chief Information Officer (CIO)
5. Mr. Phon Suchaovanich	Senior Business Development Manager and VP Investment
6. Ms. Chanida Lertsatchayan	Vice President – Investment department at Corporate level
7. Mr. Chonlachart Worawuthichongsathit	Assistant to CEO

Remark: *The managements in accordance with the SEC announcement were composed of managing director and the next four managements succeeding the manager/director (there should be including entire managements in the same level at 4th managements) and persons holding the position in line of manager/director or equivalent in account or finance department. The information of directors and managements are as specify in Attachment 1.

Management Structure



Nomination of Directors and Management

Composition and Qualification of Independent Director

The selection of persons to be appointed as directors or managements of the Company Must be qualified persons under Section 68 of Public Company Act B.E.2535 and Notification of Capital Market Supervisory Board No. Tor.Jor.28/2008 “Application for and Approval of Offer for Sale of Newly Issued Shares” dated on 15th December 2008. Moreover, the appointed directors should be considered their knowledge, abilities, and working experience as well.

Composition and nomination criteria for directors, audit committee, executive committee, and nomination & remuneration committee are as follows:

Criteria and Procedure for Director Nomination

1. A Board of Directors shall be established to run the business of the Company. The Board of Directors shall consist of at least five (5) Directors. At least half (1/2) of the members of the Board of Directors must be domiciled in Thailand. A Director is not required to be a Shareholder of the Company.
2. The Shareholders’ Meeting shall elect the Directors of the Company under the following rules and procedures:
 - 2.1 Each shareholder shall have one vote for one share;
 - 2.2 Each Shareholder is allowed to exercise all of his or her voting rights as stated in (1) to elect one or more candidates as Director(s), but he or she is not allowed to split his or her votes between more than one person.
 - 2.3 The candidates shall be ranked in order from the highest number of votes to the lowest, and shall be appointed as Directors in that order, until all Director positions are filled. Where the votes cast for candidates are tied and this would lead to the number of Directors being exceeded, the Chairman of the Board shall have a deciding vote.
3. At each Annual General Shareholders’ Meeting, one-third (1/3) of the Directors must retire from office. If the number of Directors cannot be divided by one-third, the nearest number to one-third (1/3) of the Directors shall be required to retire from office. A retiring Director is eligible for re-election. The Directors retiring from office in the first and second years after the registration of the Company shall be selected by drawing lots. In subsequent years, Directors who have held office the longest shall retire.
4. Any Director who wishes to resign must submit his or her resignation letter to the Company. The resignation shall be effective on the date that the resignation letter is delivered to the Company.
5. The Shareholders’ Meeting may resolve that any Director be removed from office prior to the expiration of his term of office with a vote of at least three-fourths (3/4) of the number of Shareholders attending the

meeting and having the right to vote, and holding a total amount of shares amounting to at least half of the shares held by Shareholders attending the meeting and having the right to vote.

6. If any vacancy occurs among the Board of Directors other than by rotation, the Board of Directors may elect a person who does not have any of the prohibited characteristics under the Public Limited Company Act and the Securities and Exchange Act to fill the vacancy for subsequent Board of Directors Meetings, except when that the remaining term of office of the retiring Director is less than two (2) months. The substitute Director shall hold office only for the remaining term of office of the Director whom he replaces. The resolution of the Board of Directors mentioned in the first paragraph requires a votes of at least three-fourths (3/4) of the Directors remaining in office.

7. The Board of Directors shall select one (1) Director to be the Chairman of the Board of Directors. The Board of Directors may appoint one or more Directors to be Vice Chairman, as it deems appropriate. The Vice Chairman has the duty, as set out in these Articles of Association, to act as assigned by the Chairman.

Composition and Nomination of Audit Committee

The Company's Audit Committee members have to be appointed by the Board of Directors, consent by the shareholders' meeting, and qualified according to the Securities and Exchange Law Including the announcement, rules, and/or regulations of the Stock Exchange of Thailand. The number of Audit Committee should not less than 3 persons, at least one member should have knowledge in account and finance. Tenure of the Audit Committee is 3 years from the appointment date. After the Audit Committee retire by rotation and the Board or shareholders' meeting still not yet appointed new Audit Committee, the exist Audit Committee would carry out the duties until new Audit Committee is appointed from the Board or shareholders' meeting to be replaced and/or depending on each director's tenure. Members of the Audit Committee should be qualified as follow:

Qualification of Independent Directors

1. Holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, or controlling person; including the shares held by related persons of the independent director.

2. Neither be nor having been an director (having management role), employee, officer, advisor (obtaining a regular salary), or controlling person of the Company, its parent company, subsidiaries, affiliates, major shareholder, or controlling person; unless the relationship as mentioned have ended not less than 2 years prior to the date of appointment.

3. Not be a person related by blood or registration under laws of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.

4. Neither be nor having been business relationship with the Company, its parent company, subsidiaries, affiliates, major shareholder, or controlling person in any manner that may interfere with his/her independent judgment; and not be nor have been a substantial shareholder or controlling person in its parent company, subsidiaries, affiliates, major shareholder, or controlling persons; unless the relationship as mentioned have ended not less than 2 years prior to the date of appointment.

5. Neither be nor having been an auditor of the Company, its parent company, subsidiaries, affiliates, major shareholder, or controlling persons which may have any conflict of interest; and not having been a substantial shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiaries, affiliates, major shareholder, or controlling person of the Company; unless the relationship as mentioned have ended not less than 2 years prior to the date of appointment.

6. Neither be nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent company, subsidiaries, affiliates, major shareholder, or controlling persons; and not having been a substantial shareholder, controlling person, or partner of the professional advisor; unless the relationship as mentioned have ended not less than 2 years prior to the date of appointment.

7. Not be nor have been an appointed director as representative of the Company's director, major shareholder, or any shareholder who are related to the Company's major shareholder.

8. Not conduct any business as same nature nor be significant competition to the Company's or its subsidiaries; nor being substantial partner, director (having management role), employee, officer, advisor (obtaining a regular salary), or shareholder with more than 1 percent shareholding of the voting shares in any company conducting same business or be significant competition to the Company's or its subsidiaries.

9. Not have any other manners, which may render him/her incapable of expressing independent opinions with regard to the Company's business.

10. After having been appointed as an independent director with qualifications as abovementioned, the independent director may be assigned by the Board of Directors to take part in the business decisions of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that decisions must be collective ones.

Qualification of Audit Committee

1. Not being a director assigned by the Board of Directors to make decisions on the business of the Company, subsidiaries, associate, subsidiaries in same level, major shareholder, or Company's controller.

2. Not being a director of subsidiaries or subsidiaries in same level which is also listed company.

3. Having sufficient knowledge and experience to serve as a member of the Audit Committee and at least one member should have knowledge in account and finance to review the reliability of financial statement.

4. The duties are similar to those specified in the Notification of the Stock Exchange of Thailand on the qualifications and scope of duties of the Audit Committee.

Composition and Nomination of Executive Committee

The Executive Committee should have to be director and/or management of the Company who is appointed by the Board of Directors. The number of Executive Committee should be considered by the Board of Directors. The Board of Directors should appointed one member of Executive Committee to be a Chairman of Executive Committee.

Composition and Nomination of Nomination & Remuneration Committee

The Nomination & Remuneration Committee should have to be appointed by the Board of Directors. The number of Audit Committee should not less than 3 persons consists of independent director and non-executive director as majority. The Board of Directors should appointed one member of The Board of Directors should appointed one member of Nomination & Remuneration Committee to be a Chairman of Executive Committee to be a Chairman of Nomination & Remuneration Committee.

Company Secretary

The Board of Director's Meeting No. 5/2017 on 11st August 2017 has appointed Mr. Athiraj Kulanuphong to be Company Secretary in accordance to Section 89/15 and 89/16 of Securities and Exchange Act B.E.2551. The Scope of duties and responsibilities of the Company Secretary are as follow:

1. Advising the Board of Directors and management regarding to related rules, regulation, and law; follow up to be consistent; and inform them regarding any significant change.
2. To supporting the Board of Directors' activities, organizing the Board of Directors and shareholders' meeting, and coordinate with related department to follow up implementation as meeting resolution.
3. To disclosing the Company's information memorandum in accordance to rules and regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission.
4. Manage and keep the Company's documents:
 - 4.1 Director Registration Record,
 - 4.2 Invitation Letter and Minutes of the Board of Directors' Meeting,
 - 4.3 Invitation Letter and Minutes of the Shareholders' Meeting,
 - 4.4 The Company's Annual Report
 - 4.5 Report on security holding and conflict of interest of Directors and Executives.

Directors's Meeting Attendance information in 2017

Directors' Name	Attendance / Total Meetings in 2017			
	Board of Directors	Executive Committee	Audit Committee	Nomination & Remuneration Committee
1. Mr. Joti Bhokavanij	7/7			3/3
2. Mr. Taveechai Charoenbundit1	7/7		1/1*	
3. Mr. Joseph Suchaovanich	7/7	6/7		3/3
4. Mr. Gertjan Tomassen	4/7	3/7		2/3
5. Mr. Vudhiphol Suriyabhivadh	7/7		6/6	3/3
6. Dr. Poranee Pataranawat	7/7		6/6	
7. Mrs. Rosanna Suchaovanich	7/7	7/7		3/3
8. Mr. Gerard Martin Elbertsen	4/7	2/7		
9. Mrs. Nutthaporn Luangsuwan	7/7			
10. Mr. Thanawat Aroonpun	6/7		5/5**	

*Mr. Taveechai Charoenbundit resigned from member of Audit Committee on 25th February 2017 but still be in the position of Vice Chairman and Independent Director.

* Mr. Thanawat Aroonpun was appointed to be Independent Director and Member of Audit Committee from the Board of Directors' Meeting on 25th February 2017.

Remuneration for Directors and Managements

1. Monetary Remuneration

Remuneration for Directors

The Board of Directors' Meeting No. 2/2017 on 25th February 2017 approved Remuneration for Directors as follows:

Position	Monthly Remuneration (Baht)
Chairman of the Board of Directors	100,000
Vice Chairman	75,000
Directors	25,000
Chairman of the Audit Committee	70,000
Member of the Audit Committee	35,000

In 2017, the Company Group paid remuneration for 11 directors as following information:

Directors' Name	Monthly Remuneration (Baht)	Other Remuneration (Baht)	Total Remuneration (Baht)
1. Mr. Joti Bhokavanij	125,000.00		1,500,000.00
2. Mr. Taveechai Charoenbundit	100,000.00	-	1,200,000.00
3. Mr. Joseph Suchaovanich	25,000.00	-	300,000.00
4. Mr. Gertjan Tomassen	25,000.00	-	300,000.00
5. Mr. Vudhiphol Suriyabhivadh	95,000.00	-	1,140,000.00
6. Dr. Poranee Pataranawat	60,000.00	-	720,000.00
7. Mrs. Nutthaporn Luangsuwan	25,000.00	-	300,000.00
8. Mr. Thanawat Aroonpun	60,000.00	-	720,000.00
9. Mrs. Rosanna Suchaovanich	25,000.00	-	300,000.00
10. Mr. Gerard Martin Elbertsen	25,000.00	-	300,000.00
11. Mr. Danai Pathomvanich	25,000.00	-	50,000.00
Total	590,000.00	-	6,830,000.00

* Mr. Danal Pathonvanich resigned from the position of director on 24th February 2017.

Remuneration for Managements

In 2017, the Company Group paid remuneration for 7 Executives at the amount of 18,847,486 Baht including the salaries, allowances, special allowances, bonus, and the contribution to the provident fund.

2. Other Remunerations

- None -

Human Resources

As of 31st December 2017, there are the employees of the Company at the amount of 2,051 persons, contract employees 1,387 persons and permanent employees 664 persons, which can be divided as follow:

Section/Department	Amount (persons)	Section/Department	Amount (persons)
Management	23	Finance and Account	42
Human Resources and Administration	32	Purchasing	18
Plant Management	82	IT	15
Laboratory	19	Logstics and Planning	116
Sale and Export	98	Production	1,300
Parent Stock Farm and Hatchery	214	Feed Mill	92

Employees' Compensation

The Company and its subsidiaries paid the employees' compensation in 2017 at the amount of 534.4 Million Baht including salary, overtime payment, cost of living, bonus, special allowance, social security, and providend funds.

Human Resources Development Policy

BR Group is likely the "Organization with Plenty of Opportunities". Employees are provided with opportunities to learn and develop their potential in the real situation and chances to show their talents in overcoming challenges. This would thus help our people to show full potential of their capabilities with the increasing challenges at all time. We provide the opportunity for our employees to grow with our business growing and see the opportunity for career growth both in the current and future path.

The Company has a sharing knowledge based in terms of operation and technical skills among BR Group between countries. The employees in various levels, neither operational nor senior management level have an opportunity to be trained as on-the-job-training and operation/technical training in real situation in various countries, e.g., Holland, China, etc.; ensuring that our employees are better understanding on the real practices and able to transfer knowledge or share best learning practices to employees in each of the relevant functions.

Moreover, the Company emphasizes on training and development, especially learning of food safety standard in order to develop working skill to the employees continually. Also, the Company focus and development the employees on the Leadership Development as well as Management Development to all levels.

- "Strategic Retreat Workshop" – to educate employees about current techonogy 4.0 for guiding employees to use Digital Technology to develop their working behavior and to develop their mindset to be leadership in organization in the future.
- "Innovation for BR Transformation" this program is designed for employees to learn and understand growth of innovation, focusing on innovation that is not complicated for easy applying to their work. The Company emphasizes on the program that solving right problem and be benefit for employees to their working process.
- "Strategic Leadership Development for Business Driven"- focus all employees to attend the program through learning and work shop activities based as well as the use of Extend DISC to create and develop leadership in self at all levels.
- Training related to the performance of personnel in each division.e.g. ISO9001/ISO14001, poultry meat inspection course, chemical for production used course, and short-term and long-term course of Use of machinery or equipment related to production.

1. Corporate Governance Policy

The Board of Directors' Meeting No. 5/2014 on 9 September 2014 resolved to approve the determination of corporate governance policy in accordance with the guideline of the Stock Exchange of Thailand. The Company has adhered and complied with the principle of good corporate governance in its business operation through its directors, executives and staffs. Moreover, the principle of good corporate governance is deemed as the crucial factor in promoting overall success of the Company as an organization which is responsible for the society.

The Company has prepared the document of the corporate governance policy to be used as the guideline for compliance of the directors, executives and staffs with the rule of the Stock Exchange of Thailand and criteria of corporate governance of the Organization for Economic Co-Operation and Development (OECD). The corporate governance policy of the Company consists of the following significant principle.

Section 1: Right of Shareholders

With awareness on the significance of interest and facilitation of the exercise of the shareholder's right, the Company therefore determines the policy of equitable and equal treatment to all shareholders as follows:

1.1) Promoting the exercise of the shareholder's right:

The Company promotes all shareholders to equally and impartially exercise their rights, promotes all shareholders to attend the Meeting of Shareholders as well as promotes the shareholders to propose their opinions and suggestions to the Board of Directors.

1.2) Facilitating shareholders in meeting attendance and voting in the meeting:

The Company promotes participation of the shareholders in decision making in the crucial issues and voting in various issues in the General Shareholders Meeting. However, to get resolution, voting shall be made in ballot.

1.3) Delivering information of the Shareholders Meeting:

The Company shall keep its shareholders informed in advance about the key information, criteria, and method used in the meetings as well as voting method in each meeting agenda prior-the General Meeting Shareholders, under its attempt to deliver all information of the Shareholders Meeting to all shareholders for not less than seven (7) days in advance so that the shareholders can study the information prior-meeting attendance beforehand. Moreover, the Company shall announce all of the said information in the Company's website prior-delivery of Invitation to the Meeting.

1.4) Giving opportunity to shareholders in interrogation and opinion expression in the General Shareholders Meeting:

The Company opens the opportunity to all shareholders to inquire queries, express opinions or express any suggestions in every Shareholders Meeting.

Section 2: Equal Treatment to Shareholders

The Company adheres to equal treatment to its shareholders and manages the equal acquisition of information for all shareholders. The opportunity is also given to its shareholders to nominate the directors and propose additional meeting agenda via the Company's website.

2.1) Procedure and Method of the Meeting of Shareholders:

The Company facilitates the shareholder who cannot attend the Shareholders Meeting through the use of Power of Attorney, and promotes the shareholder who cannot attend the Shareholders Meeting to enable to appoint the an independent director of the Company as the proxy to attend the Meeting and vote in lieu of him or her.

2.2) Insider Trading:

The Company's directors, executives and staffs shall be responsible for strict confidentiality of the corporate information (particularly the inside information which is improper for public disclosure) whereas the Company's directors, executives and staffs shall not utilize such information for selfbenefit or for other people's benefit and shall strictly comply with laws and the policy of non-insider trading for their own securities.

2.3) Conflict of Interest:

The Company's directors, executives and staffs shall keep the Company disclosed for acknowledgement without delay in the event of any gains and losses that may cause conflict of interest or connected transaction doing so as to be in line with the criteria of the Securities and Exchange Commission and of the Stock Exchange of Thailand as well as the Company's policy.

Section 3: Role of Stakeholders

The Company adheres to the general principle of equal treatment to stakeholders such as shareholders, customers, staffs, business partners, and creditors, public and competitors, so as to create fairness and transparency. The Company therefore shall consider the interests of its stakeholders as follows.

3.1) Shareholders:

Right and treatment to the Company's shareholders are in line with what are determined in Section 1 and Section 2 of this document.

3.2) Customers:

The Company attempts to maintain and reinforce good long-term relationship with its customers under the Company's will of maximum customer satisfaction through high quality product manufacture and service to meet customer demand as much as possible at fair price, after-sales service on advanced standard basis, and provision of accurate information related to the Company's business operation and products to its customers.

The Company remains and tries to maintain the communication channel with its customers by opening to listen to the customer opinions all the time.

3.3) Employees:

All of the Company’s staffs are regarded as the valued resources of the organization and are significant for growth and profitability of the Company and its subsidiaries. With the Company’s attempt to furnish the quality work environment to its staffs, the maximum safety and health issue is emphasized. The Company treats all staffs with fairness to gain impartial and fair return when compared with the similar businesses.

In addition, the Company also gives the precedence to development of skills, knowledge and competence and potential of the Company’s staffs with attempt to build various work environments and motivate the retention of high competent and knowledgeable staffs for continuous corporate development.

3.4) Business Partners and Creditors:

The Company deems that to make its business partners and creditors truly understand about its business is the significant matter so as to remain sustainable and clear relationship on mutual trustworthiness basis between the Company and its business partners and creditors. The Company fairly treats its business partners and strictly complies with terms and conditions of the contract as well as provides accurate and complete financial information to the Company’s creditors.

