



ANNUAL REPORT

2019



Bangkok Ranch Public Company Limited



Bangkok Ranch Public Company Limited



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Message from Chairman



2019 has been an extremely difficult year for our company. This will be self-evident from the downturn in our top line in terms of sales which has in turn translated into lower gross and net profit margins. We have been buffeted not only by the macro-economic environment arising from the US-China trade war, the slowdown in the Thai economy, the appreciation of the Thai Baht and a fundamental shift in the duck industry in terms of pricing as well as the supply and demand curve but also from the continuing EU ban on exports of our duck meat as well as the recent global spread of COVID-19. We have therefore considered it prudent to provide for impairment losses on investments in associates and other investments as well as on goodwill. As a result, we ended the year with a consolidated net loss of Baht 275 million.

Amidst such an unfavourable operating environment, your management has endeavoured to reverse these adverse trends by turning its attention to new overseas markets in China, Philippines and the Middle East and revamping existing markets in Japan and Singapore. We are continuously improving operational efficiencies at our Bangphli factory and expect to achieve greater economies of scale in the long-run after our new slaughterhouse in Srakaew becomes operational in the second quarter of 2020. We have also taken the opportunity to continuously upgrade our operations at Bangphli to meet EU requirements. We are pleased to report in this regard that we have achieved an overall satisfactory rating arising from a recent audit conducted jointly by the EU Inspectors with the Department of Livestock Development. We are hopeful that this will now provide us with the opportunity to restore our exports to the EU in the second half of 2020.

The deterioration in performance over the past year has been a source of considerable personal concern to me. Consequently, I have initiated strategies to restore profitability and for sustainable future growth over the next few years by way of a Turnaround Plan. Central to these strategies will be to address both internal and external challenges which include our operational readiness, reduction in SG&A, as well as to focus on high value-added products and investing in projects on the basis of realistic and viable assumptions. It is expected that the company will employ the use of digital technologies to complement its existing methods of traditional marketing in order to expand the marketing reach.

The Board of Directors, through a Steering Committee, is fully committed to turning the business around and we trust that the work which we plan to put in place will be fully manifested in an improved performance in the near-term. Our desire will be for all our stakeholders to share in the success of our company through the relentless pursuit of improving our business model and our competitive edge. We will not spare any efforts to achieve our vision to be “The world’s most reputable purveyor of duck products”.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all of our stakeholders for their continuous trust and support accorded to the company. You have my assurance that we will continue to operate our business on the principles of good corporate governance and transparency in order to deliver value on the back of sustainable business practices.

Joti Bhokavanij
Chairman of the Board of Directors

Message from Vice Chairman and Chief Executive Officer



With challenges comes opportunities.

The group's performance in 2019 was mainly influenced by three main factors. The restriction of sales to the EU from BR Thailand plant, heavy price competition in Europe for Tomassen Holland, and the increase in capital expenditure.

The increase in capital expenditure was deployed to upgrade the 36-year-old Bangpli plant and build the new slaughterhouse in Sa Keaw province. The investments were necessary and critical to the group's wellbeing due to the business operating risk involved. With another safety operating site, the group would ensure that there would be no critical business disruptions in the long run such as the EU ban; thus strengthening my long term vision of sustainability for our shareholders.

Increase market share and distribution channels in a global downturn.

Even with no sales to the EU from Thailand, our top line revenue has not decreased as significant as the bottom line financial impact; due to the increase in sales growth from other countries and domestically.

I lead management into opening new markets in China, Philippines, Cambodia, South Africa and increased our market share in the Japanese market.

Moreover, a slower Thai economy and competitive pricing poultry market did not stop us from increasing sales growth domestically by five percent.

On the other hand, our newly operating Food City plant which was built to serve the EU market and produce valued added cooked products achieved a slower than expected growth and return.

Innovate and create new products.

In 2019, we focused on R&D to innovate and created many new cooked and raw duck products now in our pipeline. One of our cooked product which was successfully launched was our signature duck sausage; now available in various supermarkets and hotel chains.

Besides 2003, the year of the avian flu in Thailand where export of raw poultry products was banned globally, this was nevertheless a tough year.

With solid market positioning, patience, and perseverance; I am confident my 36 years of experience in the duck industry will lead us on the right path to growth and prosperity.

On behalf of the management team at the Company, I would like to express my profound appreciation to all concerned parties including customers, shareholders, partners, financial institutions, public and private sectors as well as the Company's employees for their strong trust and continued support to the Company.

Mr. Joseph Suchaovanich
Vice Chairman and Chief Executive Officer

Message from Vice Chairman and MD of Europe



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 one of the largest and most reputable producers of Duck and Duck products in Europe.

After taking over the activities of former competitor VSE (Farmer Cooperative), DTH was able to increase its production to more than 8.3 million Ducks a year (coming from a level of 4.8 million Ducks in 2015). DTH now is one of the largest duck suppliers in Europe with a majority share in the premium market.

Early 2017 the EU was hit by Avian Influenza (Bird flu), especially in Hungary (and partly in 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. The high price level attracted many producers to increase production capacity in 2018 and this resulted in a substantial overcapacity of Raw Duck in 2019. Together with the high level of China roast Duck being imported into the EU, a substantial sales price reduction in the UK and very competitive sales prices for Duck coming from Hungary and Poland company, DTH was forced to reduce its sales prices to be able to remain competitive and to avoid substantial inventory increase. This resulted in a margin reduction and a substantial decline of bottom line result for the year 2019.

Due to an investment in a production line for fresh product, DTH is now able to produce all its duck product (whole duck and parts) as fresh if desired. With this DTH is now able to address wholesale and retail markets with high quality fresh product. These markets are expected to be operating at a substantial higher price level.

After the 2016 placement of 7.500 Solar panels on the roofs of the farms, DTH was also awarded a substantial governmental subsidy on the placement of another 4.500 Solar panels on the roofs of the slaughterhouse. This project was finalized in 2019. With this we have achieved to become Energy Neutral in our production facility and we contribute to our Corporate Social Responsibility.

After the successful further reorganization of subsidiary Lucky Duck BV 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, Lucky Duck acquired the IFS certificate.

In 2019 we have further expanded our business by finalizing the production facility of our subsidiary Weng Fat Kosovo (now we have a 60% shareholding in WFK) of the production unit in Kosovo (South-East Europe). This company will be operating a specialized cooking plant (for specific EU markets) and will mainly use DTH raw Duck. The plant is now completely finalized, approved for export to the EU and expected to be fully operational in the first half of 2020 when ducks can be sent to Kosovo.

In the financial year 2019 DTH has seen a rather poor bottom line result. The further sales price reduction during the year caused a reduction of margins against the very good year 2017 and 2018. Many initiatives have been started in order to improve and turn around the business and improve the margins in 2020. Especially transition to new markets and new products and brands is top priority.

As always all of this would not have been 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.

Mr. Gertjan Tomassen

MD Duck-To Holding BV



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 at large.

CORE VALUE "ARC"

We believe in the merits of:

Agility

(A lean, dynamic and flexible organization with sense of urgency) *

Results

(Performance-focused, applying best practices)

Care

(Genuine concerns for people, products and environment)



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 on 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.

12 January 2019 Joining Children day activity at
Klong Bang Ga See school, and Soi Likit 7 community



6-14 October 2019 Joining Rub Bua tradition
at Wat Bangplee Yai Nai, Bangplee



BLOOD DONATION

22 MARCH 2019 41,400 CC. (92 unit)



1 September 2019
Donating rice and dried food for charity



CSR Activities in 2019

www.bangkokranch.com



12 January 2019 Supporting marathon running project
at Wat Bangplee Yai municipality

5 December 2019 Joining Father day activity,
Join hands for clean and safe road

Financial Highlights

Consolidated Financial Statements and Financial Ratios

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

As at 31 December 2017 – 2019

	As at					
	31 December 2019		31 December 2018		31 December 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	223	2	534	5	298	3
Trade and other receivables	630	6	675	7	802	9
Short-term loans to related party	1	-	1	-	-	-
Current portion of long-term loans to related party	4	-	7	-	-	-
Current portion of long-term loans to other companies	7	-	-	-	-	-
Inventories	1,522	14	1,645	16	1,244	13
Current biological assets	72	1	93	1	58	1
Other current assets	39	-	49	-	59	1
Total current assets	2,498	23	3,004	29	2,461	27
Restricted bank deposits	5	-	-	-	-	-
Non-current biological assets	144	1	97	1	109	1
Long-term loan to related party	-	-	-	-	9	-
Long-term loan to other companies	-	-	7	-	20	-
Investments in associates	-	-	-	-	2	-
Investments in joint ventures	199	2	308	3	336	4
Other long-term investments	1	-	-	-	2	-
Other investments	10	-	112	1	101	1
Investment properties	60	1	60	1	60	1
Property, plant and equipment	5,019	47	3,987	38	3,374	36
Goodwill	1,876	18	1,955	19	1,955	21
Intangible assets	677	6	689	7	704	8
Deferred tax assets	201	2	128	1	92	1
Other non-current assets	4	-	4	-	5	-
Total non-current assets	8,196	77	7,347	71	6,769	73
Total assets	10,694	100	10,351	100	9,230	100

	As at					
	31 December 2019		31 December 2018		31 December 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Bank overdrafts and short-term loans from financial institutions	2,749	26	2,404	24	1,326	14
Short-term loan from related person	-	-	4	-	-	-
Trade and other payables	492	4	499	5	484	5
Current portion of long-term loans	703	6	550	5	444	5
Income tax payable	-	-	34	-	74	1
Other current liabilities	54	1	36	-	39	-
Total current liabilities	3,998	37	3,527	34	2,367	25
Long-term loans, net of current portion						
Long-term loans from related person and party	2,230	21	1,893	18	1,811	20
	13	-	41	-	-	-
Other non-current liabilities	278	3	269	3	214	2
Total non-current liabilities	2,521	24	2,203	21	2,025	22
Total liabilities	6,519	61	5,730	55	4,392	47
Total shareholders' equity	4,175	39	4,621	45	4,838	53
Total liabilities and shareholders' equity	10,694	100	10,351	100	9,230	100

Income Statement of Bangkok Ranch Public Company Limited and its subsidiaries
For the year ended 31 December 2017 - 2019

	For the year ended					
	31 December 2019		31 December 2018		31 December 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales	7,568	100	8,136	99	8,829	99
Other income	35	-	44	1	46	1
Total revenues	7,603	100	8,180	100	8,875	100
Cost of sales	(6,602)	(87)	(6,774)	(83)	(7,208)	(81)
Selling and Administrative expenses	(1,008)	(13)	(1,056)	(13)	(931)	(11)
Impairment loss of investment in associate and other investments	(102)	(2)	-	-	-	-
Impairment loss of goodwill	(72)	(1)	-	-	-	-
Total expenses	(7,784)	(103)	(7,830)	(96)	(8,139)	(92)
Share of profit (loss) from investments in associates	-	-	(1)	-	2	-
Share of loss from investments in joint venture	(33)	-	(30)	-	-	-
Profit (loss) before finance costs and income tax income (expenses)	(214)	(3)	319	4	738	8
Finance costs	(140)	(2)	(106)	(1)	(86)	(1)
Income tax income (expenses)	76	1	(22)	-	(101)	(1)
Profit (loss) for the year	(278)	(4)	191	3	551	6
Non-controlling interests of the subsidiary	3	-	-	-	3	-
Profit (loss) to equity holders of the Company	(275)	(4)	191	3	554	6

Statement of Comprehensive Income of Bangkok Ranch Public Company Limited and its subsidiaries
For the year ended 31 December 2017 - 2019

	For the year ended					
	31 December 2019		31 December 2018		31 December 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit (loss) for the year	(278)		191		551	
Exchange differences on translation of financial statements in foreign currency	(62)		(27)		-	
Gain (loss) on change in value of available-for-sale investments, net of income tax	-		2		-	
Share of profit from actuarial gain of investments in joint venture - net of income tax	3		-		-	
Actuarial loss - net of income tax	(5)		(15)		-	
Total comprehensive income for the year	(342)		151		551	
Total comprehensive income to non-controlling interests of the subsidiary	3		-		3	
Total comprehensive income to equity holders of the Company	(339)		151		554	

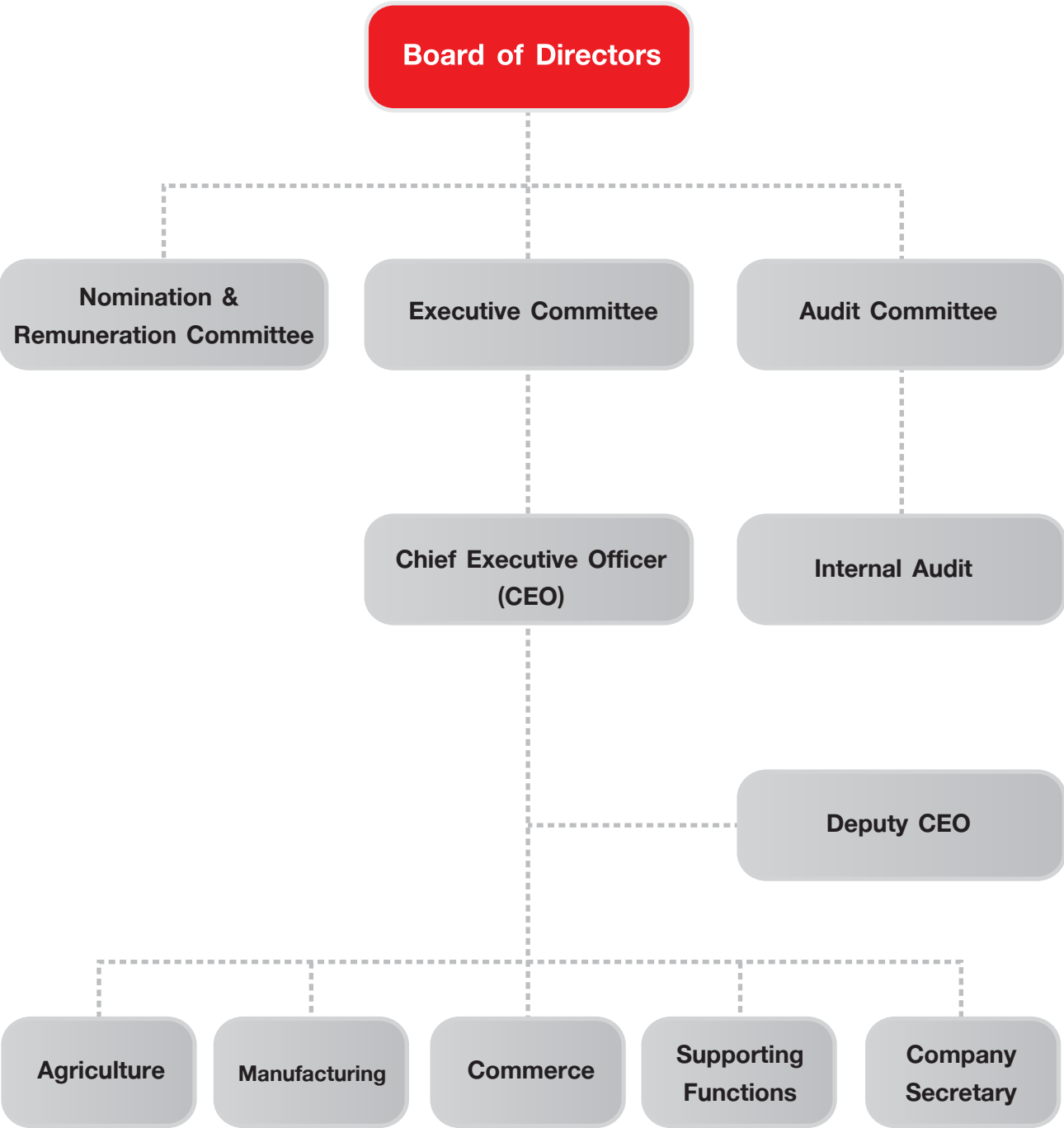
Cash Flow Statement of Bangkok Ranch Public Company Limited and its subsidiaries
For the year ended 31 December 2017 - 2019