3.5) Public:

The Company pays attention and emphasizes on environmental and social safety and quality of life of the parties related to all of the Company’s operations and purveys the compliance with laws and regulations. Moreover, the Company attempts to participate in activities that are the creation and preservation of environment and society as well as cultural promotion of the countries where the Company are operating its businesses.

The Company has the disposal measure of waste and garbage from its production for minimum people, environmental and social impact.

3.6) Competitors:

The Company treats its competitors in accordance with the framework of ethical and fair competition and business engagement under the goal of market progress and development. This will positively affect the overview of the industry.

Section 4: Information Disclosure and Transparency

4.1) Information Disclosure:

The Company accurately discloses its key information with transparency without delay under consideration on the appropriateness of the information disclosure.

4.2) Relationship with Shareholders / Investors:

The Company arranges the officer of Investor Relation Department of the Company to perform the communication with the investor or shareholder as well as institution investor and sub-investor. In addition, the Company holds the meeting for regular analysis of overall operations.

4.3) Director Information:

The Company discloses the information of each director as well as role and duty of the Board of Directors

and Subcommittee of the Company in the Company’s Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1).

4.4) Financial Reporting:

The Company gives precedence to the financial report marking the Company’s actual financial status and turnover on the basis of adequate, complete and accurate accounting information in accordance with generally accepted accounting standards.

4.5) Remuneration of Directors and Senior Executives:

The Company discloses remuneration of the directors and senior executives in the Company’s Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1).

Section 5: Responsibility of the Board of Directors

The Board of Directors shall perform their duties as required by relevant laws and govern the operations to be in line with corporate governance policy.

The Board of Directors purveys the requirement of Code of Conduct, the charter of the Board of Directors and Subcommittee as necessary and appropriate (such as the Audit Committee, and Nomination and Remuneration Committee, etc.), the charter of clear function of Subcommittee as necessary and appropriate (such as the Risk Management Subcommittee), and the charter of clear function of Subcommittee and other documents that determine the guideline of function, duty and responsibility of the Board (such as operating manual of the directors, training manual, etc.). In addition, the Board of Directors shall yearly conduct self-assessment of the Board’s performance

2. Supervising the Operation of Subsidiaries and Associated Companies

To supervise the operations of the subsidiaries and associated companies, the Company will send a representative to be director(s) of such subsidiaries and associated companies. The representative may be in position of Chairman, CEO, managing director, top management, or any person who qualified, has appropriate business experience, and has no any conflict of interest to the subsidiary and associated companies. The representative who became the subsidiaries’ director should manage the subsidiaries and associated companies according to rules and regulation of the Company including the delegation of authority and related law for business.

3. Supervising Internal Data Usage

The Board of Directors realizes the importance of the good corporate governance. In order to ensure transparency and prevent the use of information of the Company that has not been made public to seek benefits for oneself, the Company devises related policy as follows:

- Educate directors, executives, and executives in accounting or finance at a level of Division Manager and above or equivalent on their duties to prepare and submit the report of securities holdings of themselves, their spouses, and immature children to the Office of the Securities and Exchange Commission pursuant to Section 59, and determine the penalty pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.

- Directors, executives, and executives in accounting or finance at a level of Division Manager and above or equivalent are required to initially prepare and submit the report of securities holdings of themselves, their spouses, and immature children to the Company Secretary at all times prior to submitting to the Office of the Securities and Exchange Commission within 30 days from the date of appointment as directors or executives; or to report changes in securities holdings within 3 days from the date of trading, transferring, or acquiring the securities.

- Directors, executives, as well as executives in accounting or finance at a level of Division Manager and above or equivalent, and concerned staff who have acknowledged the Company's significant information which affects changes in the stock price have to suspend trading of the Company's securities prior to the disclosure of the financial statements or financial position and the Company's status until the Company discloses such information to the public. In this regard, the Company shall inform directors, executives, and executives in accounting or finance at a level of Division Manager and above or equivalent in writing to suspend trading of the Company's securities for at least 30 days in advance of the disclosure of information to the public. In addition, they should wait for at least 24 hours following the disclosure of information to the public, as well as not to disclose such significant information to other people.

- Determine the disciplinary action in case of insider trading violations for purpose of seeking benefits for oneself in the form of written warning, reduction in pay, suspension without pay, or termination. The disciplinary action is subject to the intent of the action and severity degree of the action.

4. Anti-Corruption

The Company aims to conduct its business with transparency and honesty in accordance with laws and guideline of good corporate governance with awareness that the function with honesty is the significant factor contributing to sustain the Company's reputation and support its business. Therefore, anti-corruption policy has been determined to be used as observance guideline for all levels of related parties under below essence. Moreover, the Board of Directors has established anti-corruption policy to join with Thailand's Private Sector Collective Action against Corruption by announce the declaration of intent to against corruption in all form.

The Company has contributed to the agreement in line with the declaration of intent of the Alliance to fight corruption in all forms.

The Company gives precedence to prevent non-occurrence of wrongful benefit exploitation in duty for themselves or other persons in below issues.

1.1) Bribe and Incentive

It is entirely prohibited to give or receive bribe and incentive in any forms and prohibited to assign other persons to give or receive bribe and incentive instead.

1.2) Gift and Interest

It is prohibited to give or receive gift and any other interests to motivate practice, or to omit wrongfully function,

or to possibly cause consent and relief in improper business agreement for observance according to the criteria as determined in the staff ethics.

1.3) Charity Donation and Subsidy Granting

The charity donation and subsidy granting shall be transparently taken place without conflict of law and moral.

1.4) Political Activity and Participation

The Company shall not use its capital or resources for political support to the candidate who competes as the politician or to any political party for political campaign or political activity operation unless the support provision is legally permitted and overall democracy is supported upon the Company's approval prior-operation.

1.5) Risk Management

The Company purveys risk management in relation to wrongful benefit exploitation in duty in order to ensure that such risk can be prevented or controlled under determination of identification, assessment, control and monitoring, and reporting of risk related to wrongful benefit exploitation in duty according to policy and process of risk management determined by the Company.

1.6) Internal Control

The Company manages to have good governance of the Company's business operation and control culture under significant risk assessment, determination of efficient control activities and proper function segregation as well as purveyance of reliable and adequate information system, and regular internal control monitoring and assessment.

1.7) Human Resource Management, Communication, and Training

The Company gives the precedence to efficient human resource management, and communicates, educates and trains about the policy of prevention from wrongful benefit exploitation in duty and the relevant regular practical guideline for promotion of the related parties to understand and properly work.

5. Audit Fee

5.1 Audit Fee

In 2017, the auditor from EY Office Co., Ltd. has audited balance sheet and current operating performance of the Company with satisfactory overall operation and Mr. Khitsada Lerdwana, the auditor with license number 4958 are qualified not contrary to principles of the Stock Exchange of Thailand. The auditors did not provide other services for the Company and had no connection and/or stakes with the Company/ subsidiary/executive, major shareholder or the relevant.

Nevertheless, in 2017, the Company's audit fee was 2,720,000 Baht and its subsidiaries' audit fee was 4,362,000, therefore, total audit fee of BR Group was 7,082,000 Baht.

5.2 Non-audited Fee

In 2017, the Company paid for non-audited fee which are travelling and additional audit work to EY Office Co., Ltd. at the amount of 271,854 Baht.



Corporate Social Responsibilities

BR Group focuses on the quality and safety in all stages of production, including caring and delivering our products to customers with the heart of administration. We are passionate to develop the potential people with capability as well as we encourage our people to foster their own contribution and awareness in the environment protection to create share value to society and core value to our organization.

PDF” is our values and our heart which is essential in our BR works and permeates in every BR angles either employee behavior, thinking process, working process, technology, and products.

P – Partnership

Give opinions or recommendations to his/her supervisor when he/she observes situations that may cause problems in the future; demonstrate a willingness to involve any work that support the success of organization; be a good partner or an advisor to provide useful information to colleagues and supervisor.

D – Dedication

Work and address problems immediately to solve urgent task required as target; willing to participate in any activities or works that may not be his/her roles and responsibilities; demonstrate fully sacrifice and dedicate all capabilities for his/her duties.

F – Fairness

Discuss with direct supervisor on the requirements of task (objective, result, timeframe, process etc.) with immediate actions needed to preventive problems; treat his/her supervisor colleagues and subordinates with equality and fairness; work attitude by focusing on benefits of organization more than his/her own.

Overview

We believe. as a manufacturer and distributor, to deliver quality and safety of purveyor products, it must be driven by the strength of BR Core Value to employees adhere to and comply with the values: Partnership, Dedication, and Fairness, including; our employees must understand and adhere to the practice of Good Corporate Governance and foster the creating of shared values in order to be sustainable for organization, society, and community.

The major factor in driving to achieve a sustainable development is “Human Resource Development”, which are the valuable resource assets and the main driver for sustainable achievement. The Company strives to develop and nature both the managements and employees in any races to be a good leader for long term sustainability including the provision of equity and fairness in human resource management as well as respect for human right both the Company and its business partners.

The Company is committed to take the business practices that generate a positive impact on the environment in the production process and all products delivered process by creating a natural balance and applying the standardized system to administer and manage in all internal processes.

In addition, the Company provides support and help building the relationships with both supplier partners and business partners to ensure a positive experience with long-term relations and sustainability goals which includes the stakeholder engagement as well.

With this strategy, the sustainable development is thus a key driver of the Company to develop the capacity to produce and deliver the quality and safety of purveyor products and be beneficial to society. The process development, work consistency and dynamic, promotion with integrated concept of responsibility and creating share values is the part of our culture of the organization, coupled with the strengthening of the economic, social and environment.

Implementation and Reporting Process

The Company has reported on the Corporate Social Responsibility (CSR), according to Sustainability Development Report Guideline of the Stock Exchange of Thailand, included in Form 56-1 and Form 56-2 (Annual Report). Furthermore, the Company is now study on Sustainability Development Report Guideline of Global Reporting Initiative (GRI) to make more understanding and be able to create an appropriate social responsibility policy, create more sustainability activities of the Company and related section, and further collect information to report on Corporate Social Responsibility Report or Sustainability Development Report.

Business Operation which affect to CSR

The Company always aware to business operation which may affect to social responsibility approach in every step according to the guideline as follows:

1) Good Corporate Governance

The Company has established a Corporate Governance Policy that complies with the policies and guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission in order to create an apparently and transparently corporate practice that will benefit to the Company's stakeholders, which has described in topic "Corporate Governance".

2) Fair Business Operation

The Company running business with honestly, fairly, and equality competition and will not support any operational procedures which may cause unfair business competition in order to obtain appropriate quality and price of products and do not take any advantage from the need of consumers.

3) Anti-Corruption

The Board of Director determined the Anti-Corruption Policy by to join with Thailand's Private Sector Collective Action against Corruption by announce the declaration of intent to against corruption in all form.

4) Respect of Human Right and Fair Treatment to Employees

BR pays special warm attention on the orientation program for new employees when they enter into the BR family. We engage new employees through learning with "PDF" in order for them to better understand as well as contribute new ideas to apply for their works and lives in everyday actions. BR management team participate the orientation program to share the best knowledge or practice from their work experiences to new employees.

BR is committed to the fair treatment to employees, including compliance with all labor laws and human rights standards. BR rules and regulations cover all business units and functions without exception, including all employee levels from top management to operational workers. In addition, we respect employee rights by promoting freedom of expression, gender equality, and the fair treatment of indigenous minorities and people with disabilities.

5) The Basic Rights of Employee Equally Treatment Practice

- The Company represent to refuse any employment discrimination e.g. state on the non-discriminate in employment such as gender, race, and religion.
 - The Company allow employee to have the full eligible rights without discrimination, including education, employment, social activities, etc., and the right of their marriage and family matters. The Company's rules and regulations state on the right of maternity leave and the right of transferring to temporary function during pregnancy and also state on the non-discriminate in employment, e.g., gender, race, etc.
 - The Company support disabled people to be treated with dignity, freedom, and to participate fully in society. We respect each other regarding to non-discrimination, reasonable consideration of access to various facilities. We open widely to recruit disabled people and currently we have disabled employees working with us. In 2017, the Company has hired 2 disabled employee.
 - The Company takes consideration on the higher interests to children and youth, including nondiscrimination, the right to life of child, the right to survival, the right of children development, and freedom of expression and currently we have internship-students working with us.
 - The Company recognizes and respects the rights of equal opportunity and equally treatment as well as encourage work environment to eliminate prejudice against people, religious groups, such as providing prayer room for Islam employees, etc.
 - The Company has policies and practices in the employment of a lien employees by directly engaging the employment from the legally recruitment agency of the country of origin according to the Government of Thailand designated a Memorandum on the Work of alien employees in bilateral (MOU) to avoid the human trafficking issues and forced labor. It is included the equally fair treatment to Thai and alien employees and welfare benefits provided, e.g., accommodation for alien employees, and so forth.
- 6) Fair Equally Treatment to Employees**
- The Company has a policy of employment free from bias by not based on race, color, nationality, sex, gender or national origin, ethnic or social origin, caste, marital status, sexual orientation, disability, health status, political relations, or any bias matters. We will not allow the discrimination of employment, either gender, nationality, religious, etc., as well as our female employees are appointed to be Top Management.
 - The Company focuses on the importance of stable employment in both permanent and temporary employees. We will use the annual man-power planning to control and avoid the excessive temporary workers usages unless the nature of work in short-term or seasonal works period.
 - The Company has to report the information within a reasonable period and co-works with Welfare Committees or Employee Representatives to discuss and find ways to reduce the impact of operational changes.

- The Company provides equal opportunities for all employees and non-discrimination, both directly and indirectly in terms of labor practices on the basis of race, color, nationality, gender, age, national origin. This is stated in the Corporate Governance Policy under the right of stakeholders (employees), e.g., probationary period, permanent employees appointment, job vacancy, etc., and employment terms and conditions, e.g., promotion criteria, job transfer, protection migration, retirement, etc.

- The Company has policies and practices in employment, e.g., income, employment status, employment conditions, etc., as well as employee training and promotion or termination, depending on the job requirements. This is stated in Code of Conduct regarding to the employees treatment, the Company's rules and regulation, employment conditions.

- The Company has a practice of dismissal according to the employment conditions, Company's rules and regulations regard work discipline, disciplinary action or guidelines for the offense and punishment.

- The Company has a policy to protect the privacy and the privacy of employees through document control management system to determine the identity and level of accessibility to the personal information as well as personal documentation.

7) Health, Safety and Environment in the Workplace

The Company emphasizes on creating the best working environment for all employees in all workplaces, whether farm, plant, or office locations, to ensure the safety operation for the stakeholders. Under proactive management of health, occupational health and safety, we initiate a risk assessment program on occupational health. Work space design was executed to limit unsafe possibility from the source. The work environment including chemicals, light, noise, and heat, is regularly monitored to define preventive and mitigation measures, as well as improving workplace safety. With our caring to employees, the information or knowledge regarding health, occupational health, and safety will be transferred to employees including the policy, starting from the first day of orientation program and also in the Job Safety Analysis Program in each line regularly in order to learn on how to prevent and cope with hazards and illnesses that may occur in the workplace.

To ensure the operational effectiveness, the Company has set up the Health, Occupational Health and Safety Committees to monitor and maintain the work procedures to be complied with system standards and legal requirements. The Committees will have a regular meeting on monthly basis and their roles are to enhance knowledges and skills for themselves and also for employees, especially the capability of safety equipment usage, in order to handle emergency situations according to legal requirements, such as fire drills management, firefighter preliminary training, forklift driving with safety, etc.

Accidental in Workplace

Bangplee Head Office, main factory site of the Company, has total accident in 2017 at the amount of 51 times.

Hatchery has total accident in 2017 at the amount of 2 times.

Feed Mill has total accident in 2017 at the amount of 2 times, which are accident with leave 1 time and accident without leave 1 time.

8) Environment Responsibilities

The company is committed to support the suitability, in particular of environment which is the challenge for us as a leader in Agriculture and Food Processing Industry to manage and mitigate environmental impacts as effectively and efficiently. We have 2 major goals which are aimed to reduce environmental impact and to create a natural balance.

Environmental Impact Reduction

The company has identified sources of pollution and waste related to its activities, products and services of the organization as stated in the process flow diagram, production process, the origin of wastewater identification, unused materials, etc., according to environmental management systems standard as required by ISO 14001.

The Company has identified and prevented the use of chemicals in a systematic way in order to prevent the use of banned chemicals as stated in the law and in the International Convention (ozone-depleting substances, organic long-lasting (POPs), chemicals under Rotterdam Convention, hazardous chemicals and pesticides). This included carcinogens or mutagens and chemicals affecting reproduction which is caused to endocrine disorders or residue long and accumulate in living organisms (PBTs) or long and residue accumulation in organisms (vPvBs) by following with the standard operation procedures for quality assurance of raw materials/chemicals/packaging used in production.

In addition, the Company also took steps to prepare for the prevention plan of chemical accidents and had the emergency plan covering accidents and incidents arising from the operation by allowing employees, partners, governments, local communities, and stakeholders to be part of prevention and emergency plans. The plans has identified hazards, risk assessment, the process of notification and communication system as stated in prevention and emergency plan, standard operation procedures for chemical control, chemical spill emergency plan (ammonia) and accident prevention plan.

The Company paid attention to direct, control, and limit the impact on the environment and also had guidelines for the implementation of strictly environmental management, especially in the field of wastewater treatment and pollution within the production lines. To prevent and reduce pollution of water resources in the community, we disclosed to the public on emissions out of the system, including remote monitoring pollution (BOD Online).

Remote Monitoring Pollution (BOD Online)

The Company has an operation and measurement to focus on pollution prevention and waste through Waste Management Hierarchy by taking into consideration the source of waste reduction, recycle, reused and recycled processing, recycled into new production processes, waste treatment and disposal of waste, etc., to ensure the proper handling of pollutants and waste. We performed by sorting the material that is not used by using 3 R. This eliminated by using the sewage system which was better than the government-set standards and being able to control sewage systems continuously 24 hours a day. The Company also provided support to protect the environment through activities by supported from both government agencies and our employees in order to increase understanding and a portion of the impact that can be caused to the environment and the community.

Furthermore, the Company has record the measurement and report of water usages, reduction of pollution causing waste and energy. The report stated the material that was not recycled within the plant, result analysis of pollutants in wastewater and also reporting on Air Quality Monitoring (Boiler), the power consumption of the production process, and energy conservation.

The level of pollution in the waste water treatment will be sent to the related government agencies [DIW] in real time and they will make an observation and inform the Company if pollution levels exceed the required standards. The Company also held a meeting and discussed the problems and the environmental impact consistency with the community representatives. This is an opportunity to understand and get the comments from the community on a regular basis. The officials from government agencies act as intermediaries in mediation if there is a problem or a comment from a representative of the community. The Companies featured in the opinions and recommendations to revise and update our internal processes to prevent complaints in the future. We had a measurement of pollution levels around the plant to ensure the safety of the people within the community and we also had an internal discussions and meetings held regularly, both before and after meetings with government and community representatives.