	For the year ended					
	31 December 2019		31 December 2018		31 December 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Net cash from operating activities	273		153		1,059	
Net cash used in investing activities	(1,301)		(870)		(1,271)	
Net cash from (used in) financing activities	732		961		(39)	
Decrease in translation adjustments	(15)		(8)		(8)	
Net increase (decrease) in cash and cash equivalents	(311)		236		(259)	
Cash and cash equivalents at beginning of year	534		298		557	
Cash and cash equivalents at end of year	223		534		298	

Financial Ratios of Bangkok Ranch Public Company Limited and its subsidiaries

	As at / For the year ended		
	31 December 2019	31 December 2018	31 December 2017
Liquidity Ratios			
Current Ratio (times)	0.63	0.85	1.04
Quick Ratio (times)	0.21	0.34	0.46
Activity Ratios			
Account Receivable Turnover (times)	11.60	11.00	11.57
Average Collection Period (days)	31	33	32
Fixed Asset Turnover (times)	1.69	2.22	2.88
Account Payable Turnover (times)	13.33	13.79	15.29
Average Payment Period (days)	27	26	24
Cash Cycle (days)	96	89	81
Inventory Turnover (times)	3.96	4.46	5.00
Average Sales (Inventory) Period (days)	92	82	73
Total Assets Turnover (times)	0.72	0.84	0.99
Leverage Ratios			
Debt / Equity Ratio (times)	1.56	1.24	0.91
Interest Coverage Ratio (times)	(1.53)	3.02	8.54
Profitability Ratios			
Gross Profit Margin (%)	13%	17%	18%
Net Profit Margin (%)	(4%)	2%	6%
Return on Assets or ROA (%)	(2%)	3%	8%
Return on Equity or ROE (%)	(6%)	4%	12%

Organisation Chart (2019)



Profile of the Directors and Management



Mr. Joti Bhokavanij

Chairman of the Board and Member of
Nomination & Remuneration Committee

Age 78 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

- Director Accreditation Program (DAP)
- Chairman 2000
- Director Certification Program (DCP)
- IOD National Director Conference 2012 – Moving Corporate Governance Forward Challenge for Thai Directors
- Monitoring the Quality of Financial Reporting (MFR)
- Successful Formulation & Execution of Strategy (SFE)
- How to Measure the Success of Corporate Strategy (HMS)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Internal Audit Function (MIA)
- Monitoring the System of Internal Control and Risk Management (MIR)
- How to Develop a Risk Management Plan (HRP)
- CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control
- IOD Seminar : Nomination Committee Best Practice Guideline
- IOD Seminar : Audit Committee Forum

BR's Shareholding

10,942,776 shares or 1.19% as of 31 December 2019 *

Family Relationship with Management Team - None -

Position in Other Listed Company

- | | |
|---------------------|--|
| Aug 2019 – Present | Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, Siam Makro Public Company Limited |
| Sep 2017 – Present | Independent Director and Chairman of the Audit Committee, True Corporation Public Company Limited |
| Feb 2011 – Present | Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited |
| Aug 2016 – Aug 2019 | Member of the Corporate Governance Committee, Siam Makro Public Company Limited |
| 2013 – Aug 2019 | Independent Director and Member of the Audit Committee, Siam Makro Public Company Limited |
| 2012 – Dec 2019 | Independent Director, Loxley Public Company Limited |
| 2012 – Apr 2018 | Member of the Audit Committee, Loxley Public Company Limited |
| 1999 – Sep 2017 | Independent Director and Member of the Audit Committee, True Corporation Public Company Limited |

Position in Other Non-Listed Company

- | | |
|-----------------|---|
| 2009 – Apr 2019 | Director, Thai Smart Card Company Limited |
| 2002 – Oct 2017 | Director, True Move Company Limited |
| | Director, Bangkok Inter Teletech Public Company Limited |
| 1999 – 2017 | Director, Kingfisher Holdings Limited |

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2019

- The Board of Directors' Meeting 7 / 7 times
- Executive Committee Meeting 7 / 8 times
- Nomination & Remuneration Committee's Meeting 1 / 1 time
- Annual General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date 15 July 2013

* The shares were transferred to daughter, Ms.Janatip Bhokavanij, in the amount of 2,000,000 shares on 20 January, 2020, remaining 8,942,776 shares



Mr. Taveechai Charoenbundit

Vice Chairman and Independent Director,
Member of Audit Committee

Age 80 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 31 December 2019

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

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

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2019

- The Board of Directors' Meeting 7 / 7 times
- Audit Committee's Meeting 3 / 4 times
- Annual General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

2 May 2014



Mr. Joseph Suchaovanich

Vice Chairman, Chief Executive Officer (CEO),
Executive Director and Member of Nomination &
Remuneration Committee

Age 67 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 31 December 2019

Family Relationship with Management Team

Spouse to Mrs. Rosanna Suchaovanich

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

2018 - Present	Director, Winthai Food Co., Ltd.
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 2019

- The Board of Directors' Meeting 7 / 7 times
- Executive Committee's Meeting 8 / 8 times
- Nomination & Remuneration Committee's Meeting 1 / 1 time
- Annual General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

15 July 2013



Mr. Gertjan Tomassen

Vice Chairman, Managing Director of Europe,
Executive Director and Member of Nomination &
Remuneration Committee

Age 50 Years / Nationality Dutch

Education

-

Director Training

- None -

BR's Shareholding

1,612 shares or 0.0001% as of 31 December 2019

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)
2018 - Present	Director, Voorsterwoud B.V. (Netherlands)
2018 - Present	Director, Veluwse Chaletbouw B.V. (Netherlands)
2017 - Present	Director, Flying Duck Man B.V. (Netherlands)
2017 - Present	Director, Weng Fat Poultry Sh.P.K. (Kosovo)
2017 - Present	Director, Lucky Duck International Food. (Netherlands)
2015 - Present	Director, ToPan Vastgoed B.V. (Netherlands)
2014 - Present	Director, Holland Dairy. (Ethopia)
2013 - Present	Director, LISUDA, Vastgoed B.V. (Netherlands)
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 2019

- The Board of Directors' Meeting 5 / 7 times
- Executive Committee's Meeting 8 / 8 times
- Annual 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 76 Years / Nationality Thai

Education

- Bachelor of 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 31 December 2019

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 2019

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

BR Director Appointment Date

15 July 2013



Mrs. Rosanna Suchaovanich

Deputy CEO, Executive Director,
Chairman of Nomination &
Remuneration Committee

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

4,581,798 shares or 0.50% as of 31 December 2019

Family Relationship with Management Team

Spouse to Mr. Joseph Suchaovanich

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

2018 - Present	Director, WinThai Food Co., Ltd.
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 2019

- The Board of Directors' Meeting 7 / 7 times
- Executive Committee's Meeting 8 / 8 times
- Nomination & Remuneration Committee's Meeting 1 / 1 time
- Annual 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 68 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 31 December 2019

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed Company

- | | |
|----------------|--|
| 2014 - Present | Adviser on Environmental & Sustainable Development, The Karen National Union (KNU), Mergui, Republic of the Union of Myanmar |
| 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 Phra Campus |

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2019

- The Board of Directors' Meeting 7 / 7 times
- Audit Committee's Meeting 3 / 4 times
- Annual General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

2 May 2014



Mr. Gerard Martin Elbertsen

Director and Executive Director

Age 55 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 31 December 2019

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, Tomassen Duck-To BV, Duck-To Farm BV (Netherlands) |
| 2013 – Present | Director, Anatis Foods Limited (Thailand) |
| 2013 – Present | Director, Lucky Duck International Food BV (Netherlands) |
| 2013 – Present | Director, Duck-To Holding B.V. Ermelo, (Netherlands) |
| 2003 – 2005 | Controller / Head of Administration, Van Panhuis Ermelo BV |
| 1998 – 2002 | Controller / Head of Administration, De Heus Veevoeder-fabriek BV |

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2019

- The Board of Directors' Meeting 6 / 7 times
- Executive Committee's Meeting 7 / 8 times
- Annual General Shareholders' Meeting 1 / 1 time

BR Director Appointment Date

15 July 2013



Mrs. Nutthaporn Luangsuwan

Director

Age 56 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
- Capital Market Academy
- Advanced Management Program - Harvard Business School

BR's Shareholding

350,000 shares or 0.04% as of 31 December 2019

Family Relationship with Management Team

- None -

Position in Other Listed Company

2017-- Present	Director, BBL (Cayman) Limited
2013 - Present	Director, Bangkok Ranch 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 2019

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

BR Director Appointment Date

15 July 2013



Mr. Ralph Robert Tye

Director

Age 62 Years / Nationality Thai

Education

- Chartered Accountant Australia and New Zealand and Cost and Management Accountant of the Institute of Chartered Accountants of New Zealand
- Fellow member of Thai Institute of Directors Association
- Master of Business Administration, Thammasat University
- Master of Commerce in Accounting, University of Auckland, New Zealand
- Bachelor of Commerce in Accounting, University of Auckland, New Zealand

Director Training

- Director Certificate of Completion (DCP 266/2018, Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP 32/2019), Thai Institute of Directors Association (IOD)
- Strategic Board Master Class (SBM 6/2019), Thai Institute of Directors Association (IOD)
- Boards that Make a Difference (BMD 9/2019), Thai Institute of Directors Association (IOD)

BR's Shareholding

- shares or - % as of 31 December 2019

Family Relationship with Management Team

- None -

Position in Other Listed Company

- None -

Position in Other Non-Listed

1981- June 2018	EY Office Ltd., Senior Audit Partner
2000- June 2017	EY Office Ltd., Assurance Market Leader
	EY Office Ltd., Japanese Business Service Leader
2000-2006	EY Office Ltd., Country Independence Leader

Position in other companies potentially having conflict of Interest

- None -

Meeting Attendance in 2019

- The Board of Directors' Meeting 5/5 times since director appointment date
- Annual General Shareholders' Meeting 1/1 time

BR Director Appointment Date

25 April 2019

Management Team

Mr. Weerasak Wahawisal

Assistance to CEO Office

Work Experience:

2016 – Present	Assistance to CEO Office Group Accounting Director	Bangkok Ranch PCL.
2006 - Present	Independent Director, Member of Audit Committee, and Member of Nomination, Remuneration, and 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	Group Chief Information Officer	Bangkok Ranch PCL.
2017 - Present	Executive Committee	Junior MBA Chulalongkorn Program
2016 - Present	Executive Committee	MBA Chula Alumni Association, Faculty of Commerce and Accountancy Chulalongkorn University
2001 - 2004	MIS Manager,	Nakamichi Malaysia Sdn. Bhd.
1992 - 2000	MIS Manager,	Capetronic International (Thailand) PCL.

Education:

Master Degree	Business Administration, Commerce and Accountancy	Chulalongkorn University
Master Degree	Computer Information System	Assumption University

Family Relationship with Management Team: - None -

Mr. Teerawat Kitipuriwat

Breeding Director

Work Experience:

1985 – Present	Breeding Director	Bangkok Ranch PCL.
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Education:

Master Degree	Business Administration	Chulalongkorn University
Bachelor Degree	Agricultural Science	Chiang Mai University

Family Relationship with Management Team: - None -

Company Secretary

Dr. Siriporn Viriyabuncha

Corporate Counselor & Company Secretary

Work Experience:

2018 – Present	Corporate Counselor / Company Secretary	Bangkok Ranch PCL.
2016 - 2018	Vice President Head of Corporate Secretary,	Total Access Communication PCL.
2012 - 2016	Legal Director/ /Company Secretary/ Corporate & Compliance Director,	Bangkok Ranch PCL.
2003 - 2012	Senior Lawyer,	Natee International Law Office Co., Ltd.
1995 - 2003	Tax and Legal Manager,	KPMG Advisory Co., Ltd. KPMG Peat Marwick Suthee Co., Ltd.
1991 – 1995	Senior Lawyer,	SGVN Legal & Tax Consulting Co., Ltd.

Education:

Doctoral Degree	Doctor of Philosophy, Educational Psychology	Chulalongkorn University
Master Degree	Master of Arts, Social Development	National Institute of Development Administration
Bachelor Degree	Bachelor of Law, Business Law	Chulalongkorn University
Bachelor Degree	Bachelor of Business Administration, Marketing	Ramkhamhang University
Bachelor Degree	Bachelor of Accounting	Sukhothai Thammathirat University

Family Relationship with Management Team: - None -

Business Policy and Overview

1. Overview

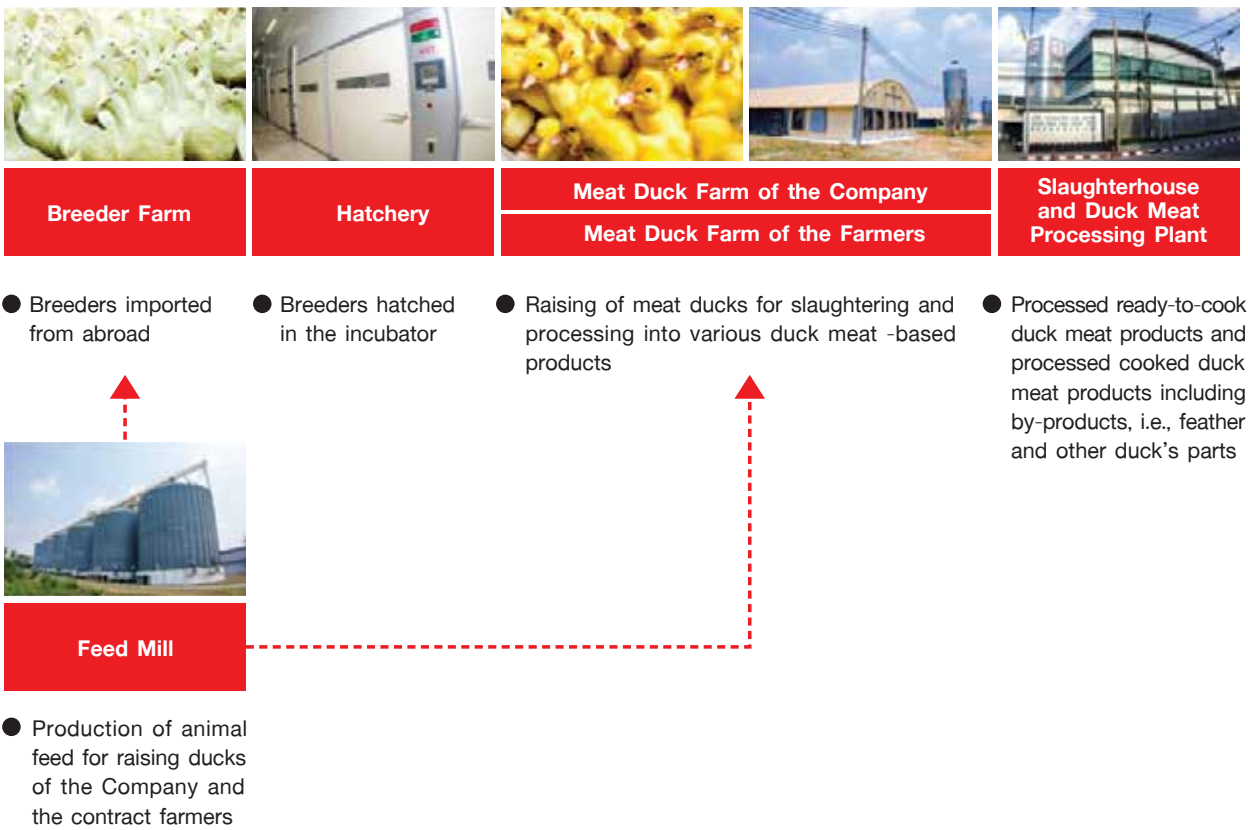
Bangkok Ranch Group of Companies is a fully integrated global business leader; specializing in premium quality duck meat. The business of the company is currently classified into 6 categories; 1) Animal feed 2) The Parent Stock Farm business 3) Hatchery business 4) Commercial Farm and Contract Farm business 5) The Slaughterhouse and Food Processing business and 6) The retail business.