Sustainable Resources Usage

The company has taken measures to use resources efficiently in order to reduce the usage of energy, water and other resources by considering the good practice indications and compare with other sources of information as such, Water & Energy Consumption (metric is used to reduce water and energy). The standard rate of fuel use is to monitor (Benchmark is km/liter) the use of a company car. And The Annual Energy Conservation plan include the use of alternative resources that can be recycled and low-impact use to incorporate with or replace the nonrenewable resources. This includes:

- "Biogas from Wastewater Reduction to Be Used as co-fuel use in the Boiler" Program by sewage water treatment and re-used as an alternative fuel in boiler system to replace LPG or fuel oil instead as much as possible. The goal is to reduce greenhouse gas emissions by recognizing the result of the use of such resources in social and environmental responsibility.

- "Reuse and Recycle" Program by taking condensate water to reuse in boiler room, reuse waste water treatment to clean the streets.

The Company emphasized to prevent the greenhouse gas emissions, especially gases that destroy the ozone layer from the using of land or equipment including the heating system, air conditioning and ventilation system, etc. We had the policy to use the non CFC refrigerants and change the use of chemical fire extinguisher from Halon to be Green Halon, not being greenhouse effect gas. This will focus on the measurement and reporting the use of energy, water, and other resources consumptions by stated in the Use of Energy in Production Process, Wastage Report, Daily Fuel Consumption, and Energy Conservation Report.

9) Community or Social Development

The Company believes that the sustainable development has come from creating shared values and corporate social responsibility. We intends to cultivate and encourage the employee from the first day of joining the BR Family and we also convey the vision regarding the sustainable development to employees by initiating each function to held their own various activities to deliver consistency of the values to society during working with the Company.

10) Stakeholder Engagement

Stakeholder Engagement			
Stakeholder Group	Engagement Approach	Stakeholder Expectations	BR Response
 Customers	• Dialogue, Face-to-Face meetings, customer visit • Customer feedback Surveys • Standardized procedures to customers	• Quality products and services • Impartial treatment • Protection of customer data	• Develop new innovative products and services to meet customer expectations • Customer data protection procedures and measurement
 Employees	• Town-halls Meeting (Year-end/Half-year Reviews); conference, social activities • Performance Appraisal • Individual Development Program	• Appropriate employee rewarding and recognition system • Career advance and security	• Respect human rights and treat employees impartially • Employee development Program • Employee engagement activities

Stakeholder Engagement			
Stakeholder Group	Engagement Approach	Stakeholder Expectations	BR Response
 Suppliers	Regular meetings and site visits/audits	- Equal and fair treatment to every supplier - Clear orders and transparent procurement process - Long-term order commitment to product/ supplier - Flexibility to adjust prices of product/ services offered	- Establish clear supplier selection and audit processes - Establish Supplier Code of Conduct - Review and improve procurement process and communication to meet mutual needs - Share knowledge and technologies to improve procurement processes - Review and take immediate actions on any issues that occurred
 Government Agencies	Regular government agencies meetings and events	- Partnership in government agencies programs - Involvement in new public policies and best practice sharing	Share best practice programs with certain governments agencies
 Shareholders and Investors	- Annual General Meeting (AGM) - Annual report - Press releases - Quarterly financial announcements - Meetings with investors and equity analysts	- Maintain management excellence to ensure above average performance - Impartial treatment - Good corporate governance - Internal control and audit system	- Publish Annual Reports Deliver business performance and pay dividends - Provide transparent and timely on the updated information - Establish business code of conduct

Stakeholder Engagement			
Stakeholder Group	Engagement Approach	Stakeholder Expectations	BR Response
 Community	- Engage employees in volunteer activities - Regular site visits and meeting with community leaders	- Conduct business with social responsibilities, particularly concerning public benefits - Promote and participate in activities that benefit communities and the whole society	- Volunteer employees participate in activities that benefit communities and society - Develop community related projects
 Business Partners	- Engage employees in volunteer activities - Regular site visits and meeting with community leaders - Regular meetings - Site visits and interactions between Business Development team, BR team and business partners	- Create shared value and mutual benefits for the businesses - Share knowledge for business improvements, innovations in new products and services - Willingness to promptly provide support when issues occur	

Activities for Social and Environmental Benefits

The employees gathered up together to create a share value to society as volunteers included:

- “Children Day” Activity: the purpose is the Company’s employees as representative to create activities and give gifts to children in Soi Likhit.
- “Religious Traditional “Rub Bua”, Bangphli Yai Nai Temple” Activity: to participate the community’s annual activity which representative employees volunteer to help in the traditional of Bangphli Yai Nai Temple annually.
- “Blood Donation” Activity: Hatchery’s employees donated their blood to patients who need blood for treatment at the National Congress of Singburi Province.
- Cleaning and planting trees activity at Raitaput and Suptakien Temple in Petchaboon Province.
- “Equipment Donation” Activity: Give equipment, money, and food support to Bansuknga School in Petchaboon Province.
- Co-Host the Royal merit making ceremony to pay tribute to His Majesty the Late King Bhumibhol Adulyadej, King Rama IX

Internal Control System and Risk Management

Internal Control System

The Board of Directors has assigned the Audit Committee to perform the verification of efficient and proper internal control system and internal audit system as well as verification of the Company's working to be in line with Securities and Exchange Law, requirement of the Stock Exchange, and laws related to the Company's business engagement. The Audit Committee will mutually convene the meetings at least every quarter for consideration and execution to have proper financial report and adequate and complete information disclosure as well as consideration on connected transaction or transaction that may have conflict of interest to be in line with laws and requirement of the Office of SEC and the Stock of Exchange of Thailand. Moreover, adequacy, appropriateness and effectiveness of the existing internal control system will also be verified in order to ensure that the internal control system of the Group of the Companies are proper and adequate in accordance with the principle of the internal control based on the concept of COSO (The Committee of Sponsoring Organisation of the Treadway Commission) covering the important internal control both in corporate level and each activity level so that the organization can achieve its objective whether in the aspects of Operations Objective, Data Reporting Objective, and Compliance Objective for related laws and regulations.

Moreover, the Company has appointed Unique Advisor Company Limited ("the Company's Internal Auditor") to assess and verify internal control system of the Company and monitor the result of internal control. During 2017, the internal auditor of the Company performed the audit of main work system of the Company's business under emphasis on the system with business engagement risk consisting of (1) revenue system, debtor, and payment receipt, (2) procurement system, creditor, and payment (3) cash management system, and budget control (4) production system and cost control (The slaughter process and food processing from duck meat), (5) fixed asset management system, and (6) general control in information technology system to ensure that the Company has proper internal control system and operate with efficiency and effectiveness. The comments that the internal auditor have noticed to the Company during 2017, the Company has executed the improvement and correction of various aspects to achieve internal control objective for various aspects.

The Company has appointed Deloitte Company Limited (the Netherlands) ("the Internal Auditor of the Group of its Subsidiaries in the Netherlands") to perform assessment and verification of internal control system of the group of its subsidiaries in the Netherlands that has business operation and significant revenue generation for the companies.

However, the Board had the opinion that the Company's internal control system has been adequate and proper under its purveyance of adequate personnel for effective operation according to such system so that the Company can operate based on the determined target. In addition, the system has been set

according to the principle of Good Corporate Governance and transparency. The monitoring and controlling system for the operations of the Company and its subsidiaries has been set in order to ensure that the assets of the Company and its subsidiaries can be protected from the wrongful or unauthorized use of the directors or executives. Moreover, the proper and adequate regulating system has been set in the matter of doing transactions with the person who may have conflict of interest or the connected person.

Risk Management

The Company has set risk management policy and process that the management will responsible for policy setting, identify risk in each activity/project, and risk evaluation to be accordance to risk criteria. Moreover, the management will coordinate and support to management team in order to manage risk to a controllable and acceptable level in each activity before propose to the Investment Committee, Executive Committee, Board of Directors, and/or Shareholders to consider for further action respectively.

The Company's risk can be identified into 3 main topics as follows:

1. Market Risk

- 1) Demand and Supply Risk of the Company's Products
- 2) Risk of Fluctuation of Raw Material Price
- 3) Risk of Parent Stock Supply
- 4) Risks of Natural Disasters, Accidents and Disruptions in Current Operations
- 5) Risk from Epidemic of Communicable Diseases
- 6) Risk of Consumers' Confidence in Safety of the Company's Products.
- 7) Risk from Changing Policy, Rules and Regulations relating to the Operations of the Company Groups
- 8) Risk from Changing Trade Measures by Importing Countries

2. Operations Risk

- 1) Risk of dependence on contract farms for raising meat duck
- 2) Risk from using labors in the process of processing duck meat

3. Financial Risk

- 1) Risk from fluctuations of foreign currency exchange rate
- 2) Risk from fluctuations of interest rate
- 3) Risk of impairment of intangible asset and/or goodwill from a business consolidation.

Additional information regarding to risk factors and risk management in each topic is described in topic "Risk Factor".

Related Transaction

The parties that may have conflict of interests and have related transactions with the Company in the year 2017 ended 31 December 2017 as follows:

Person/Juristic Person that may have conflict of interests	Relationship	Position in the Company
Mr. Joseph Suchaovanich	A shareholder, director, and executive of the Company.	Vice Chairman, Director, and Managing Director of Asia and Asia Pacific
Mrs.Rosanna Suchaovanich	A shareholder, director, and executive of the Company.	Director and Chief Operation Officer (COO)
Mr. Gertjan Tomassen	A shareholder, director, and executive of the Company.	Vice Chairman, Director, and Managing Director of Europe
Mr. Gerard Martin Elbertsen	A shareholder, director, and executive of the Company.	Director and Chief Financial Officer (CFO) of Europe
Lisuda Vastgoed B.V.	Mr.Gertjan Tomassen; a major hareholder, director, and executive of DTH; is a major shareholder of Lisuda Vastgoed B.V.	-None-
G.J. Tomassen Holding B.V.	Mr.Gertjan Tomassen is a major shareholder of G.J. Tomassen Holding B.V.	-None-

Related transactions of the Company and the parties who may conflict of interests occurred in the year of 2016 ended 31 December 2016 and the year of 2017 ended 31 December 2017 as follows:

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
Lisuda Vastgoed B.V. (“Lisuda”) The Netherlands <u>Nature of Business</u> Letting real estate	Land Rent for the Netherlands Operation TDT which is the Company’s subsidiary has rented Lisuda’s land located at address No. 116 Fokko Kortlanglaan in Ermelo town, the Netherlands, for business operation of meat duck slaughter house and the extension. The lessee grants right to Mr. Tomassen Sr. (the father of Mr. Gertjan Tomassen) in utilization of the office building located in front of duck slaughter house with the area size of around 150 sq.m. The mentioned lessee grants right is the agreement condition since 1998. The size of land rented by TDT for business engagement is 13,122 sq.m. and the Lease is expired on 1 October 2017 whereas DTH acquired all land and buildings from Lisuda.	9,111,552	12,025,062	In 2017, the subsidiary has rented such land in the rent of 237,611 Euro (for period of 9 months) In 2016, the subsidiary has rented such land in the rent of 316,506 Euro per year which is below 353,635 Euro per year based on market rent in accordance with asset appraisal report dated 16 March 2015 of American Appraisal Co., Ltd. which is the asset valuer consented from the Office of SEC whereas Mr. Rodolefo Verkara is the key valuer in Thailand, Vor.Thor.022, consented from the Office of SEC in accordance with the objective of public disclosure and bookkeeping using figure from cost approach multiplied by rate of return (market rental value = cost approach outcome x desired yield).

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				The Audit Committee considered and had the opinion that it is possible for such transaction to cause conflict of interests with the Company. However, the land rent is appropriate rent and the value of land and assets in such piece of land has been appraised by American Appraisal Co., Ltd. which is the independent land and asset valuer consented from the Office of SEC (whereas the value of American Appraisal Co., Ltd. has been licensed in the Netherlands) using appraisal method with Cost approach. The estimation of rent which is market rent identified that the current rent is in proper level. However, the Audit Committee proposed the Board of Directors to consider the appropriateness of such transaction. In the Meeting No. 6/2014 on 7 October 2014, the Board of Directors recognized the condition and existence of such Land Lease without any additional opinions of the Audit Committee as aforesaid.

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
	<u>Land Rent for the Netherlands Operation</u> TT which is the subsidiary of the Company has rented Lisuda's land located at address No. 112 Fokko Kortlanglaan in Ermelo town for use as parking lot and weight scale of vehicles inside the meat duck slaughter house business. The size of land rented by TT for business engagement is 8,225 sq.m. The Lease is expired on 1 October 2017 whereas DTH acquired all land and buildings from Lisuda.	4,912,878	6,638,656	In 2017, the subsidiary has rented such land in the rent of 128,118 Euro (for period 9 months). In 2016, the subsidiary has rented such land in the rent of 170,654 Euro per year which is below 170,772 Euro per year based on market rent in accordance with the Report of Asset Appraisal dated 16 March 2015 of American Appraisal Co., Ltd. which is asset valuer consented by the Office of SEC whereas Mr. Rodolefo Verkara is the key valuer in Thailand, Vor.Thor.022, consented from the Office of SEC in accordance with the objective of public disclosure and bookkeeping using figure from cost approach multiplied by rate of return (market rental value = cost approach outcome x desired yield).

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				The Audit Committee considered and had the opinion that it is possible for such transaction to cause conflict of interests with the Company. However, the land rent is appropriate rent. The value of land and assets in such piece of land has been appraised by American Appraisal Co., Ltd. which is the independent land and asset valuer consented from the Office of SEC (whereas the valuer of American Appraisal Co., Ltd. has been licensed in the Netherlands) using Cost approach for appraisal. The estimation of rent which is market rent identified that the current rent is in proper level. However, the Audit Committee proposed the Board of Directors to consider the appropriateness of such transaction. In the Meeting No. 6/2014 on 7 October 2014, the Board of Directors recognized the condition and existence of such Land Lease without any additional opinions of the Audit Committee as aforesaid.

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
	<u>Land Rent for the Netherlands Operation</u> DTF which is the subsidiary of the Company has rented land located at No. 148 Harderwijkerweg, Ermelo town for duck breeder farm and hatchery farm from Lisuda B.V. The size of land rented by DTF for business engagement is 34,606 sq.m. The Lease is expired on 31 May 2016 whereas DTF acquired all land and buildings from Lisuda	-	3,273,456	In 2016, the subsidiary has rented such land in the rent of 84,148 Euro from 1 February 2016 to 31 May 2016 based on the same rate paid to Ermel's Hof B.V.before. Ermel's Hof B.V. sold the land to Lisuda on 1 February 2016. The Audit Committee considered and had the opinion that the land rental price is appropriate. The value of land and assets in such piece of land has been appraised by American Appraisal Company Limited which is asset valuer consented by the Office of SEC in accordance with the objective of public disclosure and bookkeeping using figure from cost approach and estimated rental price, which is market rent.

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				However, DTF has purchased the land from Lisuda at the amount not exceed 3,025,000 Euro on 1 February 2016 according to the approval of the Annual General Shareholders' Meeting Year 2016. The lease agreement will be terminated since 1 June 2016.
Ermel's Hof B.V. ("Ermel") ประเภทนิติบุคคล <u>Nature of Business</u> Letting real estate <u>Relationship</u> Mr. Tomassen Sr. who is the father of Mr. Gertjan Tomassen who is the major shareholder, director and executive of DTH.	Land Rent for the Netherlands Operation DTF which is the subsidiary of the Company has rented land located at No. 148 Harderwijkweg, Ermelo town for duck breeder farm and hatchery farm from Ermel's Hof B.V. The size of land rented by DTF for business engagement is 34,606 sq.m. The Lease is expired on 1 February 2016 whereas Lisuda BV acquired all land and buildings from Ermel's Hof BV	-	818,363	In 2016, the subsidiary has rented such land in the rent of 21,036 Euro (for period 1 month) equivalent 250,440 Euro per year which is below 317,520 Euro per year based on market rent in accordance with the Report of Asset Appraisal dated 16 March 2015 of American Appraisal Company Limited which is asset valuer consented by the Office of SEC whereas Mr. Rodolefo Verkara is the key valuer in Thailand, Vor.Thor.022, consented from the Office of SEC in accordance with the objective of public disclosure and bookkeeping using figure from cost approach multiplied by rate of return (market rental value = cost approach outcome x desired yield).

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				The Audit Committee considered and had the opinion that it is possible for such transaction to cause conflict of interests with the Company. However, the land rent is appropriate rent and the value of land and assets in such piece of land has been appraised by American Appraisal Co., Ltd. which is the independent land and asset valuer consented from the Office of SEC (whereas the valuer of American Appraisal Co., Ltd. has been licensed in the Netherlands) using appraisal method with Cost approach. The estimation of rent which is market rent identified that the current rent is in proper level. However, the Audit Committee proposed the Board of Directors to consider the appropriateness of such transaction. In the Meeting No. 6/2014 on 7 October 2014, the Board of Directors recognized the condition and existence of such Land Lease without any additional opinions of the Audit Committee as aforesaid.

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
	<u>Land Rent for the Netherlands Operation</u> Lucky Duck which is the subsidiary of the Company has rented from Lisuda Vastgoed BV located at address No. 5 Rietdekkerstraat in Uden town in the Netherlands for food slaughter house, cold storage and warehouse. The size of the land rented by Lucky Duck for business engagement is 2,624 sq.m. The Lease is expired on 1 October 2017 whereas DTH acquired all land and buildings from Lisuda	4,248,103	-	However, Ernel has sold the land to Lisuda since 1 February 2016, therefore, Lisuda is now landlord and lesser. In 2017, the subsidiary has rented such land in the rent of 110,782 Euro (for the period of 9 months) which is similar to 145,840 Euro per year based on market rent in accordance with the Report of Asset Appraisal dated 16 March 2015 of American Appraisal Co., Ltd. which is asset valuer consented by the Office of SEC whereas Mr. Rodolefo Verkara is the key valuer in Thailand, Vor.Thor.022 consented from the Office of SEC in accordance with the objective of public disclosure and bookkeeping using figure from cost approach multiplied by rate of return (market rental value = cost approach outcome x desired yield).

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				The Audit Committee considered and had the opinion that it is possible for such transaction to cause conflict of interests with the Company. However, the land rent is appropriate rent and the value of land and assets in such piece of land has been appraised by American Appraisal Co., Ltd. which is the independent land and asset valuer consented from the Office of SEC (whereas the valuer of American Appraisal Co., Ltd. has been licensed in the Netherlands) using Cost approach for appraisal. The estimation of rent which is market rent identified that the current rent is in proper level. The valuer commented about the collection of rent for the structures at 10% of total construction cost that it is acceptable rate. In the event that the subsidiary will request the lessor to pay construction cost of asset for building and structure on the land, and the subsidiary will pay rental rate for 10 % of the said construction cost in each year,

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				the Company shall in such event comply with the criteria of connected transaction doing in accordance with the Announcement of the Capital Market Supervisory Board No. Thor.Jor. 21/2551 including measurement of the transaction size for further consideration on approval request step by step. However, the Audit Committee proposed the Board of Directors to consider the appropriateness of such transaction. In the Meeting No. 6/2014 on 7 October 2014, the Board of Directors recognized the condition and existence of the additional Land Lease from such opinion without any additional opinions of the Audit Committee as aforesaid.
Mr. Gertjan Tomassen	Land Rent for the Netherlands Operation Lucky Duck which is the subsidiary of the Company has rented Mr. Gertjan Tomassen's land located at address	-	5,740,370	In 2016, the subsidiary has rented such land in the rent of 147,562 Euro per year which is similar to 145,840 Euro per year based on

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
	No. 5 Rietdekkerstraat in Uden town in the Netherlands for food slaughter house, cold storage and warehouse. The size of the land rented by Lucky Duck for business engagement is 2,624 sq.m. The Lease is expired on 30 April 2019 whereas Lucky Duck is entitled to request for renewal of the Lease in every 9 years for 5 times period to be ended on 30 April 2044. Mr. Gertjan Tomassen shall permit Lucky Duck to renew the Lease if Lucky Duck exercises its right to renew the Lease. The annual rent rate is increased by referring from rent index specified by the Netherlands Statistic Bureau. However, it has been necessary for Lucky Duck to build additional new cold storage and warehouse for			market rent in accordance with the Report of Asset Appraisal dated 16 March 2015 of American Appraisal Co., Ltd. which is asset valuer consented by the Office of SEC whereas Mr. Rodolefo Verkara is the key valuer in Thailand, Vor.Thor.022 consented from the Office of SEC in accordance with the objective of public disclosure and bookkeeping using figure from cost approach multiplied by rate of return (market rental value = cost approach outcome x desired yield). The Audit Committee considered and had the opinion that it is possible for such transaction to cause conflict of interests with the Company. However, the land rent is appropriate rent and the value of land and assets in such piece of land has been appraised by American Appraisal Co., Ltd. which is the independent land and asset valuer consented from the Office of

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
	business engagement support and Mr. Gertjan Tomassen settled the said construction cost in 2014. The construction cost was included in land rent as specified by the Lease between Mr. Gertjan Tomassen and Lucky Duck at 10% of total construction cost. The annual rental price in 2016, calculated only January, is 147,563 Euro per year, increasing as referred to rental index from Netherlands Statistic Bureau, which currency exchange rate is around 38.90 Baht per Euro.			SEC (whereas the valuer of American Appraisal Co., Ltd. has been licensed in the Netherlands) using Cost approach for appraisal. The estimation of rent which is market rent identified that the current rent is in proper level. The valuer commented about the collection of rent for the structures at 10% of total construction cost that it is acceptable rate. In the event that the subsidiary will request the lessor to pay construction cost of asset for building and structure on the land, and the subsidiary will pay rental rate for 10 % of the said construction cost in each year, the Company shall in such event comply with the criteria of connected transaction doing in accordance with the Announcement of the Capital Market Supervisory Board No. Thor.Jor. 21/2551 including measurement of the transaction size for further consideration on approval request step by step.

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
				However, the Audit Committee proposed the Board of Directors to consider the appropriateness of such transaction. In the Meeting No. 6/2014 on 7 October 2014, the Board of Directors recognized the condition and existence of the additional Land Lease from such opinion without any additional opinions of the Audit Committee as aforesaid.
G.J. Tomassen Holding B.V. (“G.J. Tomassen Holding”), the Netherlands <u>Nature of Business</u> To engage in the business as the Holding Company	Remuneration of the Executive Tomassen Duck-To B.V. has paid remuneration to the executive in term of salary to Mr. Gertjan Tomassen through G.J. Tomassen Holding as well as annual bonus. Such contract is the employment of Mr. Gertjan Tomassen as the executive of DTH Group for 3 years term from 28 December 2012.	13,300,301	13,642,690	As the executive remuneration in this transaction is the transaction of normal salary paid to Mr. Gertjan Tomassen but it is the payment in the name of juristic person instead of direct payment to the person. The internal auditor of DTH Group (Deloitte Netherlands) commented that the nature of remuneration payment transaction through juristic person is deemed as normal transaction and is the nature of transaction permitted for doing under the law of the Netherlands.

Person/Juristic Person that may have conflict of interests / Relationship	Type of Transactions	Transaction Value (Baht)		Necessity/Reasonability/Opinion of the Audit Committee
		2017	2016	
	The Company’s obligation of compensation payment for Mr. Gertjan Tomassen’s retirement without reasonable grounds. This compensation payment has been the general norm of employment. Apart from this aforesaid, the Company has had none of any obligation with G.J. Tomassen Holding anymore.			The Audit Committee has realized on different salary payment structure from the nature of normal payment in Thailand. Thus, in creating good norm for corporate governance, the Audit Committee has proposed the Board of Directors to consider appointing work team for study on finding the way of salary payment in any other term in the future to be in line with the principle of good corporate governance.

Measure or Procedure in Approval or Entry to do Related Transaction

The Board of Directors' Meeting No. 4 on 9 September 2014 resolved to determine the policy and procedure of related transaction doing for transparency of the inter-transaction of person or juristic person that may have conflict of interests and for retention of the Company's benefit. The Company shall comply with Securities and Exchange Law and Regulation, Announcement and Directive or Requirement of the Capital Market Supervisory Board and the Stock Exchange of Thailand related to related transaction doing. However, according to the executive or the stakeholder who cannot enter to participate in approval of the said inter-transaction and shall be approved from the Board of Directors in the event of the law requirement, the Company shall purvey the Audit Committee to attend the meeting for consideration and expression of opinion on the necessity of transaction doing and reasonability of that transaction. However, the following is the principle for the doing transaction which is the trade agreement with general trade condition and doing transaction which is the trade agreement without general trade condition.

Doing transaction which is the trade agreement with general trade condit

Doing the inter-transaction which is the trade agreement with general trade condition among the Company and its subsidiaries with their directors, executives or related parties has been approved as the criteria from the Board of Directors to the management to enable to approve the said transaction doing if the said transaction has the same nature of trade agreement as the reasonable person should act with the general contractual party in the same situation under trade bargaining power without influence of their status as the directors, executives or the related parties.

Doing transaction which is the trade agreement without general trade condition

Doing the transaction which is the trade agreement without general trade condition shall be considered and remarked by the Board of Directors prior-presenting to the Board of Directors and/or the Meeting of Shareholders for further consideration and approval so as to comply with the Law of Securities and Exchange, and Regulation, Announcement, Directive or Requirement of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as compliance with the requirement related to disclosure of the information for doing the connected transaction.

In the event that the Audit Committee is inexperienced in consideration on related transactions that may occur, the Company shall appoint the independent expert or the auditor of the Company to remark about the said related transaction for use as support of the decision of the Audit Committee or the Board of Directors and/or the shareholders as the case may be to ensure that the entry to the said transaction is necessary and reasonable under consideration on the Company's benefit. However, the Company shall disclose the related transactions in Annual Registration Statement and Notes of Financial Statements audited by the Company's auditor.

Policy or Trend of Future Related Transaction Doing

In the event that the Company does the transaction with the connected party that has conflict of interests with the Company, the Audit Committee shall express the opinion about the Company’s necessity in entry to do the said transaction. The Audit Committee shall audit to ensure that the terms and conditions of the said transaction are consistent with the existing regulation in the market under valuation and comparison of the price and expense for doing the said transaction with market price. In the event of no market price, the Audit Committee shall execute to ensure that the price which is entered by the Company to do the transaction is reasonable and is the execution for maximum benefit of the Company and its shareholders. If the Audit Committee cannot valueate such connected transaction due to inadequacy of expertise in the said issue, the Company shall procure the expert for valuation of the said transaction and expression of opinion about the entry to do the transaction. In this case, the Board of Directors or the Audit Committee shall consider the opinion of the expert to support the decision in entry to do transaction as the case may be. The director who has gain and loss related to the entry to do transaction has no right to vote in consideration and approval on the entry to do the transaction. Moreover, the Company shall disclose the information of entry to do the connected transaction in notes to the Company’s financial statements which have already been audited or verified, Annual Report or Annual Registration Statement (Form 56-1).

Audit Committee Report

To The Shareholders
Bangkok Ranch Public Company Limited

The Audit Committee of Bangkok Ranch Public Company Limited consists of 3 independent directors include:

- | | |
|---------------------------------------|---------------------------------|
| 1. Mr. Vudhiphol Suriyabhivadh | Chairman of the Audit Committee |
| 2. Assoc.Prof.Dr. Poranee Pataranawat | Member of the Audit Committee |
| 3. Mr. Thanawat Aroonpun | Member of the Audit Committee |

Mr. Kosol Yamleemul, the Internal Auditor from Unique Advisor Company Limited, is the committee’s secretary.

For the year 2017, the Audit Committee has held 6 meetings. Each member’s meeting attendance has been shown in “Management Structure”. All meetings were attended by the management, internal auditor, and external auditor. The main matters of consideration and discussion may be summarized as below:

1. Financial Report Review

The Audit Committee reviewed the Company’s quarterly and annually financial statement for the year 2017, both on a separated and consolidate basis, together with management and external auditor prior to proposing them to the Board of Director for approval. The Audit Committee is of the opinion that the financial statements report is recorded in accordance with generally accepted accounting principle of Thailand with accuracy, completeness, and sufficient disclosure of information.

2. Internal Control Effectiveness

The Audit Committee evaluated sufficiency and appropriateness of the Company’s internal control system, through the supervision and review of the internal audit and auditor; supporting and encouraging their independent operation; introducing to apply risk assessment as guideline for examining in order to mitigate from potential risk causing damage to business operation of the Company; and discussing with internal audit team and external auditor to consider material suggestions for enhancing efficiency of their operation and internal control, presenting to the executives and the Board of Director of the Company including following up the adjustment and development of the work. The Audit Committee is of the opinion that the internal control system and risk management of the Company are sufficient and appropriate.

3. Connected Transactions or Potential Conflicts of Interests

The Audit Committee considered connected transactions or potential conflicts of interests by adhering to

principles of rationality, transparency, sufficient information disclosure, and benefit maximization for the Company. The Audit Committee is of the opinion that the aforesaid transactions are reasonable, represented normal business, and disclosed sufficient, accurate, and complete information under the terms assigned by the Stock Exchange of Thailand.

4. Compliance with the SEC and SET laws, regulation, and other laws relevant to the Company's business

The Company monitors, analyses, and reports changes in laws, rules, and regulations relevant to the Company, as well as ensures its compliance. The Audit Committee monitored and reviewed that the Company has complied with the relevant laws and regulations of the SEC and SET, as well as other laws related to the Company's business. The Audit Committee is of the opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company.

5. Suitability of the External Auditor

The Audit Committee evaluated the performance of the Company's auditor and the applicable audit fee based on the auditors' knowledge, expertise, and engagement. Consequently, the Audit Committee recommended that the Board of Director seeks the approval of the shareholders' meeting to appoint Mr. Khitsada Lerdwana, from EY Office Limited, as the Company's auditor, and determined the auditor's remuneration for year 2017.

6. Self-assessment of the Audit Committee

The Audit Committee performed self-assessment according to the charter of Audit Committee and we are of the opinion that we have fully complied with the aforesaid. The Audit Committee report and advice have been presented to the Board of Director for their acknowledgement regularly in every Board of Director's meeting.

In summary, the Audit Committee has an opinion that the Board of Directors and Executive Directors of the Company have ethics and commitment to achieve the goals of the Company and focus on operation in accordance with good corporate governance, evident, reliable, adequate internal control system, and the financial report is in accordance with general accepted accounting standards, legal, and related regulations.



Mr. Vudhiphol Suriyabhivadh
Chairman of the Audit Committee

The Board of Directors Report concerning Responsibility Toward the Company's Financial Statements and Performance Result Year 2017

The Board of Directors is responsible for Bangkok Ranch Public Company Limited ("the Company")'s financial statements and the Company and its subsidiaries' consolidated financial statements, including the financial information presented in the annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

The Board of Directors provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable, and adequate to retain its assets as well as to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit, and risk management system. The Audit Committee also reviews disclosure of related party transactions. All their comments on these issues are presented in the Audit Committee Report included in the annual report.

The separate financial statements and consolidated financial statements of the Company have been examined by external auditor, EY Office Limited, to conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of the annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to the Company's financial statements and the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2017. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr. Joti Bhokavanij
Chairman of the Board of Directors



Bangkok Ranch Public Company Limited
and its subsidiaries

Report and consolidated financial statements

31 December 2017

Independent Auditor's Report

To the Shareholders of Bangkok Ranch Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Ranch Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Ranch Public Company Limited for the same period.

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 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from sales of the Group are a significant to the financial statements because the amount of revenue is high (representing 99% and 98% of total revenues in the consolidated financial statements and the separate financial statements, respectively). In addition, the revenue of the Group is derived from a variety of products such as processed foods and by-products, farmed ducks and duck meat, animal feeds and day one ducks, which have a large number of domestic and overseas customers, and the prices vary according to the competitive situation. As a result, revenues from sales of the Group are recognised under different conditions and amounts for each type of product and customer. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by assessing and testing the internal controls of the Group with respect to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with special considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, examining supporting documents for sales transactions occurring during the year, near the end of the accounting period and after the period-end. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Customer relationship accounts

As at 31 December 2017, the Group had customer relationship accounts with finite useful lives amounting to Baht 422 million, representing 5% of total assets in the consolidated financial statements (separate financial statements: Baht 406 million, representing 5% of total assets), for which amortisation of Baht 13 million was recognised as expense during the year, or 3% of total administrative expenses in the consolidated financial statements (separate financial statements: Baht 12 million, or 4% of total administrative expenses). In addition, The lost contracted farmers are ordinary course of business, as a result, the impairment decision for such assets is an area of significant management judgment. The process of determining that there were indicators of impairment of customer relationship accounts, the remaining useful lives of the customer relationship accounts and the amortisation method required the use of judgment and consideration of a wide range of information. There are thus risks with customer relationship accounts.

I assessed the results of the assessment performed by the management of the Group, whether there were indicators of loss on impairment or not, taking into account that the management had considered

information from both external and internal sources, and the future operating performance throughout the useful lives of the customer relationship accounts. I also examined related documentation and considered the remaining useful lives, the amortisation method applied by the management and the method used to estimate the impairment of customer relationship accounts of the Group. In addition, I reviewed the disclosure of information relating to the impairment of customer relationship accounts.

Goodwill and trade name

Because goodwill and trade name are intangible assets with indefinite useful lives, as discussed in Notes 16 and 17 to the financial statements, respectively, the assessment of impairment of goodwill and trade name is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill and trade name.

I assessed the identification of cash generating units and the financial models selected by the management of the Group by gaining an understanding of management’s decision-making process assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluate the discount rate applied by management through an analysis of the moving average finance costs of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert’s knowledge and past experience, tested the calculation of the realisable value of the goodwill and trade name using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trade name.

Other Information

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

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

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

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

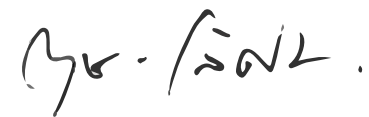
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter

should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958
EY Office Limited
Bangkok: 27 February 2018

Statements of Financial Position

Bangkok Ranch Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	297,431,968	557,158,494	78,230,290	385,406,612
Current investments		236,810	235,119	112,824	112,018
Trade and other receivables	8	801,673,438	724,412,006	575,948,426	472,915,826
Inventories	9	1,244,256,150	1,505,729,706	936,220,763	1,183,125,701
Current biological assets	10	57,976,862	73,349,710	18,853,781	47,022,317
Other current assets		58,722,689	69,034,441	11,641,230	17,265,682
Total current assets		2,460,297,917	2,929,919,476	1,621,007,314	2,105,848,156
Non-current assets					
Non-current biological assets	10	109,235,284	108,285,161	82,522,237	106,378,291
Long-term loan to related parties	6	18,319,007	-	-	-
Long-term loan to other companies	11	10,999,445	7,080,990	-	-
Investments in subsidiaries	12	-	-	1,479,025,230	1,397,168,455
Investments in associates		2,183,950	1,910,821	-	-
Investments in joint ventures	13	335,650,804	-	329,000,000	-
Other long-term investments		1,679,633	7,027,369	2,435	2,443
Other investments		101,250,100	-	101,250,100	-
Investment properties	14	60,225,034	32,300,000	71,562,033	48,909,553
Property, plant and equipment	15	3,373,800,431	2,785,985,867	1,800,956,938	1,781,706,053
Goodwill	16	1,954,461,557	1,954,461,557	1,910,483,342	1,910,483,342
Intangible assets	17	703,965,640	718,498,788	600,683,847	614,993,775
Deferred tax assets	25	92,129,683	75,166,294	87,624,059	76,615,911
Other non-current assets		5,319,854	4,491,278	4,178,306	4,483,737
Total non-current assets		6,769,220,422	5,695,208,125	6,467,288,527	5,940,741,560
Total assets		9,229,518,339	8,625,127,601	8,088,295,841	8,046,589,716

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	1,326,003,596	1,909,926,530	964,592,654	1,500,411,041
Trade and other payables	19	484,064,797	458,624,633	585,109,162	563,500,840
Current portion of long-term loans	20	443,995,140	80,104,034	354,521,950	20,623,750
Income tax payable		73,813,187	18,390,427	39,128,027	17,611,262
Other current liabilities		39,188,072	37,847,717	28,614,474	23,844,758
Total current liabilities		2,367,064,792	2,504,893,341	1,971,966,267	2,125,991,651
Non-current liabilities					
Long-term loans, net of current portion	20	1,810,968,205	1,440,770,600	1,246,478,050	1,182,776,250
Provision for long-term employee benefits	21	40,471,272	35,023,945	20,709,366	17,380,658
Deposit for agro credit sales		22,280,997	22,030,003	22,280,997	22,030,003
Deferred tax liabilities	25	150,617,888	156,204,878	123,177,087	128,836,365
Other non-current liabilities		752,197	1,328,204	1,000	1,000
Total non-current liabilities		2,025,090,559	1,655,357,630	1,412,646,500	1,351,024,276
Total liabilities		4,392,155,351	4,160,250,971	3,384,612,767	3,477,015,927