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

1.1 Business in Thailand

Founded in 1984, the business in Thailand is an agro-industry business based on duck meat. The Company distributes domestically and export to 20 countries in 3 continents worldwide. The business in Thailand operates a fully integrated business of duck products from upstream to downstream. 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 defined by the Company's clients. Currently, the Company is one of the two largest producers of duck meat-based products in Thailand.

The structure of operating the full-cycle business in Thailand



1.2 Business in the Netherlands

The business in the Netherlands also operates the duck manufacturing business likewise in Thailand only without the feed mill operation. 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. The duck meat products where are produced in the Netherlands such as frozen products, ready-to-cook products are mainly distributed in European countries. Currently, a group of subsidiary companies in the Netherlands is one of the largest producers of duck-based products industry in the Netherlands.

2. Business Policy

As a fully integrated duck specialist, we continue to deploy the excellent quality for all our products. Our standardized closed plant and modern technology enable proper control of epidemic disease together with a team of veterinarian's staff to provide healthy environment for duck raising business as required. Our quality and safety are all of international standards. In addition to our business operations, corporate social responsibilities on achieving long term sustainable growth are of high importance.

3. Target and Strategies

Target

The value of the company and its shareholders: To expand our group of businesses and create long term growth for our shareholders on a sustainable basis.

Customers and consumers: To present valuable and excellent products to our customers.

Member of the staff and organization: To enhance the knowledge and capability of our staff within the organization with happiness.

Society and the environment: To take responsibility and make positive contribution to our society and the environment.

Strategies

Marketing Strategy

- To penetrate domestic markets through 3 main channels such as hotel customer groups, restaurants (HORECA) wholesale and hypermarkets.
- To expand customer base in overseas such as European markets and new markets. We aspire to be the best exporters of duck meat and create high profitability for the company.

- To invest in other businesses specializing in the retail market or direct sales for customers in order to support the Company’s main products.

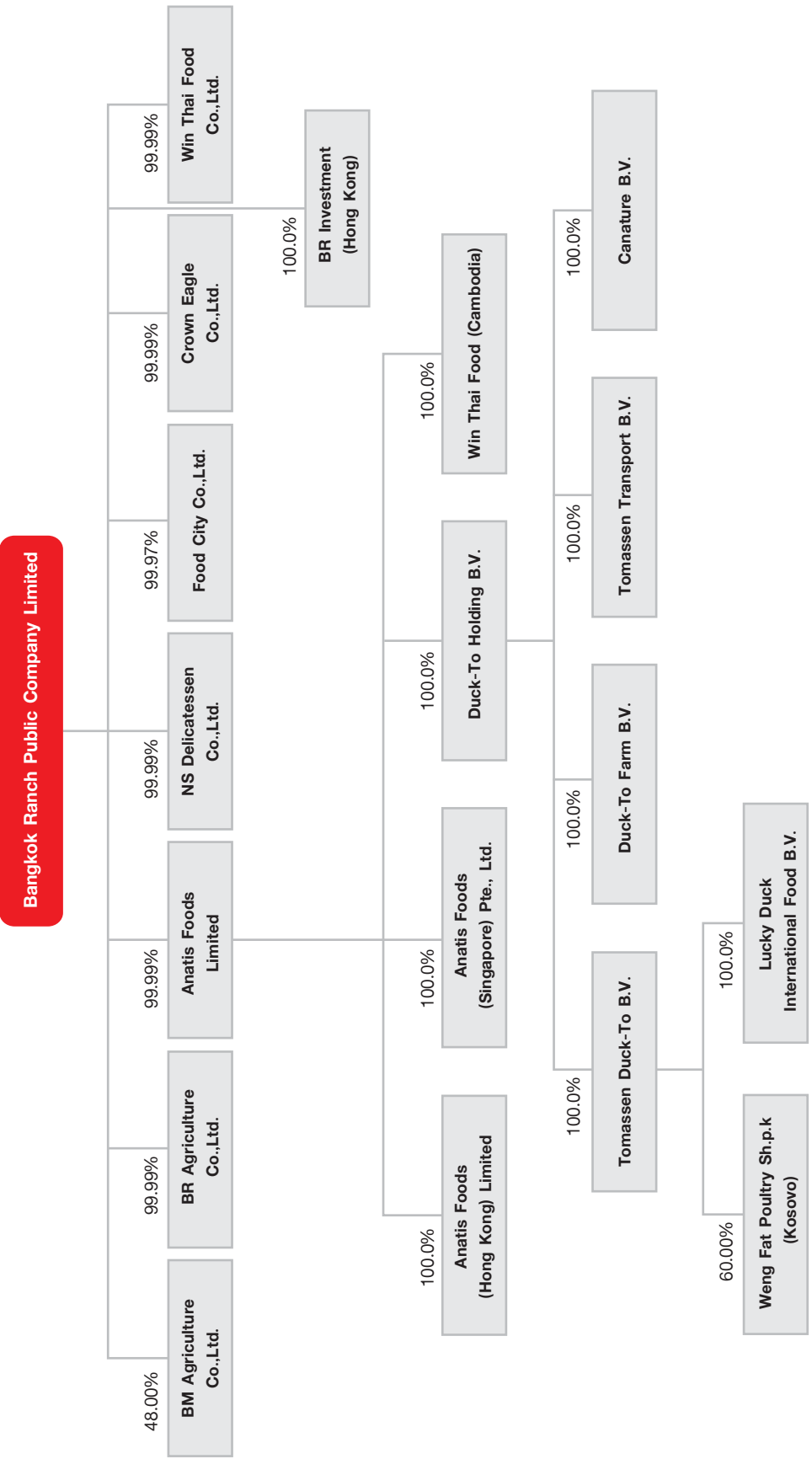
Product Strategy

- To crown the success of the Company through creating brand awareness for our products, under the brands “Dalee”, “Bangkok Ranch”, “Canature” and others.
- To develop and innovate new products from duck meat

Operation Strategy

- To increase production for the Company’s upstream business - animal feed, parent stock farms and commercial duck farms.
- To balance the production capacity at various plants in Thailand and Europe. Production of the goods will be characterized by the supply and demand of the region.
- To share knowledge and experience throughout the organization. Work collaboration between the businesses in Thailand and the Netherlands.
- To lower cost through procurement of products for the whole group of companies, and increase cost control awareness with suppliers.
- To seek opportunities for business expansion of the slaughterhouse and duck meat processing abroad.

4. Shareholding Structure of the Company and its Subsidiaries as of 31st December 2019
Remark: Excluding Subsidiaries where the Company owns less than 50% ownership.



History, Significant Change, and Development

1984

- Founded with an initial capital of 20 million Baht by a joint venture with KCT International Development Company Limited to operate business in production and distribution of fresh duck, frozen fresh duck and by-products from duck dissection.

1993

- Listed in the Stock Exchange of Thailand.

1997

- Opened the operation of feed mill in Prom Buri, Sing Buri Province.

1998

- Opened the hatchery farm in Wichean Buri, Petchaboon Province.

1999

- The Company filed a petition for business rehabilitation with the Central Bankruptcy Court due to the economic crisis in 1997.

2000

- Navis Asia Fund of Navis Capital Partners invested into the Company.

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).



2005

- In 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. It was approved from the Stock Exchange of Thailand for re-entry to normal trading in Agro & Food Industry 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 and TIS 18001:1999.
- Purchased 100% of shares in 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 security was approved for voluntary delisting in the stock exchange of Thailand on 5 August 2009.