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital					
Registered					
913,928,744 ordinary shares of Baht 5 each		4,569,643,720	4,569,643,720	4,569,643,720	4,569,643,720
Issued and fully paid					
913,446,558 ordinary shares of Baht 5 each		4,567,232,790	4,567,232,790	4,567,232,790	4,567,232,790
Share premium		4,233,961,292	4,233,961,292	4,233,961,292	4,233,961,292
Share discount		(400,000,000)	(400,000,000)	(400,000,000)	(400,000,000)
Deficit on amalgamation	22	(7,431,241,496)	(7,431,241,496)	(6,557,910,481)	(6,557,910,481)
Difference resulting from change in interest in subsidiary without loss of control		183,725	-	-	-
Retained earnings					
Appropriated - statutory reserve	23	228,720,800	212,720,800	228,720,800	212,720,800
Unappropriated		3,629,620,946	3,274,362,183	2,631,678,619	2,513,569,326
Other components of shareholders' equity		5,468,607	5,141,061	54	62
Equity attributable to owners of the Company		4,833,946,664	4,462,176,630	4,703,683,074	4,569,573,789
Non-controlling interests of the subsidiaries		3,416,324	2,700,000	-	-
Total shareholders' equity		4,837,362,988	4,464,876,630	4,703,683,074	4,569,573,789
Total liabilities and shareholders' equity		9,229,518,339	8,625,127,601	8,088,295,841	8,046,589,716
		-	-	-	-

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

Bangkok Ranch Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Sales		8,829,451,870	8,087,909,279	5,815,571,649	5,787,798,966
Dividend income	12	-	-	54,729,999	79,999,998
Gain on sale of other long-term investment		-	25,591	-	-
Gain on sale of investments in subsidiary	2.2	86,279	-	-	-
Exchange gains		20,720,593	1,325,401	36,983,668	9,270,373
Other income		25,722,357	16,943,035	25,554,960	22,916,998
Total revenues		8,875,981,099	8,106,203,306	5,932,840,276	5,899,986,335
Expenses					
Cost of sales		7,208,218,149	6,870,690,068	4,789,247,293	4,908,705,482
Selling expenses		449,511,037	423,119,110	392,008,456	366,463,302
Administrative expenses		481,372,232	385,901,919	317,659,559	306,780,628
Total expenses		8,139,101,418	7,679,711,097	5,498,915,308	5,581,949,412
Profit before share of profit from investments in associate and joint venture, finance costs and income tax expenses		736,879,681	426,492,209	433,924,968	318,036,923
Share of profit from investment in associate		1,533,860	1,653,350	-	-
Share of profit from investment in joint venture	13	218,804	-	-	-
Profit before finance costs and income tax expenses		738,632,345	428,145,559	433,924,968	318,036,923
Finance costs		(86,392,101)	(66,730,814)	(70,309,919)	(56,186,939)
Profit before income tax expenses		652,240,244	361,414,745	363,615,049	261,849,984
Income tax expenses	25	(100,916,664)	(148,576,336)	(46,816,444)	(141,089,886)
Profit for the year		551,323,580	212,838,409	316,798,605	120,760,098
Profit (loss) attributable to:					
Equity holders of the Company		553,948,075	212,927,776	316,798,605	120,760,098
Non-controlling interests of the subsidiary		(2,624,495)	(89,367)		
		551,323,580	212,838,409		
Earnings per share	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.61	0.23	0.35	0.13

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the year	551,323,580	212,838,409	316,798,605	120,760,098
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(183,663)	(12,965,246)	-	-
Gain (loss) on change in value of available-for-sale investments, net of income tax	511,209	(2,048,484)	(8)	1,013
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	327,546	(15,013,730)	(8)	1,013
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gains, net of income tax	-	(3,433,570)	-	(2,925,686)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	-	(3,433,570)	-	(2,925,686)
Other comprehensive income for the year	327,546	(18,447,300)	(8)	(2,924,673)
Total comprehensive income for the year	551,651,126	194,391,109	316,798,597	117,835,425
Total comprehensive income attributable to:				
Equity holders of the Company	554,275,621	194,480,476	316,798,597	117,835,425
Non-controlling interests of the subsidiary	(2,624,495)	(89,367)		
	551,651,126	194,391,109		

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	652,240,244	361,414,745	363,615,049	261,849,984
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	222,386,136	197,376,519	164,097,729	152,334,651
Other amortisations	14,812,499	14,234,908	14,315,278	13,784,462
Allowance for doubtful debts/write off bad debts	5,066,253	9,575,079	359,237	5,026,822
Reduction of inventory to net realisable value	30,290,380	34,911,657	30,909,917	37,732,762
Gain on change in value of current investments	(1,691)	(1,782)	(806)	(849)
Impairment loss of intangible assets	-	19,557,024	-	19,557,024
Share of profit from investment in associate	(1,533,860)	(1,653,350)	-	-
Share of profit from invesment in joint venture	(218,804)	-	-	-
Income from other long-term investments	-	(3,091,898)	-	-
Provision for long-term employee benefits	25,078,830	21,816,357	3,328,708	2,040,247
Gain on sale of other long-term investment	-	(25,591)	-	-
Gain on sale of investment in subsidiary	(86,279)	-	-	-
(Gain) loss on sales of equipment	31,584	(97,824)	31,584	(97,824)
(Gain) loss arising from change in fair value of biological assets and agricultural produce	21,992,120	(17,921,963)	43,129,376	(36,833,237)
Unrealised (gain) loss on exchange	5,523,547	(4,157,908)	(1,295,411)	16,995,185
Interest expenses	86,392,101	66,730,814	70,309,919	56,186,939
Dividend income from subsidiaries	-	-	(54,729,999)	(79,999,998)
Profit from operating activities before changes in operating assets and liabilities	1,061,973,060	698,666,787	634,070,581	448,576,168
Operating assets (increase) decrease				
Trade and other receivables	(82,327,685)	(121,113,717)	(102,367,552)	(14,707,555)
Inventories	231,183,176	248,985,470	215,995,021	294,059,241
Other current assets	10,361,676	(23,537,966)	5,624,452	2,810,261
Biological assets	(7,569,395)	(31,424,159)	8,895,214	(37,023,069)
Other non-current assets	(828,576)	4,456,346	305,431	401,932
Operating liabilities increase (decrease)				
Trade and other payables	21,807,897	396,681	26,645,688	(25,523,860)
Other current liabilities	(4,546,297)	16,105,876	(1,116,936)	2,206,730
Provision for long-term employee benefits	(20,180,983)	(14,446,501)	-	(896,140)
Other non-current liabilities	(325,013)	(671,634)	250,994	(1,963,355)
Cash from operating activities	1,209,547,860	777,417,183	788,302,893	667,940,353
Cash paid for interest expenses	-82,690,818	-67,784,062	-69,483,596	-57,234,259
Cash paid for corporate income tax and withholding tax deducted at source	-68,146,734	-178,164,980	-41,967,105	-148,942,519
Net cash from operating activities	1,058,710,308	531,468,141	676,852,192	461,763,575

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash paid for investments in subsidiaries	-	-	(81,856,775)	(402,379,925)
Cash paid for investments in joint ventures	(335,432,000)	-	(329,000,000)	-
Cash paid for investments in associates	(111,317)	-	-	-
Cash paid for other long-term investments	-	(350,111)	-	-
Cash paid for other invesments	(101,250,100)	-	(101,250,100)	-
Long-term loans to related parties	(18,319,007)	-	-	-
Increase in long-term loans to other company	(3,918,455)	-	-	-
Cash paid for intangible assets	(279,351)	(10,738,549)	(5,350)	(10,738,549)
Acquisitions of property, plant and equipment	(791,018,142)	(1,332,962,682)	(178,222,561)	(482,601,581)
Acquisition of non-operating land	(27,925,034)	-	(27,925,034)	-
Proceeds from sales of other long-term investments	5,543,573	3,916,542	-	-
Proceeds from sale of investment in subsidiary	10,000	-	-	-
Proceeds from sales of equipment	114,917	148,406	114,917	148,406
Dividend received from subsidiaries	-	-	54,729,999	79,999,998
Dividend received from associate	1,391,858	1,458,795	-	-
Cash paid for non-controlling interests of the subsidiary	-	(5,896,751)	-	-
Net cash used in investing activities	(1,271,193,058)	(1,344,424,350)	(663,414,904)	(815,571,651)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(583,628,845)	212,161,572	(535,524,298)	(7,851,262)
Cash receipt from long-term loans	992,758,029	1,440,499,589	572,600,000	1,105,400,000
Repayment of long-term loans	(269,344,380)	(17,624,955)	(175,000,000)	-
Cash receipt from non-controlling interests of the subsidiary	3,191,500	-	-	-
Proceeds from sale of investment in subsidiary	425,000	-	-	-
Dividend paid by subsidiary to non-controlling interest of subsidiary	(270,000)	-	-	-
Dividend paid	(182,689,312)	(456,723,279)	(182,689,312)	(456,723,279)
Net cash from (used in) financing activities	(39,558,008)	1,178,312,927	(320,613,610)	640,825,459
Decrease in translation adjustments	(7,685,768)	(1,049,996)	-	-
Net increase (decrease) in cash and cash equivalents	(259,726,526)	364,306,722	(307,176,322)	287,017,383
Cash and cash equivalents at beginning of year	557,158,494	192,851,772	385,406,612	98,389,229
Cash and cash equivalents at end of year	297,431,968	557,158,494	78,230,290	385,406,612
	-	-	-	-
Supplemental cash flow information :				
Non-cash transaction				
Transfer of investment properties to property, plant and equipment	-	-	-	6,540,232

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

(Unit: Baht)											
Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	Issued and paid-up share capital	Share premium	Share discount	Deficit on amalgamation	Difference resulting from change in interest in subsidiary without loss of control	Retained earnings		Other components of shareholders' equity		
							Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity
Balance as at 1 January 2016		4,567,232,790	4,233,961,292	(400,000,000)	(7,427,912,112)	-	205,720,800	3,528,591,256	20,481,076	(326,285)	20,154,791
Profit (loss) for the year		-	-	-	-	-	-	212,927,776	-	-	212,927,776
Other comprehensive income for the year		-	-	-	-	-	-	(3,433,570)	(12,965,246)	(2,048,484)	(15,013,730)
Total comprehensive income for the year		-	-	-	-	-	-	209,494,206	(12,965,246)	(2,048,484)	(15,013,730)
Decrease in non-controlling interest of the subsidiary		-	-	-	-	-	-	-	-	-	194,480,476
Unappropriate retained earnings transferred to statutory reserve	22	-	-	-	(3,329,384)	-	-	-	-	-	(3,329,384)
Dividend paid	23	-	-	-	-	-	7,000,000	(7,000,000)	-	-	-
Balance as at 31 December 2016		4,567,232,790	4,233,961,292	(400,000,000)	(7,431,241,496)	-	212,720,800	3,274,362,183	7,515,830	(2,374,769)	5,141,061
Balance as at 1 January 2017		4,567,232,790	4,233,961,292	(400,000,000)	(7,431,241,496)	-	212,720,800	3,274,362,183	7,515,830	(2,374,769)	5,141,061
Profit (loss) for the year		-	-	-	-	-	-	553,948,075	-	-	553,948,075
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	327,546
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-	881,311
Increase in non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	-	327,546
Difference resulting from change in interest in subsidiary without loss of control	2.2	-	-	-	-	-	-	553,948,075	(183,663)	511,209	327,546
Unappropriate retained earnings transferred to statutory reserve	2.2	-	-	-	-	-	-	-	-	-	327,546
Dividend paid by subsidiaries	23	-	-	-	-	-	16,000,000	(16,000,000)	-	-	-
Dividend paid	30	-	-	-	-	-	-	(182,689,312)	-	-	(182,689,312)
Balance as at 31 December 2017		4,567,232,790	4,233,961,292	(400,000,000)	(7,431,241,496)	183,725	228,720,800	3,629,620,946	7,332,167	(1,863,560)	5,488,607
The accompanying notes are an integral part of the financial statements.										3,416,324	4,837,362,988
										-	-

Bangkok Ranch Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2017

(Unit: Baht)											
Separate financial statements											
	Note	Issued and paid-up share capital	Share premium	Share discount	Deficit on amalgamation	Retained earnings		Other components of shareholders' equity	Total shareholders' equity	Other components of comprehensive income	Total shareholders' equity
						Appropriated - statutory reserve	Unappropriated			Surplus (deficit) on changes in value of available-for-sale investments	
Balance as at 1 January 2016		4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	205,720,800	2,859,458,193	(951)	4,908,461,643	(951)	4,908,461,643
Profit for the year		-	-	-	-	-	120,760,098	-	120,760,098	-	120,760,098
Other comprehensive income for the year		-	-	-	-	-	(2,925,686)	1,013	(2,924,673)	1,013	(1,911,663)
Total comprehensive income for the year		-	-	-	-	-	117,834,412	1,013	117,835,425	1,013	117,835,425
Unappropriate retained earnings transferred to statutory reserve	23	-	-	-	-	7,000,000	(7,000,000)	-	-	-	-
Dividend paid	30	-	-	-	-	-	(456,723,279)	-	(456,723,279)	-	(456,723,279)
Balance as at 31 December 2016		4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	212,720,800	2,513,569,326	62	4,569,573,789	62	4,569,573,789
Balance as at 1 January 2017		4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	212,720,800	2,513,569,326	62	4,569,573,789	62	4,569,573,789
Profit for the year		-	-	-	-	-	316,798,605	-	316,798,605	-	316,798,605
Other comprehensive income for the year		-	-	-	-	-	-	(8)	(8)	(8)	(8)
Total comprehensive income for the year		-	-	-	-	-	316,798,605	(8)	316,798,597	(8)	316,798,597
Unappropriate retained earnings transferred to statutory reserve	23	-	-	-	-	16,000,000	(16,000,000)	-	-	-	-
Dividend paid	30	-	-	-	-	-	(182,689,312)	-	(182,689,312)	-	(182,689,312)
Balance as at 31 December 2017		4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	228,720,800	2,631,678,619	54	4,703,683,074	54	4,703,683,074
The accompanying notes are an integral part of the financial statements.										-	-

Notes to consolidated financial statements

Bangkok Ranch Public Company Limited and its subsidiaries For the year ended 31 December 2017

1. General information

Bangkok Ranch Public Company Limited (“the Company”) is a public company which 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 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, hatcheries, a feed mill and distribution centers located in Chonburi, Rayong, Singburi, Udonthani, Petchabun and Sra Kaew. Its registered address is at No. 18/1 Moo 12, Langwatbangpleeyainai Road, Bangpleeyai, Bangplee, Samutprakarn.

The first trading day of the Company’s shares on the Stock Exchange of Thailand was 15 July 2015.

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 11 October 2016, 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		Country of incorporation
		of shareholding		
		2017	2016	
		%	%	
<u>Held by the Company</u>				
Anatis Foods Limited	Holding business, regional operating headquarters and international headquarters business	100	100	Thailand
BR Agriculture Co., Ltd.	Duck farming business	100	100	Thailand
BM Agriculture Co., Ltd.	Raising duck for meat business	48	48	Thailand
Food City Co., Ltd.	Food processing	100	100	Thailand
Crowned Eagle Co., Ltd.	Restaurant	100	100	Thailand
BR Investment (Hong Kong) Company Limited	Not yet operational	100	-	Hong Kong SAR
NS Delicatessen Co., Ltd.	Food processing	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
Win Thai Food (HK) Co Limited	Food processing	60	-	Hong Kong SAR
<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.	Transportation business	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	100	100	The Netherlands

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct activities that affect the amount of its returns.

- c) 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.

- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) 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 statements of changes in shareholders’ equity.

f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

h) Food City Company Limited (a subsidiary) invested in Golf Global Foods Company Limited with a registered capital of Baht 1 million (100,000 ordinary shares of Baht 10 each). The subsidiary's interest is 99 percent. The subsidiary already paid in the called up capital on 8 March 2017.

Subsequently in September 2017, the subsidiary disposed investment in such company to an unrelated person in the amount of Baht 10,000 and recorded a gain on the sales of approximately Baht 0.1 million as "Gain on sale of investments in subsidiary" in the consolidated income statement.

i) Anatis Foods Limited (a subsidiary) invested in Win Thai Food (HK) Co Limited ("WTF (HK)") with a registered capital of HKD 1 million (1,000,000 ordinary shares of HKD 1 each). The subsidiary's interest is 70 percent. The subsidiary paid in share capital in proportion to its interest, amounting to HKD 0.7 million, on 28 March 2017.

In the third quarter of 2017, the subsidiary sold of 10% investment in WTF (HK) to a non-related party in the amount of HKD 0.1 million, reducing the subsidiary's shareholding in WTF (HK) from 70% to 60%.

The sale of this investment did not result in the Company and its subsidiaries losing control of WTF (HK), the Company and its subsidiaries therefore recognised the difference between the adjusted amount of non-controlling interests of the subsidiary and the fair value of the consideration received directly in the shareholders' equity in the consolidated financial statements.

Subsequently in September 2017, WTF (HK) increased its paid-up capital from HKD 1 million to HKD 2.2 million. The subsidiary paid share capital increase in proportion to the subsidiary's interests on 15 September 2017.

j) Food City Company Limited (a subsidiary) invested in Long More Global Foods Company Limited with a registered capital of Baht 1 million (10,000 ordinary shares of Baht 100 each). The subsidiary's interest is 40 percent and this company initially called up Baht 25 per share, or a total of Baht 0.25 million. The subsidiary paid in share capital in proportion to its interest, amounting to Baht 0.1 million, on 27 March 2017.

2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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 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.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method.
- d) Investments in joint ventures and associates are 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 accumulated depreciation and 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 1 - 16 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 is stated at cost. 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	20 years
Building and building improvements	20, 30 years	20 years
Machinery	10 years	10 years
Tools and equipment	3, 5, 10 years	3, 5 years
Furniture, fixtures and office equipment	5 years	5 years
Motor vehicles	5 years	5 years

Depreciation is included in determining income.

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 incur in connection with the borrowing of funds.

4.9 Biological assets

The Company and its subsidiaries’ biological assets are ducklings, parent ducks, grandparent ducks and agricultural produce consists of eggs in hatcheries and day one ducks which were measured at their fair value less costs to sell and fair value less costs to sell at the point of harvest, respectively. The Company and its subsidiaries classified the biological assets that have production cycle shorter than 1 year as current biological assets and classified the biological assets that have production cycle longer than 1 year as non-current biological assets.

The fair value of ducklings is determined with reference to price of mature commercial duck. The fair value of eggs in hatcheries is determined based on reference to fair value of day one ducks less hatchery costs and estimated point-of-harvest costs. The fair value of parent ducks and grandparent ducks is determined based on discounted cash flows. Gains or losses on changes in fair values of biological assets and agricultural produce are recognised in profit or loss.

If fair value cannot be measured reliably, this biological assets is measured at its cost less any accumulated depreciation and accumulated impairment losses. Once the fair value of such a biological assets becomes reliably measurable, the Company and its subsidiaries will measure it at its fair value less costs to sell.

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 accumulated impairment losses (if any).

Intangible assets with finite useful 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:

	Useful lives	
Customer relationships	40	years
Computer software	3, 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 useful lives of the intangible assets 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 (if any). 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 cash generating units of the Company and its subsidiaries (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries 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 or enterprises 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 and 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 and separate financial statements are 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 determining income.

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 subsidiaries 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.

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 subsidiaries 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 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 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.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring 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:

Consolidation of subsidiary that the Company holds less than half of shares

The management of the Company determined that the Company has control over BM Agriculture Company Limited, even though the Company holds 48 percent of shares that is less than half of shares. This is because the Company is a shareholder who has major voting rights in such company and has the ability to direct the significant activities. As a result, BM Agriculture Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

Non-current biological assets

The Company and its subsidiaries measured their non-current biological assets at their fair value less costs to sell. Such fair values were calculated using the discounted cash flows method. The valuation involves certain assumptions and estimates such as discount rate, estimated selling prices and cost and 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.

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.

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 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.

6. Related party transactions

During the years, 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		Separate		
	financial statements		financial statements		Pricing policy
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transaction with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,593	1,283	Agree between parties
Purchase of goods	-	-	117	159	Agree between parties
Commission expenses	-	-	72	60	Per contract
Rental and service income	-	-	13	13	Per contract
Management fee	-	-	1	1	Per contract
<u>Transaction with jointly controlled entity and associate</u>					
Sales of goods	5	-	5	-	Market price
Labour income	2	2	-	-	Market price
Labour expenses	7	7	-	-	Market price
<u>Transaction with related parties</u>					
Management fee	12	12	-	-	Agree between parties
Rental expenses	18	33	-	-	Per contract
Other service fee	1	2	-	-	Agree between parties
Purchase of land and structure thereon	275	-	-	-	Agree between parties

The balances of the accounts as at 31 December 2017 and 2016 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Trade and other receivables - related parties (Note 8)</u>				
<u>Trade receivables</u>				
Subsidiaries	-	-	241,505	204,157
Jointly controlled entity and associate	1,253	142	1,112	-
Total trade receivables - related parties	1,253	142	242,617	204,157
<u>Other receivables</u>				
Subsidiaries	-	-	40,452	29,906
Associate	5,900	-	5,900	-
Total other receivables - related parties	5,900	-	46,352	29,906
Total trade and other receivables - related parties	7,153	142	288,969	234,063
<u>Long-term loan to related parties</u>				
Associates	18,319	-	-	-
Total long-term loan to related parties	18,319	-	-	-
<u>Trade and other payables - related parties (Note 19)</u>				
<u>Trade payables</u>				
Subsidiaries	-	-	9,450	12,947
Associate	893	657	-	-
Total trade payables - related parties	893	657	9,450	12,947
<u>Other payables</u>				
Subsidiaries	-	-	338,734	293,503
Total other payables - related parties	-	-	338,734	293,503
Total trade and other payables - related parties	893	657	348,184	306,450

Long-term loans to related parties

Long-term loan to related parties are long-term loan to associated companies by overseas subsidiary which unsecured loan carrying interest at a rate of 2% per annum and payable within year 2019.

As at 31 December 2017 and 2016, the balance of long-term loans between overseas subsidiary and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Loans to related parties				
Associates	-	18,319	-	18,319
Total	-	18,319	-	18,319

Directors and management's benefits

During the year ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	84,086	73,773	39,808	32,963
Post-employment benefits	3,282	2,180	1,828	799
Total	87,368	75,953	41,636	33,762

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	3,795	2,937	3,726	2,590
Bank deposits	293,637	554,221	74,504	382,817
Total	297,432	557,158	78,230	385,407

As at 31 December 2017, bank deposits in saving accounts and fixed deposit carried interests between 0.13 and 1.30 percent per annum (the Company only: between 0.13 and 1.30 percent per annum) (2016: between 0.13 and 1.50 percent per annum and the Company only: between 0.13 and 1.50 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,123	142	176,272	180,448
Past due				
Up to 3 months	130	-	61,139	20,625
3 - 6 months	-	-	5,206	-
6 - 12 months	-	-	-	3,084
Total trade receivables - related parties	1,253	142	242,617	204,157
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	604,814	530,437	203,493	199,204
Past due				
Up to 3 months	128,300	147,674	32,585	16,714
3 - 6 months	10,618	1,054	10,614	862
6 - 12 months	28,827	8,611	26,267	886
Over 12 months	28,920	27,410	22,064	27,315
Total	801,479	715,186	295,023	244,981
Less: Allowance for doubtful accounts	(25,981)	(21,010)	(16,204)	(15,940)
Total trade receivables - unrelated parties, net	775,498	694,176	278,819	229,041
Total trade receivables - net	776,751	694,318	521,436	433,198
<u>Other receivables</u>				
Other receivables - related parties	5,900	-	46,352	29,906
Other receivables - unrelated parties	8,339	13,483	-	-
Prepaid expenses	9,257	11,104	7,261	5,080
Advances	1,426	5,507	899	4,732
Total other receivables	24,922	30,094	54,512	39,718
Total trade and other receivables - net	801,673	724,412	575,948	472,916

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

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Raw materials	292,208	397,710	(2,070)	(2,874)	290,138	394,836
Frozen ducks and finished products	940,485	1,005,120	(108,438)	(76,253)	832,047	928,867
Feed products	8,824	17,892	-	-	8,824	17,892
Duck cages, feathers and components	65,675	60,161	(170)	(1,261)	65,505	58,900
Goods in transit	47,742	105,235	-	-	47,742	105,235
Total	<u>1,354,934</u>	<u>1,586,118</u>	<u>(110,678)</u>	<u>(80,388)</u>	<u>1,244,256</u>	<u>1,505,730</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Raw materials	290,078	397,520	(2,070)	(2,874)	288,008	394,646
Frozen ducks and finished products	714,439	753,564	(118,296)	(85,491)	596,143	668,073
Feed products	8,581	17,594	-	-	8,581	17,594
Duck cages, feathers and components	34,546	36,557	(170)	(1,261)	34,376	35,296
Goods in transit	9,113	67,517	-	-	9,113	67,517
Total	<u>1,056,757</u>	<u>1,272,752</u>	<u>(120,536)</u>	<u>(89,626)</u>	<u>936,221</u>	<u>1,183,126</u>

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 63 million (2016: Baht 42 million) (The Company only: Baht 64 million and 2016: Baht 45 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 33 million (2016: Baht 7 million), (The Company only: Baht 33 million and 2016: Baht 7 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2017, frozen ducks and finished products of Duck-To Holding B.V. and its subsidiaries of Euro 3 million or approximately Baht 112 million (2016: Euro 3 million or approximately Baht 125 million) were pledged as collateral to secure their bank overdrafts facilities.

10. Biological assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current biological assets	57,977	73,350	18,854	47,022
Non-current biological assets	109,235	108,285	82,522	106,378
Total biological assets	<u>167,212</u>	<u>181,635</u>	<u>101,376</u>	<u>153,400</u>

Biological assets comprise eggs in hatchery, day one ducks, ducklings, parent ducks and grandparent ducks. The Company and its subsidiaries classified the biological assets that have production cycle shorter than 1 year as current biological assets and classified the biological assets that have production cycle longer than 1 year as non-current biological assets.

Movements in the biological assets account during the year ended 31 December 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	181,635	153,400
Losses arising from changes in fair value less costs to sell	(21,992)	(43,129)
Increase due to purchase/raise	523,759	420,403
Decrease due to sales/harvest	(516,190)	(429,298)
Balance as at 31 December 2017	<u>167,212</u>	<u>101,376</u>

11. Long-term loan to other companies

The balance of long-term loan to other companies is a long-term loan provided by the overseas subsidiary. The loan carries interest at the rate specified in agreements and matures in 2020.

12. Investment in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
			%	%				
Anatis Foods Limited	Baht 904 million	Baht 904 million	100	100	904,489	904,489	50,000	80,000
BR Agriculture Co., Ltd.	Baht 70 million	Baht 70 million	100	100	70,000	70,000	-	-
BM Agriculture Co., Ltd.	Baht 5 million	Baht 5 million	48	48	20,300	20,300	4,730	-
Food City Co., Ltd.	Baht 400 million	Baht 400 million	100	100	399,880	399,880	-	-
Crowned Eagle Co., Ltd.	Baht 3 million	Baht 3 million	100	100	2,499	2,499	-	-
BR Investment (Hong Kong)								
Co., Ltd.	HKD 1.66 million	-	100	-	6,857	-	-	-
NS Delicatessen								
Co., Ltd.	Baht 75 million	-	100	-	75,000	-	-	-
Total					1,479,025	1,397,168	54,730	80,000

BR Investment (Hong Kong) Company Limited

On 27 May 2016, the Company's Board of Director Meeting passed a resolution to approve the incorporation of BR Investment (Hong Kong) Company Limited. On 4 August 2016, BR Investment (Hong Kong) Company Limited was incorporated in Hong Kong SAR with the registered capital of HKD 100,000. On 8 May 2017, BR Investment (Hong Kong) Company Limited increased its registered capital to HKD 1.66 million by additional 1,560,000 ordinary shares of HKD 1 each, and the Company has already paid in all the share capital in year 2017.

NS Delicatessen Company Limited

On 11 May 2017, the Company's Board of Directors Meeting passed a resolution to approve the incorporation of NS Delicatessen Company Limited, with a registered capital of Baht 100 million (1,000,000 ordinary shares of Baht 100 each) in which the Company's interest is 100 percent and initially called up Baht 25 per share, or a total of Baht 25 million. The Company paid in share capital in proportion to its interest, amounting to Baht 25 million, in June 2017.

Subsequently, NS Delicatessen Company Limited additional called up Baht 50 per share. The Company already paid the additional called up capital totalling Baht 50 million in August 2017.

13. Investments in joint ventures

On 8 June 2017, the Company entered into a joint venture agreement with BTS Group Holding Public Company Limited ("BTS") and Mr. Wai Yin Man ("Chef Man") for the purpose of establishing Man Food Holdings Company Limited ("MFH") to undertake restaurant and food service business. On 4 August 2017, the Company paid Baht 329 million for the shares, and holds a 41% interest in MFH.

The fair value of the identifiable assets, liabilities and contingent liabilities of Man Food Holding Company Limited as at the acquisition date are presented below.

	(Unit: Million Baht)
Cash and cash equivalents	340
Other current assets	31
Non-current assets	115
Current liabilities	(40)
Non-current liabilities	(11)
Total net assets of Man Food Holding Company Limited	435
Net assets of Man Food Holding Company Limited in the proportion of investment (41.18 percent)	179
Add: Difference between cost of business acquisition and value of business	150
Cash paid for acquisition of investment in Man Food Holding Company Limited	329

The Company is in process of measuring fair value at the acquisition date of the identifiable assets acquired and the liabilities assumed and goodwill. This measurement is not yet completed.

On 3 May 2017, BR Investment (Hong Kong) Company Limited (the subsidiary) entered into an agreement to invest in PT Rumah Bebek Bergizi Company Limited, which was incorporated in Indonesia with a registered capital of USD 10 million, in which the subsidiary's interest is 40 percent. The subsidiary paid in share capital in partial of share capital, amounting to Baht 6.43 million, on 4 May 2017.

13.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Million Baht)

Joint ventures	Nature of business	Consolidated financial statements			
		Shareholding percentage		Carrying amounts based on equity method	
		2017 (%)	2016 (%)	2017	2016
Man Food Holding Company Limited	Restaurant and food service business	41	-	330	-
PT Rumah Bebek Bergizi Company Limited	Not yet operational	40	-	6	-
Total				336	-

(Unit: Million Baht)

Joint ventures	Nature of business	Separate financial statements			
		Shareholding percentage		Carrying amounts based on equity method	
		2017 (%)	2016 (%)	2017	2016
Man Food Holding Company Limited	Restaurant and food service business	41	-	329	-
Total				329	-

13.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income from investments in the joint venture in the consolidated financial statements as follows:

(Unit: Million Baht)

Joint venture	Consolidated financial statements			
	Share of profit/loss from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year	
	2017	2016	2017	2016
Man Food Holding Company Limited	0.2	-	-	-
Total	0.2	-	-	-

13.3 Summarised financial information about material joint venture

Summarised information about financial position as at 31 December

(Unit: Million Baht)

	Man Food Holding Company Limited	
	2017	2016
Cash and cash equivalent	259	-
Other current assets	28	-
Non-current assets	213	-
Current liabilities	(51)	-
Non-current liabilities	(13)	-
Net assets	436	-
Shareholding percentage (%)	41	-
Share of net assets	180	
Difference between cost of business acquisition and value of business	150	-
Carrying amounts of joint venture based on equity method	330	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December Man Food Holding Company Limited	
	2017	2016
Revenue	197	-
Cost of sales	(117)	-
Selling and administration expenses	(83)	-
Profit (loss)	(3)	-
Other comprehensive income	-	-
Total comprehensive income for the year	(3)	-
Profit (loss) attributable to:		
Equity holders of joint venture	1	-
Non-controlling interests of joint venture	(4)	-

14. Investment properties

The investment properties are non-operating land and land and building rented to the subsidiaries.

The net book values of investment properties as at 31 December 2017 and 2016 are presented below.

	Consolidated		Separate		
	financial statements		financial statements		
	Non-operating land	Total	Non-operating land	Land and building for rent	Total
31 December 2017:					
Cost	60,225	60,225	60,225	197,339	257,564
Less Accumulated depreciation	-	-	-	(186,002)	(186,002)
Net book value - net	<u>60,225</u>	<u>60,225</u>	<u>60,225</u>	<u>11,337</u>	<u>71,562</u>
31 December 2016:					
Cost	32,300	32,300	32,300	197,339	229,639
Less Accumulated depreciation	-	-	-	(180,729)	(180,729)
Net book value - net	<u>32,300</u>	<u>32,300</u>	<u>32,300</u>	<u>16,610</u>	<u>48,910</u>

A reconciliation of the net book values of investment properties for the years 2017 and 2016 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	32,300	32,300	48,910	63,972
Acquisition	27,925	-	27,925	-
Transfer to property, plant and equipment (Note 15)	-	-	-	(6,540)
Depreciation for the year	-	-	(5,273)	(8,522)
Net book value at end of year	<u>60,225</u>	<u>32,300</u>	<u>71,562</u>	<u>48,910</u>

The fair value of the investment properties as at 31 December 2017 and 2016 stated below:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Non-operating land	69,851	40,666	69,851	40,666
Land and building for rent	-	-	81,663	81,522

The fair value of non-operating land has been determined based on market prices assessed by an accredited independent value. 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.

15. Property, plant and equipment

Cost:	Consolidated financial statements						(Unit: Thousand Baht)			
	Building and Land		Furniture, fixtures and office equipment		Assets under installation and under construction					
	Land	improvements	building	improvements	Machinery	Tools and equipment	Motor vehicles	Total		
1 January 2016	469,321	292,402	1,765,073	1,223,142	1,223,142	523,598	140,017	199,630	4,675,203	
Additions	169,278	1,243	242,835	43,031	43,031	8,091	5,042	859,037	1,332,963	
Disposals/write-offs	-	-	-	-	-	(2,463)	(3,023)	-	(5,619)	
Transfers	25,255	24,190	135,254	211,235	211,235	12,132	-	(409,622)	-	
Translation adjustments	(691)	-	(11,341)	(8,387)	(8,387)	-	(5,130)	-	(26,808)	
31 December 2016	663,163	317,835	2,131,821	1,469,021	1,469,021	541,358	136,906	649,045	5,975,739	
Additions	244,357	2,710	155,427	53,676	53,676	15,032	28,269	288,045	791,018	
Disposals/write-offs	-	-	-	(3,580)	(3,580)	(1,105)	-	-	(4,861)	
Transfers	4,434	6,281	438,982	107,633	107,633	30,523	-	(589,480)	-	
Translation adjustments	4,561	(33)	13,464	7,546	7,546	(8)	4,400	-	30,934	
31 December 2017	916,515	326,793	2,739,694	1,634,296	1,634,296	585,800	169,575	347,610	6,792,830	

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	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
Accumulated depreciation:									
1 January 2016	-	230,626	1,196,308	959,504	468,795	53,021	103,440	-	3,011,694
Depreciation for the year	-	7,206	88,558	70,023	19,843	3,097	8,650	-	197,377
Depreciation on disposals/write-offs	-	-	-	-	(2,412)	(133)	(3,022)	-	(5,567)
Translation adjustments	-	-	(2,716)	(6,178)	-	(1,112)	(3,745)	-	(13,751)
31 December 2016	-	237,832	1,282,150	1,023,349	486,226	54,873	105,323	-	3,189,753
Depreciation for the year	-	5,946	92,663	85,563	25,329	3,901	8,984	-	222,386
Depreciation on disposals/write-offs	-	-	-	(3,580)	(958)	(176)	-	-	(4,714)
Translation adjustments	-	(4)	2,483	5,219	(3)	873	3,037	-	11,605
31 December 2017	-	243,774	1,377,296	1,110,551	510,594	59,471	117,344	-	3,419,030
Net book value:									
31 December 2016	663,163	80,003	849,671	445,672	55,132	11,717	31,583	649,045	2,785,986
31 December 2017	916,515	83,019	1,362,398	523,745	75,206	13,076	52,231	347,610	3,373,800
Depreciation for the year									
2016 (Baht 176 million included in manufacturing cost, and the balance in selling and administrative expenses)									197,377
2017 (Baht 197 million included in manufacturing cost, and the balance in selling and administrative expenses)									222,386

(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
Cost:									
1 January 2016	442,621	259,338	1,471,787	956,393	487,268	32,891	15,089	188,920	3,854,307
Additions	15,734	1,243	3,699	7,885	7,749	2,010	-	444,283	482,603
Disposals/write-offs	-	-	-	-	(2,463)	(133)	(271)	-	(2,867)
Transfers	25,255	24,190	135,009	211,235	12,132	1,556	-	(409,377)	-
Transfer from investment properties (Note 14)	12,000	23,159	(7,893)	612	1,628	115	23	-	29,644
31 December 2016	495,610	307,930	1,602,602	1,176,125	506,314	36,439	14,841	223,826	4,363,687
Additions	315	700	8,630	6,140	14,070	1,109	-	147,259	178,223
Disposals/write-offs	-	-	-	(3,580)	(1,105)	(176)	-	-	(4,861)
Transfers	4,434	5,959	134,998	107,263	28,741	1,606	-	(283,001)	-
31 December 2017	500,359	314,589	1,746,230	1,285,948	548,020	38,978	14,841	88,084	4,537,049

(Unit: Thousand Baht)

Separate financial statements (continued)

	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
Accumulated depreciation:									
1 January 2016	-	205,375	988,882	742,287	441,430	26,701	13,205	-	2,417,880
Depreciation for the year	-	6,994	68,349	48,702	17,406	1,918	444	-	143,813
Depreciation on disposals/write-offs	-	-	-	-	(2,412)	(133)	(271)	-	(2,816)
Transfer from investment properties (Note 14)	-	20,548	296	612	1,532	93	23	-	23,104
31 December 2016	-	232,917	1,057,527	791,601	457,956	28,579	13,401	-	2,581,981
Depreciation for the year	-	5,569	63,177	64,320	22,760	2,555	444	-	158,825
Depreciation on disposals/write-offs	-	-	-	(3,580)	(958)	(176)	-	-	(4,714)
31 December 2017	-	238,486	1,120,704	852,341	479,758	30,958	13,845	-	2,736,092
Net book value:									
31 December 2016	495,610	75,013	545,075	384,524	48,358	7,860	1,440	223,826	1,781,706
31 December 2017	500,359	76,103	625,526	433,607	68,262	8,020	996	88,084	1,800,957
Depreciation for the year									
2016 (Baht 126 million included in manufacturing cost, and the balance in selling and administrative expenses)									143,813
2017 (Baht 142 million included in manufacturing cost, and the balance in selling and administrative expenses)									158,825

As at 31 December 2017, the overseas subsidiaries have pledged their property, plant and equipment with net book value of EUR 10 million or approximately Baht 380 million, as collateral against credit facilities received from commercial banks (2016: EUR 2 million or approximately Baht 75 million).