2012

- On 28 December 2012, a consortium led by Mr. Joseph Suchaovanich bought over the shares of the Company from Navis Asia Fund.

2013

- 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 Company Limited 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 Company Limited on 15 December 2014 with initial registered capital 5 Million Baht, in order to invest in duck meat business.

2015

- The Company re-entered into 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.
- 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 HK 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 85 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 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 operate restaurant business.

2018

- The Company made the disposal of shares in its subsidiary in Netherlands. At the same time, it established its new subsidiary in Thailand, namely WinThai Food Company Limited on 11 May 2018 with the initial registered capital 200 Million Baht, to support a new slaughterhouse project. Subsequently, WinThai Food Company Limited increased its registered capital to 1,000 Million Baht, on 3 September 2018 (the current paid-up capital at 1,000 Million Baht).
- On 5 July 2018, the Board of Director had the resolution to increase the registered capital of Food City Company Limited from 400 Million Baht to 800 Million Baht (the current paid-up capital at 800 Million Baht) to underpin the business operation in the future.
- On 2 November 2018, Tomassen Duck-to B.V. (a subsidiary) purchased 31% shareholding in Weng Fat Poultry (Kosovo) Sh.P.K. for EUR 310, increasing shareholding from 29% to 60%

2019

- Win Thai Food Company Limited (a subsidiary) proceeded the construction of the new slaughterhouse at Sra Kaew province, aiming to commence commercial production in 2020.



Nature of Business

Revenue Structure as Financial Statement

Revenue Structure from Year 2017 to 2019 is summarized as follows:

	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Businesses in Thailand</u>						
Revenue from Upstream	1,998	27	2,103	26	2,250	25
Revenue from Downstream	3,254	43	3,324	41	3,795	43
Revenue from Collaborations	(888)	(12)	(1,147)	(14)	(1,711)	(19)
Total revenue from businesses in Thailand	4,364	58	4,280	53	4,334	49
<u>Businesses in the Netherlands</u>						
Revenue from Upstream	810	11	890	11	904	10
Revenue from Downstream	1,762	23	2,087	25	2,363	27
Total revenue from businesses in Netherlands	2,572	34	2,977	36	3,267	37
<u>Supporting Businesses</u>						
Revenue from supporting businesses	632	8	879	11	1,228	14
Total Revenue	7,568	100	8,136	100	8,829	100

Characteristics of Products

The Group of Companies operates the fully integrated of duck meat business which covers the entire value chain from 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. The Group of Companies has 2 production bases composing of 1) Businesses in Thailand 2) Businesses in the Netherlands.

Businesses in Thailand

The Company is the fully integrated of duck meat producer in Thailand who distributes premium quality of duck meat products domestically and oversea. The businesses of the Company can be divided into 6 categories as follows:

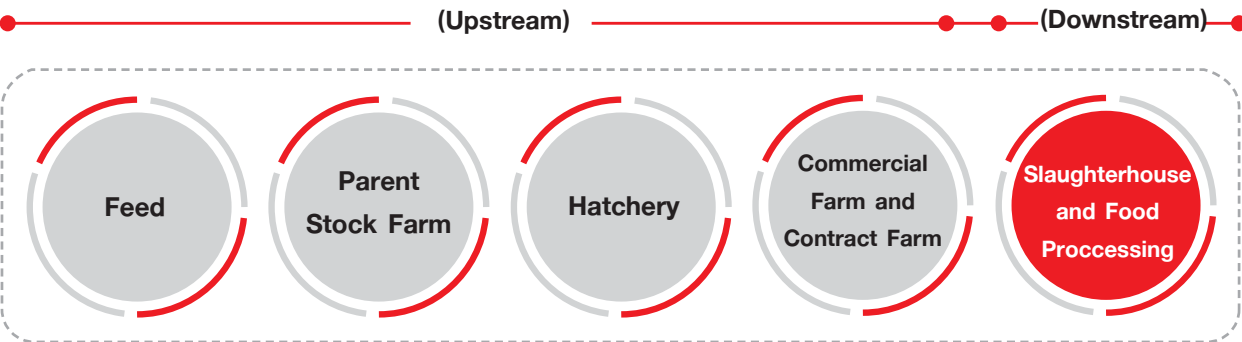
- 1) Feed;
- 2) Parent Stock Farm;

- 3) Hatchery;
- 4) Commercial Farm and Contract Farm;
- 5) Slaughterhouse and Food Processing; and
- 6) Others.

Company's Revenue from Businesses in Thailand

	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Business in Thailand						
Revenue from Upstream	1,998	46	2,103	49	2,250	51
Revenue from Downstream	3,254	74	3,324	78	3,795	88
Revenue from domestic sales						
Duck Products	2,086	48	2,063	48	1,845	43
By Products and Others	362	8	390	9	354	8
Total revenue from domestic sales	2,448	56	2,453	57	2,199	51
Revenue from export sales						
Duck Products	598	14	593	14	1,377	32
By Products and Others	208	5	278	7	219	5
Total revenue from export sales	806	18	871	21	1,596	37
Total revenue from businesses in Thailand	5,252	120	5,427	127	6,045	139
Inter-segment revenue	(888)	(20)	(1,147)	(27)	(1,711)	(39)
Net revenue from businesses in Thailand	4,364	100	4,280	100	4,334	100

Diagram of the Complete Duck Businesses in Thailand



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 approximately 90 percent 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 due to increase in biosecurity and quality control.

5) Slaughterhouse and Food Processing: Commercial ducks are processed at the slaughterhouse into various products such fresh duck, frozen duck, ready-to-cook duck, cooked processed duck, under the Company's brand or other brands determined by customers; distributing domestically and overseas. The Company's products are well-known and widely recognized globally.

The businesses of the Company can be divided into 6 categories as follows;

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 aims to raise ducks to produce and distribute duck meats for domestic and overseas consumers.



Imported parent stock ducklings for raising.

The Company imports parent stock from abroad for raising. Such parent stock ducklings are raised in the closed building which could control moistness, temperature, and light etc. At the present, the Company presently has 8 parent stock farms. The 5 farms are located in Petchaboon Province, two in Rayong and

one in 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 farms 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 bricket, etc.



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

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 hatchery 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.. 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 has 2 farming systems; Commercial Farm operated by the Company itself and Contract Farm operated by farmers who will purchase duckling, feed, and vaccination from the Company.

At the present, the contract farms also play the significant role in duck raising farms for the company. However, The Company also has the policy to expand and invest more on its own commercial farm to meet the increading demand of duck consumption in the near future.



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

4. Feed

Feed is another key business which generates the advantage to the Company to grow sustainably. Then, the feed mill was established in Sing Buri Province which is strategic location to sort the raw materials and easy to deliver to the commercial farm and contract farming. The feed mill has the capacity of 138,000 tonnes per year.

The feed mill receives various certificates 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 into the manufacturing process controlled by computer system.



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; and choosing raw materials with high quality and reasonable prices used in manufacturing.

5. Slaughterhouse and duck processing

The Company's slaughterhouse is located in Bangphli district, Samutprakarn Province and monitored closely by the Department of Livestock Development of Thailand. At the slaughterhouse, commercial ducks are

processed into various products such fresh duck, frozen duck, ready-to-cook duck, cooked processed duck, under the Company's brand or other brands determined by customers; distributing domestically and overseas. The Company's products are well-known and widely recognized globally.

The Company's second slaughterhouse is located in Muang district, Sra Kaew Province. It is scheduled for commercial production in 2020.



Process of slaughtering duck

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.