As at 31 December 2017, 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 2,256 million (The Company only: Baht 1,894 million) (2016: Baht 1,496 million, The Company only: Baht 1,248 million).

In year 2016, Tomassen Duck-To B.V.(a subsidiary) entered into a sale and purchase agreement with an unrelated party, with costs directly attributable to the acquisition amounting to Baht 49 million. The identifiable assets consist of inventories, biological assets and machine at fair value of Baht 49 million.

16. Goodwill

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 (before amalgamation as described in Note 1 to financial statements). 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.

In addition, Tomassen Duck-To B.V. (a subsidiary) acquired an interest in Lucky Duck International Food B.V. representing 90 percent 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.

The Company and its subsidiaries allocated goodwill acquired through business combinations and trade name with indefinite lives to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

	Bangkok Ranch Plc.	Duck-To Holding B.V.	Lucky Duck International Food B.V.	Total
Goodwill	1,910,483	2,979	41,000	1,954,462
Trade name (Note 17)	187,410	87,289	-	274,699

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

Key assumptions used in value in use calculation are summarised below:

(Unit: Percent per annum)

	Bangkok Ranch Plc.	Duck-To Holding B.V.	Lucky Duck International Food B.V.
Growth rates	3 - 5	0 - 7	5 - 10
Discount rates	7	5	7

The management determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill and trade name with indefinite lives.

17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	Customer relationships	Trade name	Total
Cost:				
1 January 2016	18,232	504,706	274,699	797,637
Addition	10,739	-	-	10,739
31 December 2016	28,971	504,706	274,699	808,376
Addition	279	-	-	279
31 December 2017	29,250	504,706	274,699	808,655
Accumulated amortisation:				
1 January 2016	18,232	37,853	-	56,085
Amortisation for the year	1,617	12,618	-	14,235
31 December 2016	19,849	50,471	-	70,320
Amortisation for the year	2,194	12,618	-	14,812
31 December 2017	22,043	63,089	-	85,132
Allowance for impairment loss:				
1 January 2016	-	-	-	-
Increase during the year	-	19,557	-	19,557
31 December 2016	-	19,557	-	19,557
31 December 2017	-	19,557	-	19,557
Net book value:				
31 December 2016	9,122	434,678	274,699	718,499
31 December 2017	7,207	422,060	274,699	703,966

(Unit: Thousand Baht)

	Separate financial statements			
	Computer software	Customer relationships	Trade name	Total
Cost:				
1 January 2016	18,232	486,688	187,410	692,330
Addition	10,739	-	-	10,739
31 December 2016	28,971	486,688	187,410	703,069
Addition	5	-	-	5
31 December 2017	28,976	486,688	187,410	703,074
Accumulated amortisation:				
1 January 2016	18,232	36,501	-	54,733
Amortisation for the year	1,617	12,168	-	13,785
31 December 2016	19,849	48,669	-	68,518
Amortisation for the year	2,147	12,168	-	14,315
31 December 2017	21,996	60,837	-	82,833
Allowance for impairment loss:				
1 January 2016	-	-	-	-
Increase during the year	-	19,557	-	19,557
31 December 2016	-	19,557	-	19,557
31 December 2017	-	19,557	-	19,557
Net book value:				
31 December 2016	9,122	418,462	187,410	614,994
31 December 2017	6,980	406,294	187,410	600,684

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

(Unit: Thousand Baht)

	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	(% per annum)	(% per annum)				
Trust receipts	1.55	0.91 - 2.80	24,593	333,271	24,593	220,411
Promissory notes	1.75 - 1.90	2.00 - 2.50	940,000	1,280,000	940,000	1,280,000
Bank overdrafts	1.53	1.59	206,869	296,656	-	-
Short-term loans from financial institutions	0.67 - 1.72	-	154,542	-	-	-
Total			1,326,004	1,909,927	964,593	1,500,411

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

Bank overdrafts of Duck-To Holding B.V. and its subsidiaries are guaranteed by their trade receivables and inventories and a standby L/C issued by a bank on behalf of the Company.

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.

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade payables - related parties	893	657	9,450	12,947
Trade payables - unrelated parties	283,392	246,964	89,896	103,972
Other payables - related parties	-	-	338,734	293,503
Other payables - unrelated parties	68,950	85,118	56,260	55,741
Accrued interest expenses	5,386	1,685	1,349	523
Accrued expenses	125,444	124,201	89,420	96,815
Total trade and other payables	484,065	458,625	585,109	563,501

20. Long-term loans

The Company and its subsidiaries has long-term loan agreements with commercial banks as follows:

					(Unit: Thousand Baht)	
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
1.	Closed to MLR	Repayment in quarterly installments commencing March 2018, with the final installment due in December 2022	666,800	318,200	666,800	318,200
2.	4.0% and closed to MLR	Repayment in monthly installments commencing February 2018, with the final installment due in January 2023	873,500	649,500	873,500	649,500
3.	Closed to MLR	Repayment in monthly installments commencing June 2017, with the final installment due in May 2023	60,700	235,700	60,700	235,700
4.	1.4%	Repayment in monthly installments commencing July 2016, with the final installment due in December 2020	28,411	36,911	-	-
5.	Closed to Euribor	Repayment in monthly installments commencing January 2021, with the final installment due in August 2025	43,835	42,409	-	-

Loan	Interest rate (% per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2017	2016	2017	2016
6.	2.1%	Repayment in monthly installments commencing July 2016, with the final installment due in August 2025	13,199	14,417	-	-
7.	Closed to Euribor	Repayment in quarterly installments commencing August 2016, with the final installment due in May 2026	32,758	35,422	-	-
8.	Closed to Euribor	Repayment in quarterly installments commencing August 2026, with the final installment due in May 2036	38,539	37,286	-	-
9.	4.0%	Repayment in annual installments commencing December 2016, with the final installment due in December 2020 (Fully repayment in December 2017)	-	37,757	-	-
10.	2.6%	Repayment in quarterly installments commencing January 2017, with the final installment due in October 2019	65,046	94,394	-	-
11.	1.6%	Repayment in quarterly installments commencing January 2017, with the final installment due in October 2021	15,611	18,879	-	-
12.	1.4%	Repayment in monthly installments commencing June 2017, with the final installment due in May 2027	25,358	-	-	-
13.	Closed to Euribor	Repayment in monthly installments commencing October 2017, with the final installment due in September 2027	119,345	-	-	-
14.	Closed to MLR	Repayment in quarterly installments commencing July 2018, with the final installment due in April 2024	271,861	-	-	-
Total			2,254,963	1,520,875	1,601,000	1,203,400
Less: Portion due within one year			(443,995)	(80,104)	(354,522)	(20,624)
Long-term loans - net of current portion			1,810,968	1,440,771	1,246,478	1,182,776

The overseas subsidiary entered into an interest rate swap agreement to manage the risk associated with long-term loan carrying interest at a floating rate. The agreement relates to interest on principal amounts of EUR 1.1 million, which mature in July 2025, and under the agreement, from July 2016 the overseas subsidiary is required to pay interest to the financial institution at a rate of the 1.63 percent per annum, while the financial institution is required to pay interest to the overseas subsidiary at a rate of Euribor+1.05 percent per annum.

The loans of subsidiaries are secured by their trade receivables, inventories, building and equipment.

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

(Unit: Thousand Baht)

Consolidated financial statements

	Other long-term					
	Compensations		employee benefits		Paid annual leave	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Defined benefit obligation at beginning of year	19,185	13,701	6,287	4,989	9,552	5,351
Included in profit or loss:						
Current service cost	3,229	1,709	241	1,556	20,892	18,113
Interest cost	717	438	-	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(528)	-	-	-	-
Financial assumptions changes	-	1,937	-	-	-	-
Experience adjustments	-	2,824	-	-	-	-
Translation adjustments	-	-	209	(258)	340	(361)
Benefits paid during the year	-	(896)	(376)	-	(19,805)	(13,551)
Provisions for long-term employee benefits at end of year	23,131	19,185	6,361	6,287	10,979	9,552
					40,471	35,024

(Unit: Thousand Baht)

financial statements

Compensations

<u>2017</u>	<u>2016</u>
-------------	-------------

17,381	12,579
--------	--------

2,675 1,639

653 401

- (527)

- 1,855

- 2,330

- (896)

20,709	17,381
--------	--------

(Unit: Thousand Baht)

Separate

financial statements

	<u>2017</u>	<u>2016</u>
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2017	2018
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15,772	14,763
--------	--------

9,307 7,053

25,079 21,816

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

Separate

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	2017	2016
1. Operating income	1,000	1,000
2. Depreciation and amortization	100	100
3. Provision for doubtful accounts	10	10
4. Change in accounts payable	20	20
5. Change in accounts receivable	(10)	(10)
6. Change in inventory	(5)	(5)
7. Change in prepaid expenses	(5)	(5)
8. Change in deferred tax assets	10	10
9. Change in other non-current assets	(5)	(5)
10. Change in other non-current liabilities	5	5
11. Change in cash and cash equivalents	100	100
12. Net change in cash and cash equivalents	100	100
13. Free cash flow	100	100
14. Capital expenditures	(100)	(100)
15. Dividends paid	(100)	(100)
16. Net change in cash and cash equivalents	100	100
17. Free cash flow	100	100
18. Capital expenditures	(100)	(100)
19. Dividends paid	(100)	(100)
20. Net change in cash and cash equivalents	100	100

	<u>2017</u>	<u>201</u>
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1.85 - 3.30 1.85 - 3.30

1.60 - 3.35 1.60 - 3.35

0 - 83.00 0 - 83.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(642)	685	(612)	653
Salary increase rate	766	(723)	727	(686)
Turnover rate	(739)	788	(705)	752

(Unit: Thousand Baht)

	As at 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(634)	676	(600)	640
Salary increase rate	672	(637)	637	(602)
Turnover rate	(568)	667	(598)	636

22. Deficit on amalgamation

As discussed in Note 1 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.

In October 2016, Tomassen Duck-To B.V. purchased all shares of Lucky Duck International Food B.V. from non-controlling interests of Lucky Duck International Food B.V., for a price of EUR 0.15 million or approximately Baht 6 million. The acquisition cost was approximately EUR 0.09 million, or approximately Baht 3 million, in excess of the net book value of the assets and liabilities of that company, in proportion to additional interests, and this amount was recorded in the equity attributable to owners of the Company in the consolidated statement of financial position.

23. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Salaries and wages and other employee benefits	932,102	804,892	562,467	508,350
Depreciation	222,386	197,377	164,098	152,335
Amortisation expenses	14,812	14,235	14,315	13,784
Electricity	172,348	160,922	143,163	135,799
Professional fee	104,963	79,044	62,855	43,183
Transportation and gasoline	150,276	139,427	91,411	91,411
Rental expenses from operating lease agreements	121,026	135,544	94,518	97,605
Raw materials and consumables used	6,176,317	5,818,049	4,064,137	4,286,984
Changes in inventories of finished goods and work in progress	(68,189)	(46,804)	(50,149)	(73,279)

25. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current income tax:				
Corporate income tax charge for the year	108,310	54,407	63,483	46,618
The past years corporate income tax which additional filled	15,343	102,887	-	102,887
Total	123,653	157,294	63,483	149,505
Deferred tax:				
Relating to origination and reversal of temporary differences	(22,736)	(8,718)	(16,667)	(8,415)
Income tax expense reported in the income statement	<u>100,917</u>	<u>148,576</u>	<u>46,816</u>	<u>141,090</u>

The corporate income tax which the Company additional filled in year 2016 amounting to Baht 103 million as a result from changing the calculation of the net income or net loss of the Company from promoted investment activities. The Company paid the additional corporate income tax in advance to avoid penalties or surcharges according to The Ministry of Finance issued an announcement regarding “The extension of the deadline to file corporate income tax” by approving the extension of the deadline for filing income tax payment and extension of the deadline for filing a taxes refund in accordance with the prescribed procedures and conditions within 1 August 2016.

However, the management is negotiating tax refund from the existing shareholders of the Company. As such event takes place during the time of existing shareholders of the Company. Which Acquisition of Business Agreement identify that existing shareholders must bear the burden.

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2017 is deferred tax relating to loss on change in value of other long-term investments which amounts are not material (2016: deferred tax relating to gain on change in value of other long-term investments which amounts are not material).

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Accounting profit before tax	652,240	361,415	363,615	261,850
Applicable tax rate (percent)	0 - 25	0 - 25	0 - 20	20
Accounting profit before tax multiplied by income tax rate	114,919	64,305	72,723	52,370
Effects of:				
Promotional privileges (Note 26)	(14,387)	-	(8,771)	-
Non-deductible expenses	4,648	5,100	1,897	4,535
Exempt income	(11,519)	(21,014)	(10,946)	(16,000)
Additional expense deductions allowed	(8,087)	(2,702)	(8,087)	(2,702)
Total	(29,345)	(18,616)	(25,907)	(14,167)
The past years corporate income tax which additional filled	15,343	102,887	-	102,887
Income tax expense reported in the income statement	100,917	148,576	46,816	141,090

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	3,241	3,188	3,241	3,188
Allowance for diminution in value of inventories	22,136	14,994	24,107	16,843
Allowance for asset impairment	49,786	49,786	49,786	49,786
Provision for long-term employee benefits	4,426	3,672	4,142	3,476
Unrealised loss from revaluation of non-current biological assets	6,348	3,323	6,348	3,323
Unused tax loss	6,193	203	-	-
Total	92,130	75,166	87,624	76,616
Deferred tax liabilities				
Surplus on revaluation of assets	4,436	4,436	4,436	4,436
Customer relationships	85,201	87,747	81,259	83,692
Trade name	59,304	59,304	37,482	37,482
Unrealised gain from revaluation of current biological assets	-	3,226	-	3,226
Others	1,677	1,492	-	-
Total	150,618	156,205	123,177	128,836

26. 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	59-0898-0-00-1-0
2. Promotional privileges for	Manufacturing or preserving foods	Raising duck	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 in land and working capital)	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	Granted
4. Date of first earning operating income	1 June 2008	3 March 2015	3 May 2017

The Company’s operating revenues for the y ear ended 31 December 2017 and 2016 divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Sales						
Domestic sales	133,469	81,259	4,242,288	4,503,717	4,375,757	4,584,976
Export sales	-	175,878	1,439,815	1,026,945	1,439,815	1,202,823
Total sales	<u>133,469</u>	<u>257,137</u>	<u>5,682,103</u>	<u>5,530,662</u>	<u>5,815,572</u>	<u>5,787,799</u>

27. Earnings per share

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

28. 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 and international 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 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 2017 and 2016.

(Unit: Million Baht)

	Thailand				Overseas				Total reportable segments		Adjustments and eliminations		Consolidated	
	Entity group 1		Entity group 2		Entity group 3		Entity group 4							
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external customers	4,334	4,528	-	-	3,267	2,552	1,228	1,008	8,829	8,088	-	-	8,829	8,088
Inter-segment income	1,711	1,442	129	119	-	-	348	297	2,188	1,858	(2,188)	(1,858)	-	-
Interest income	2	1	-	-	-	-	-	-	2	1	-	-	2	1
Other income	116	111	-	20	12	6	70	62	198	199	(153)	(182)	45	17
Total revenues	6,163	6,082	129	139	3,279	2,558	1,646	1,367	11,217	10,146	(2,341)	(2,040)	8,876	8,106
Cost of sales	(4,827)	(4,916)	-	-	(2,833)	(2,328)	(1,438)	(1,187)	(9,098)	(8,431)	2,095	1,736	(7,003)	(6,695)
Selling expenses	(394)	(370)	-	-	(125)	(110)	(117)	(107)	(636)	(587)	186	164	(450)	(423)
Administrative expenses	(325)	(280)	(39)	(21)	(76)	(41)	(38)	(35)	(478)	(377)	28	27	(450)	(350)
Depreciation and amortisation	(188)	(171)	-	-	(49)	(41)	-	-	(237)	(212)	-	-	(237)	(212)
Total expenses	(5,734)	(5,737)	(39)	(21)	(3,083)	(2,520)	(1,593)	(1,329)	(10,449)	(9,607)	2,309	1,927	(8,140)	(7,680)
Profit before share of profit from investments in associate and joint venture, finance costs and income tax expenses	429	345	90	118	196	38	53	38	768	539	(32)	(113)	736	426
Share of profit from investments in associate and joint venture accounted for by the equity method	-	-	-	-	2	2	-	-	2	2	-	-	2	2
Finance costs	(71)	(56)	-	-	(15)	(11)	-	-	(86)	(67)	-	-	(86)	(67)
Income tax expenses	(41)	(141)	(15)	(1)	(45)	(5)	-	-	(101)	(147)	-	(1)	(101)	(148)
Profit for the year	317	148	75	117	138	24	53	38	583	327	(32)	(114)	551	213

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 years ended 31 December 2017 and 2016 separately by revenue.

	Thailand				Overseas				(Unit: Million Baht)			
	Regional operating headquarters and international											
	Upstream revenues		headquarters revenues		Upstream revenues		Downstream revenues					
	2017	2016	2017	2016	2017	2016	2017	2016				
Revenue from external customers	2,060	2,181	2,274	2,347	-	-	904	3,591	2,866	-	8,829	8,088
Inter-segment revenue	190	239	1,521	1,203	129	119	-	348	297	(2,188)	-	-
Total revenues	2,250	2,420	3,795	3,550	129	119	904	3,939	3,163	(2,188)	8,829	8,088

For the years ended 31 December 2017 and 2016, the Company and its subsidiaries have no major customers with revenues that account for 10 percent or more of any entity's revenue.