Cut up process



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

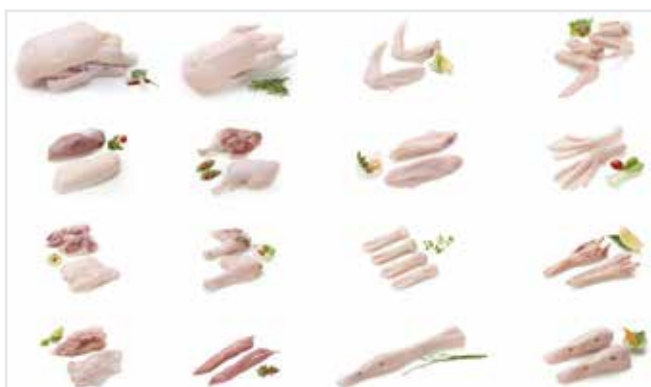
The Company's products can be divided into 5 types as follows:

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.

2) Cut-Up

Cut-Up is to sell the duck meats in pieces such as breast, calf and hip, wing, leg, tenderloin, etc. to are popular in the 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 consumed locally

4) Cooked Products

The Company has its own research and development department in order to creative and innovative new products. The Company also pays high attention to producing products with high nutrition, taste and hygiene. The cooked products are sold locally and overseas.



Samples of the Company Food Professing Products



Samples of D-Duck Products

5) Feather

Feather is another product creating the Company's value added product and is normally sold to overseas customers.

6) Other Business

1) Noodle

To diversify its product categories, the Company has also established its noodle factory to produce pancake and noodle products. The main target group of customers are restaurants, hotels, and retail shops. Noodles compliments the company's main products, which also add the value to ready to our cookedproducts.

2) Restaurant and Cofee Shop

The restaurant and coffee shop business are operated by Crown Eagle Company Limited with the purpose of complimenting the company's main product and understand consumer behaviors. The company has a coffee shop under the brand D-Coffee, which is located at the front of the company's head office.



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.

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 value added duck meat production and value added food production of QSRs. 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 and Ready to eat products etc.



Food Processing Plant in Pathumthani Province

4) Sausage Production Plant

In June 2017, the Company established NS Delicatessen Company Limited for sausage production. The products will be sold under the Company's own brand i.e. Arabiki Sausage, Tokyo Sausage, Cheese Sausage, Cha Chu pork etc.



Sausage Production Plant in Prachinburi



The Packed Sausage

5) Import and Export Business

Due to an increasing demand for duck meat globally and the opening of the Asean Economics Community, the Company decided to establish various overseas subsidiaries to support and implement the Company's import and export business. Details are as follows;

5.1 The Group of WinThai Food Company Limited

Win Thai Food (Hong Kong) Company Limited was registered and established in Hong Kong in order to import and export of duck products and other consumable products. The main target group of customers are restaurants, hotels and casinos in Hong Kong.

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

5.2 Asia Pacific Trading Joint Stock Company

The company was registered and established in Vietnam in order to import duck products to sell to local customers.

With regards to operations in Thailand, the Company has received 12 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	61-0644-0-001-0	25 October 2016	Not yet start	8 years	Manufacture animal feed	1.6 Manufacture animal feed or feed ingredients	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	10 October 2019	9 October 2027	Manufacturing germ duck egg	1.5 Breed or raise animals	Received a promotion card on behalf of BR Agriculture Company Limited
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

	Card No.	Approval Date	Receive Revenue	Expiry Date	Business	Type	Remarks
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	1.17 Manufacture or preserve foods or food additives by modern technology	Received a promotion card on behalf of Food City Company Limited
12	61-1140-0-00-1-2	25 September 2018	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 Winthai Food Company Limited

Businesses in the Netherlands

Company’s sales revenue from businesses in the Netherlands

	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Business in the Netherlands						
Revenue from Upstream	810	31	890	30	904	28
Revenue from Downstream	1,762	69	2,087	70	2,363	72
Duck Products	1,514	59	1,863	63	2,188	67
By Products and others	248	10	224	7	175	5
Total revenue from businesses in the Netherlands	2,572	100	2,977	100	3,267	100

The Duck-To Holding Company (DTH) operates the businesses of duck manufacturing in the Netherlands likewise businesses in Thailand except feed business, which the company purchases from multiple feed suppliers in the Netherlands. DTH covers operations from upstream to downstream such as parent stock farm, hatchery, contract farm, slaughterhouse and cooked duck processing. The parent stock farms as well as contract farms are controlled and coordinated through contract farmers. Hatching duck egg as well as rearing Parent Stock are controlled and coordinated through and operated by Duck-To Farm (DTF). The slaughterhouse is operated by Tomassen Duck-To BV (TDT) and the cooked duck processing plant is operated by Lucky Duck (LD). All three companies are 100% subsidiaries. The Company groups in the Netherlands run their businesses in Ermelo (TDT and DTF) and Uden (LD), the Netherlands.

Other group companies are dormant companies such as Canature (only used for brand name and imports from Asia) and Tomassen Transport (TT) as a Company that used to transport duck products. As of 2019 Weng Fat Kosovo (WFK) in the Southeasteran European country Kosovo is a new 60% subsidiary of TDT. WFK is a new greenfield operating facility for cooking and further processing of Duck products. It is expected to be fully operational in 2020.

1. Parent Stock Farm

Raising parent stock is operated by DTF. It imports parent stock which is the popular species of meat duck in Europe. Then, the parent stock ducklings are raised at the duck farms of DTF where temperatures and moistness are fully controlled for all ducks.

Moreover, after acquiring the farm land in 2016 (before it was rented), DTF has additional investment in Solar Panel installation for 7,500 panels on the roofs of the farms. 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 farms in the Netherlands with solar panels

2. Hatchery

DTF will purchase duck eggs from contract farmers or bring eggs from the DTF’s parent stock farm to the hatchery. The hatchery will manufacture Day-Old Duck and accepts eggs from the parent stock farm two times a week 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 hatcheries is approximately 173,000 eggs per week.

The DTF hatchery is operated according the standards of Hazard Analysis Critical Control Point (HACCP) and DQP (Duck Quality Program), which are the standards of the Netherlands Food and Consumer Product Safety Authority (NVWA). Moreover, it is frequently audited and certified for the manufacturing quality to be able to be permitted for export for ducklings to many countries such as Thailand, South Korea, Russia, Canada, etc. Such standards ensure confidence to customers of Company groups in the Netherlands and the continuous quality of duck meat for a long period.

3. Commercial Farm and Contract Farm

DTF controls raising meat duck of contract farmers. The Company does not raise meat duck by itself but it employs contract farmers. This is because the Netherlands is a country which has a high level of progress of agriculture so there are farmers who have good quality as contract farmers.

DTF makes contracts with the farmers. They will accept to purchase Day-Old Duck from the DTF’s hatchery and farmers and agree to sell meat duck back when it is due at a determined age and weight to TDT, 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 volumes.

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.

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.

The products TDT manufactures mainly are whole uncooked ducks, which are mainly distributed in European Union. TDT has additional investment in Solar Panel installation for 4,500 panels on the roofs of the Slaughterhouse. Currently, TDT can produce its own power at the amount of 1,200,000 Kilowatt Hour. This power (together with the power from DTF) can be used with the slaughterhouse and cold storage of the Company.



Slaughterhouse and food processing in the Netherlands including 4,500 Solar Panels

The cooking and food processing plant is operated by Lucky Duck, the plant which manufactures cooked and ready to eat duck products and other meat products.

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.

Risk Factors

BR GROUP



The Company has taken many internal and external mitigation of risk factors into consideration for the business. The Company's risk factors can be classified into 3 types -1) Market Risk 2) Operation Risk and 3) Financial Risk. The details are explained below;

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. Global poultry meat prices and local government regulations greatly influence the pricing of our products.

The change in consumer behavior is also a risk in which we closely monitor. The Company tries to adapt to new trends; and believes that the continuation of product development with successful branding on a variety of products, will mitigate such risks.

1.2 Risk of Fluctuation of Raw Material Prices

Global and local commodity prices of soybeans, corn, sorghum, broken rice etc also contribute to our manufacturing cost. Many of these factors are of macro level and beyond the Company's control.

Our management teams are experienced in procuring raw materials with good relationship with suppliers and farmers directly. The Company tries to manage price fluctuation within acceptable cost levels.