29. Provident fund

The Company, its subsidiaries and its 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. The Company, its subsidiaries and its employees 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. The contributions for the year 2017 amounting to approximately Baht 4 million (The Company only: Baht 4 million) (2016: Baht 4 million, the Company only: Baht 4 million) were recognised as expenses.

30. Dividend

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2015	Annual General Meeting of the shareholders on 25 April 2016	457	0.5
Final dividend for 2016	Annual General Meeting of the shareholders on 25 April 2017	183	0.2

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2017, the Company and its subsidiary have capital commitments of approximately Baht 128 million (The Company only: Baht 70 million), relating to building improvement, renovate farm, renovate slaughter house and purchase machine (2016: Baht 198 million, the Company only: Baht 78 million, relating to building improvement, renovate farm and purchase machine).

31.2 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	
	2017	2016	2017	2016
Payable:				
In up to 1 year	24	27	24	25
In over 1 and up to 5 years	23	21	21	21
In over 5 years	1	2	1	2

31.3 Commitment of agreements with farmers

The Company has entered into agreements with farmers whereby it is committed to buy ducks from the farmers at a unit price stipulated in the agreements. As at 31 December 2017, the Company's commitment to buy ducks in the first quarter of 2018 total approximately Baht 372 million (2016: the Company's commitment to buy ducks in the first quarter of 2017 total approximately Baht 397 million).

Duck-To Holding B.V. and its subsidiaries have entered into agreements with farmers whereby the subsidiaries are committed to buy commercial ducks from the farmers at unit price stipulated in the agreements. As at 31 December 2017, the subsidiaries' commitment to buy commercial ducks in the first quarter of 2018 amounted to approximately Euro 4 million (2016: the subsidiaries' commitment to buy commercial ducks in the first quarter of 2017 amounted to approximately Euro 4 million).

Duck-To Holding B.V. and its subsidiaries have entered into agreements with farmers whereby they are committed to buy parent ducks and eggs from the farmers at market price. As at 31 December 2017, the subsidiaries' commitments to buy parent ducks and eggs amounted to approximately Euro 3 million, covering the year 2018 (2016: the subsidiaries' commitments to buy parent ducks and eggs amounted to approximately Euro 3 million, covering the year 2017).

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank guarantees for:				
Electricity use guarantees	25	24	23	23
Poultry quota application guarantees	23	23	-	-
Other guarantees	2	2	2	2

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

31.5 Letter of Credit

As at 31 December 2017, the Company and its subsidiary have outstanding commitments of approximately USD 2 million (The Company only: USD 2 million) under letter of credit, relating to purchasing raw material (2016: USD 2 million and JPY 49 million, the Company only: USD 2 million, relating to purchasing raw material and machine).

31.6 Commitment of purchasing grandparent duck agreements

On 10 January 2017, the Company entered into an agreement to purchase of grandparent ducks in the future from an unrelated party. The amount of the commitment depends on the purchase volume and prices specified in the agreement, which is for a period of 10 years, commencing from 1 December 2016.

32. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiaries had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other long-term investments				
Equity instruments	2	-	-	2
Biological assets	58	-	109	167
Assets for which fair value are disclosed				
Investment properties	-	-	70	70

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other long-term investments				
Equity instruments	7	-	-	7
Biological assets	73	-	108	181
Assets for which fair value are disclosed				
Investment properties	-	-	41	41

	(Unit: Million Baht)			
	Separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	19	-	82	101
Assets for which fair value are disclosed				
Investment properties	-	-	152	152

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	47	-	106	153
Assets for which fair value are disclosed				
Investment properties	-	-	123	123

33. Financial instruments

33.1 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, short-term and long-term borrowings.

As at 31 December 2017 and 2016, significant financial assets and liabilities 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				Floating		Non-interest bearing		Total		Effective interest rate (% per annum)		
	Within 1 year		Over 5 years		interest rate								
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016			
Financial assets													
Cash and cash equivalents	-	300	-	-	-	289	246	8	11	297	557	0.13 - 1.30	0.13 - 1.50
Trade and other receivables	-	-	-	-	-	-	-	802	724	802	724	-	-
Long-term loans to related parties	-	-	18	-	-	-	-	-	-	18	-	2.00	-
Long-term loans to other companies	-	-	-	-	-	11	7	-	-	11	7	8.00	5.00
Other long-term investments	-	-	-	-	-	-	-	2	7	2	7	-	-
Other investments	-	-	-	-	-	-	-	101	-	101	-	-	-
	-	300	18	-	-	300	253	913	742	1,231	1,295		

Financial liabilities									
Bank overdrafts and short-term loans from financial institutions	979	1,613	-	-	347	297	-	-	1,326 1,910 0.67 - 1.90 0.91 - 2.80
Trade and other payables	50	56	99	149	40	2,064	-	-	459 484 2,255 1,521 0.62 - 4.00 1.40 - 4.00
Long-term loans	-	-	-	-	-	-	22	22	22 - -
Deposit for agro credit sales	1,029	1,669	99	149	40	2,411	506	481	4,087 3,912

(Unit: Million Baht)

Separate financial statements										
	Fixed interest rates		Floating		Non-interest		Total		Effective interest rate	
	within 1 year		interest rate		bearing				(% per annum)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Financial assets										
Cash and cash equivalents	-	300	70	79	8	6	78	385	0.13 - 1.30	0.13 - 1.50
Trade and other receivables	-	-	-	-	576	473	576	473	-	-
Investment in subsidiaries	-	-	-	-	1,479	1,397	1,479	1,397	-	-
Other investments	-	-	-	-	101	-	101	-	-	-
	-	300	70	79	2,164	1,876	2,234	2,255		
Financial liabilities										
Bank overdrafts and short-term loans										
from financial institutions	965	1,500	-	-	-	-	965	1,500	1.55 - 1.90	0.91 - 2.50
Trade and other payables	-	-	-	-	585	564	585	564	-	-
Long-term loans	-	-	1,601	1,203	-	-	1,601	1,203	3.65 - 4.00	3.65 - 4.00
Deposit for agro credit sales	-	-	-	-	22	22	22	22	-	-
	965	1,500	1,601	1,203	607	586	3,173	3,289		

The overseas subsidiary entered into the interest rate SWAP agreement to manage risk associated with its long-term loan which financial liability is carrying floating interest rate. The detail of long-term loan from bank are set out in Note 20 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.

As at 31 December 2017 and 2016, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
The Company						
USD	-	-	1	6	32.68	35.83
JPY	-	-	16	-	0.29	-
The subsidiaries						
(major balance is of Anatis Foods (Hong Kong) Limited)						
GBP	2	2	-	-	43.99	44.04
EUR	2	1	-	-	39.03	37.76

Foreign exchange contracts outstanding are as summarised below.

As at 31 December 2017					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual Maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
GBP	-	1	-	43.65 - 44.18	March - April 2018
EUR	-	2	-	38.99 - 39.22	March - May 2018
USD	1	2	33.10	32.52 - 33.16	January - April 2018

As at 31 December 2016					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual Maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
GBP	-	1	-	43.06 - 45.36	February - April 2017
EUR	-	1	-	37.87 - 38.73	February - April 2017
USD	6	3	34.92 - 36.04	34.69 - 36.03	January - May 2017

33.2 Fair values of financial statements

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position, other than the fair value of the interest rate swap agreement discussed in Note 20 to the financial statements. The subsidiary recorded a loss on the interest rate swap agreement in the income statements.

During the current year, there were no transfers within the fair value hierarchy.

33.3 Reconciliation of recurring fair value measurements of asset, categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

	Non-current biological assets	
	Consolidated financial statements	Separate financial statements
Balance as of 1 January 2017	108,285	106,378
Increase due to purchase/raise	16,079	9,668
Decrease due to sales/harvest	(6,524)	(6,524)
Net loss recognised into profit or loss	(8,605)	(27,000)
Balance as of 31 December 2017	109,235	82,522

Key assumptions used in the valuation are summarised below.

Financial assets	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
สินทรัพย์ชีวภาพ	คิดลดกระแสเงินสดโดยใช้ต้นทุนถัวเฉลี่ยถ่วงน้ำหนักของเงินทุน	ต้นทุนถัวเฉลี่ยถ่วงน้ำหนักของเงินทุน	8.20%	1% increase (1% decrease) in the weighted average cost of capital result in Baht 0.02 - 0.50 million decrease (Baht 0.02 - 0.50 million increase) in fair value.)

34. 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 2017, the Group's debt-to-equity ratio was 0.9:1 (2016: 0.9:1) and the Company's was 0.7:1 (2016: 0.8:1).

35. Events after the reporting period

Events occurring after the reporting period were as follows:

1. On 21 April 2017, a subsidiary signed the agreement to invest in Asia Pacific International Trading Joint Stock Company, which was incorporated in Vietnam with a registered capital of VND 4,081.64 million (408,164 ordinary shares of VND 10,000 each), in which the subsidiary’s interest is 49%. Such company initially called up share capital amounting to VND 2,264 million. The subsidiary paid in the called up share capital on 19 January 2018.
2. On 22 June 2017, a subsidiary signed the agreement to invest in Win Thai Food (Cambodia) Company Limited, which was incorporated in Cambodia, with a registered capital of USD 250,000 (25,000 ordinary shares of USD 10 each), in which the subsidiary’s interest is 94%. The subsidiary paid in the initially called up share capital amounting to USD 110,000 on 30 January 2018.
3. On 25 January 2018, the Company received a notification letter from the Revenue Department informing it to submit withholding tax on the dividend paid from the profit of the promoted operations for the year 2009 because the Company filed additional corporate income tax as a result of changes in the method used to calculate the net profit or loss of the promoted operations (as discussed in Note 25 to the financial statements), resulting in a net loss being incurred in that year. The Revenue Department is of the opinion that the dividend for the year 2009 was paid from the profit of the operations that are subject to corporate income tax filing and withholding tax submission. However, the Company believes that the Company complied with the relevant laws as at the transaction date. At present, the Company is in the process of gathering supporting documents to file an appeal against the Appeals Committee.

36. Approval of financial statements

These financial statements were authorised for issue by the Company’s Board of Directors on 27 February 2018.

Management Discussion and Analysis

OVERVIEW

The year ended 31 December 2017 Performance

	For the year ended		
	31 December 2017 Million Baht	31 December 2016 Million Baht	Change %
Sales	8,829	8,088	9
Cost of sales	(7,208)	(6,871)	5
Gross Profit	1,621	1,217	33
Selling and Administrative expenses	(931)	(809)	15
Operating Profit	690	408	69
Other income	46	18	149
Share of income from investment in associate	2	2	6
Profit before finance costs and income tax expenses	738	428	72
Finance costs	(86)	(67)	29
Income tax expenses	(101)	(149)	(32)
Profit for the period	551	213	159
Attributable to non-controlling interests of subsidiary	(3)	0	(3,037)
Profit for the period of the Company	554	213	160

Bangkok Ranch Public Company Limited and its subsidiaries “the Company”, reported consolidated revenue for 2017 of THB 8,829 million, an increase of 9%, and net profit is THB 551 million, increased by 159% compared to the same period of previous year. The gross profit in 2017 rises from previous year by THB 404 million, mainly due to an increase of sales in domestic and overseas. Sales and number of customers in overseas segment increase, because of asset acquisition last year. Additionally, the company controls cost of production more effective than the same period last year, resulting an increase in gross profit.

SG&A in twelve-month period of 2017 is higher than the same period of previous year by THB 122 million or 15%, mainly due to business expansion in both domestic and internationally. In this regard, SG&A in overseas segment is higher, including the expansions of the business, causing related expenses such as legal and professional fees, included increased number of employees for current business operations and business expansion in the future.

Because of the business expansion, the Company needs capital to run a business, causing increased expenses from loans. Finance costs in twelve-month period of 2017 is THB 86 million, increased by THB 19 million, compared to twelve-month period in previous year.

Income tax expenses for twelve-month period of 2017 are lower than the same period of previous year by THB 48 million, due to the Company changed the method to calculate corporate income tax from related to BOI in 2016, causing an increase in corporate income tax expenses by THB 102 million in 2016.

Statement of Financial Position

	As at		
	31 December 2017 Million Baht	31 December 2016 Million Baht	Change %
Total current assets	2,461	2,930	(16)
Total non-current assets	6,769	5,695	19
Total assets	9,230	8,625	7
Total current liabilities	2,367	2,505	(6)
Total non-current liabilities	2,025	1,655	22
Total liabilities	4,392	4,160	6
Total Shareholders' Equity	4,838	4,465	8
Total Liabilities and Shareholders' Equity	9,230	8,625	7

As of 31 December 2017, total assets are THB 9,230 million, increasing by THB 605 million or 7% from end of 2016, mainly from the investments to support the business expansion.

The Company reported total liabilities as of 31 December 2017 of THB 4,392 million which increases by 232 million or 6% from the end of 2016, mainly from loans for the investments.

Total shareholders' equity as of 31 December 2017 is THB 4,837 million, increasing from 31 December 2016 of THB 372 million or 8%, owing to an increase in net profit.

Financial Ratio Analysis

	31 December 2017	31 December 2016
Profitability Ratio		
Gross Profit Margin (%)	18%	15%
Net Profit Margin (%)	6%	3%
Return on Equity or ROE (%)	12%	5%
Efficiency Ratio	31 December 2017	31 December 2016
Return on Assets or ROA (%)	6%	3%
Total Assets Turnover (times)	0.99	1.02
Liquidity Ratio	31 December 2017	31 December 2016
Current Ratio (times)	1.04	1.17
Quick Ratio (times)	0.46	0.51
Account Receivable Turnover (times)	11.57	5.64
Average Collection Period (days)	31	32
Inventory Turnover (times)	5.00	1.87
Inventory Turnover Period (days)	72	96
Account Payable Turnover (times)	15.29	6.95
Average Payment Period (days)	24	26
Leverage Ratio or Financial Ratio	31 December 2017	31 December 2016
Debt / Equity Ratio (times)	0.91	0.93
Interest Coverage (times)	12.25	6.83
Debt Service Coverage (times)	3.49	5.58

In 2017, gross profit margin and return on equity of the Company are 18% and 12%, respectively, which are higher than previous year. The result is from increase in performance and improve in controlling the cost of production.

In during twelve-month period of 2017, the Company shows return on assets of 6% compared to 3% in the same period last year, because the Company can make a good return from hold total assets.

Liquidity ratio decreases from 1.17 times as of the end of 2016 to 1.04 times in year ended 2017, due to decrease in cash flow and inventories. Also, an increase in short-term loans causes Liquidity ratio in this period. The Company's collection period decreases form 32 days to 31 days, compared to the previous year, The average payment period decreases from 26 days in end of 2016 to 12 days as of end of 2017. Moreover, the Company shows inventory turnover of 2017, increasing from 1.87 times in the end of 2016 to 5 times. This causes improved inventory turnover period to 72 days in year ended 2017 from 96 days in the end of 2016.

Debt to equity ratio as of 31 December 2017 is 0.91 times, slightly decreased from 0.93 in the end of 2016, due to an increase in loans from financial institutions for the investments.

Interest coverage of loans from financial institutions as of end of December 2017 amounts 12.25 times, improving from 6.83 in the end of 2016.

Debt service coverage as of the end of 2016, amounting 5.58 times decreases to 3.49 times as of 31 December 2017. Such decrease is caused by during twelve-month period of 2017, the Company has to pay increased interest, and also increased in current-portion of long-term loans which are due within next year, causing the decrease in debt service coverage ratio.

Factors affecting the company’s future performance

The Group’s operational performance is expected to improve further in 2018. The improvement will derive mainly from the following factors:

Netherland

The acquisition of Verenigde Slachtpluimvee Export’s assets (VSE) has enabled Duck-To Holding B.V. (DTH) to expand its business, i.e., expansion of coat line, as well as the increases in customer base and raw duck production capacity. Moreover, the economy of scale allows DTH to reduce its product costs per unit and compete with the Eastern European products.

Thailand

The investment in Food City Co., Ltd. and NS Delicatessen Co., Ltd. in the last 2 years will facilitate the Group to expand the product lines as well as the customer base.

To support the continual business growth in Thailand a capital expenditure budget of Baht 1.3 billion has been approved by the Board of Directors for the year 2018 to upgrade BR’s office and production facilities. The production facility improvement will address the regulatory requirements of Department of Livestock Development who recently asked BR to cease export from Bang Phli plant to EU pending its completion.

It could be noted that the export to EU represents only 10% of total revenue and has no financial effect in terms of profitability as export to EU at present, due to strong Eastern European pricing competition, yields a negative gross profit margin.

Corporate Information

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Share Register: Paid-up Capital 4,567,232,790 Baht
(Total of 913,446,558 ordinary shares with par value of Baht 5 per share)

Subsidiaries:

Company’s name	Nature of Business	Percentage of Shareholding	Share Registered and Paid-up Capital
Anatis Foods Limited	Holding Business	99.99	904,489,230 Baht (Divided into 90,448,923 ordinary shares with par value of 10 Baht per share)
BR Agriculture Co., Ltd.	Duck Farming Business	99.99	70,000,000 Baht (Divided into 20,000,000 ordinary shares with par value of 10 Baht, 35% paid-up)
BM Agriculture Co., Ltd.	Raising Duck for Meat Business	48	Ordinary Shares: 5,000,000 Baht (Divided into 50,000 shares with par value of 100 Baht) Preference Shares: 180,000 Baht (Dividend into 1,800 Shares with par value of 100 Baht)
Food City Co., Ltd.	Restaurant Business	99.97	400,000,000 Baht (Divided into 4,000,000 ordinary shares with par value of 100 Baht)
BR Investment (Hong Kong) Company Limited	Holding Business	100	100,000 HK Dollars (Divided into 100,000 ordinary shares with par value of 1 HK Dollars, 50% paid-up)
Crown Eagle Co., Ltd.	Restaurant Business	99.99	2,500,000 Baht Divided into 100,000 ordinary shares with par value of 100 Baht, 25% paid-up)
NS Delicatessen Company Limited	Food Manufacturing	99.99	75,000,000 Baht (Divided into 1,000,000 ordinary shares with par value of 100 Baht, 75% paid-up)

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Note to Information

The investors can learn additional significant information of Bangkok Ranch Public Company Limited (“BR”) from the Company’s Annual Registration Information Statement (Form 56-1) which present on www.sec.or.th or the Company’s website www.br-bangkokranch.co.th in the topic of “Investor Relation”.

Bangkok Ranch Public Company Limited

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