1.3 Risk of ducklings Supply

The stable supply of ducklings is critical for our business. The ducklings are imported from abroad, therefore importing risk into Thailand is a factor that should be closely monitored. The Company has proper planning and buffer stock control.

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

Natural disasters such as flood, drought and storm have the unfavorable impacts to the Company's business operation.

To avoid this uncontrollable risk, the Company preventive policies are implemented; assigning the responsible people to monitor such seasonal changes and immediately report to make on-time preparations.

The Company has also prepared the Business Continuity Plan (BCP); ensuring that it is effectively executed with all risks insurances taken in place – such as properties used in operations, raw materials, and primary products. Business Interruption Insurance was also made to cover such damages from natural disasters.

1.5 Risk from Epidemic of Communicable Diseases

The epidemic of communicable diseases in animals negatively affect consumers' confidence. This situation would lead to a decline in duck meat consumption; which in turn has the negative impact on the Company's performance.

The Company continues to monitor, control, and prevent infections in Thailand and Netherlands through advance technology and modern raising systems. Our farms are built in a closed environment with controlling temperatures and moisture humidity levels monitored.

The Company has policies and practices regarding raising animals under a good environment according to international standards, management, and high sanitary systems

In addition, our operations have been certified by relevant government agencies such as the Department of Livestock Development.

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

Quality and safety are very important to our consumers and are a priority to our company.

The Company has been certified with the quality of food standard 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.

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

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, policy changes, and stipulations are important concerns for the Company and may have a negative impact on the Company's business operations.

1.8 Risk from Changing Trade Measures by Importing Countries

Changes in the trade measures by importing countries may create potential risk to the Company's business operation. This might be changes in the tariff rate on importing products, trade barriers, and industry protection measures which may be in the form of taxation related and non-taxation measures, including a time-consuming import permission procedure and determination of criteria or standards of hygiene and safety.

The Company closely monitors the situation in such importing countries and made the report to Management and related departments to keep abreast of the situation, and to implement the appropriate strategy. Moreover, the Company has the strategy to continuously expand its exports to other countries to diversify its export base.

2. Operations Risk

2.1 Risk of Dependence on Contract Farms for Raising Meat Duck

At present, the Company still depends largely on contract farmers to raise ducks; with weight and quality determined by the Company. If farmers choose to change his farm to raise other animals, this may negatively impact the Company.

The Company has a policy to encourage duck-raising farmers by providing knowledge, along with improving their competency in raising ducks to a high quality standard. This will help farmers achieve good returns and create sustainability for their occupation.

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

The Company's production process relies largely on daily employees. Thus, the shortage of such manpower is considered as an operational risk.

To address such risk, the Company values human resource management as top priority. The Company supports competitive remuneration packages, cultivating a healthy work environment to retain all personnel and labor.

The Company continues to invest in duck meat manufacturing technology and processing systems hoping to rely less on manpower labors.

3. Financial Risk

3.1 Risk from Fluctuations of Foreign Currency Exchange Rates

Exporting business contributes 18% of our Thailand turnover in 2019. The Company mainly trades in USD, EUR and GBP. Currency exchange rate exposure is a risk.

The Company makes Foreign Currencies Exchange Forward Contracts in order to minimize the risk from exchange rate fluctuations. This will help the Company with pricing policies and manage manufacturing cost on an appropriate level.

3.2 Risk from Fluctuations of Interest Rate

As of 31 December 2019, the group of companies borrowed Baht 2,933 million with a floating interest rate linked to MLR and money market rate. Therefore, the companies have an exposure to interest rate fluctuations; which may negatively impact the group's performance.

However, the group managed the interest rate risk, by securing the project financing from the banks, to ensure the appropriate rate for each long term project.

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

In 2012, the Company underwent a consolidation and business restructuring. The Company recorded the acquired assets and debts as at the acquisition date, at a fair value, including intangible assets. Comparing the net fair value of the assets with cost, the Company recorded the difference as goodwill from business consolidation.

With regards to intangible assets - mainly consists of computer software, relationships with customers and trade marks. The relationships with customers and trade marks are intangible assets appraised after 2012. The value of customer relationships was calculated from discount of cash flows (estimated earnings before interest, taxation, depreciation and amortization (EBITDA) of the Company from 2013 for the next 40 years). Such cash flows are expected to be obtained from maintaining business relationships with original customers who purchase the Company's products during 2008-2012 and such item would be amortized over 40 years.

The value of trade marks, is calculated from discounting annual savings of royalty fees using the trade mark. The calculation of royalty fees is bench marked according to the same industry. The Company and its subsidiary do not amortize the intangible assets (trade mark) but adopt an impairment test method; evaluating the intangible assets and goodwill from a business consolidation.

As at 31 December 2019, the Company booked the intangible assets which consisted of customer relationships for 395 million Baht and trade mark of 275 million Baht with the total amount of 670 million Baht. Including goodwill from business consolidation of 1,876 million Baht, the total is 2,546 million Baht.

The reduction of operating cash flow from forecast, significant changes of economic environment, market conditions and loss of key customers may be an indication of an impairment. In this case, the intangible asset's book value and/or goodwill maybe higher than the expected amount, and may have a negative impact with the financial performance of the period.

Moreover, the Company amortizes the intangible assets based on expected useful life.

Securities and Shareholders

Registered and Paid-up Capital

As of 31st of December 2019, the Company's registered capital is Baht 4,569,643,720 and paid-up registered capital of Baht 4,567,232,790, classifying into 913,446,558 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 31th of December 2018 and 2019 as follows:

No.	Shareholder Lists	Number of Shares (as of)		Share Change	% Total shares
		31 December 2019	31 December 2018		
1.	JRGG Company Limited ¹	230,035,086	230,035,086	-	25.18%
2.	Mr. Prateep Tangmatitham	66,533,200	15,027,700	51,505,500	7.28%
3.	Bangkok Bank Public Company Limited ²	59,236,902	59,236,902	-	6.49%
4.	Black River Capital Partners Food Fund Holdings (Singapore) Pte. Ltd	52,100,000	52,756,700	-656,700	5.70%
5.	Bualuang Long Term Equity Fund	32,068,500	32,068,500	-	3.51%
6.	Bualuang Basic Dividend LTF	18,139,700	19,963,800	-1,824,100	1.99%
7.	Thai NVDR Company Limited	17,194,544	27,006,588	-9,812,044	1.88%
8.	Mr. Sajja Karnjanawarit	12,200,000	12,200,000	-	1.34%
9.	Mr. Joti Bhokavanij	10,942,776	-	-	1.20%
10.	Bualuang Long- Term Equity 75/25	9,406,400	-	-	1.03%
11.	Others shareholders	405,589,450	465,151,282	-59,561,832	44.40%
	Total	913,446,558	913,446,558	-	100%

Remark 1: JRGG Company Limited, which is Holding Company, has list of shareholders as of 31th of December 2019 as follow:

1. Suchaovanich Friendship Co., Ltd.	Shareholding	34.39%
2. Fly Eagle Holdings Limited	Shareholding	37.60%
3. Mr. Joseph Suchaovanich	Shareholding	3.11%
4. Mrs. Rosanna Suchaovanich	Shareholding	9.19%
5. Mr. Gerard Elbertsen	Shareholding	3.33%
6. Mr. Phon Suchaovanich	Shareholding	6.19%
7. Mr. John Suchaovanich	Shareholding	6.19%

Remark 2: Bangkok Bank Public Company Limited, which is Financial Institution, has 10 major shareholders as of 5th of September 2019 as follow:

1. Thai NVDR Company Limited	593,959,154 shares	31.12%
2. South East Asia UK (Type C) Nominees Limited	77,555,250 shares	4.06%
3. Social Security Office	65,464,800 shares	3.43%
4. TSD for Depositors	47,544,315 shares	2.49%
5. The Bank of New York Mellon	41,333,600 shares	2.17%
6. State Street Europe Limited	35,686,774 shares	1.87%
7. UOB Kay Hian (Hong Kong) Limited - Client Account	34,817,270 shares	1.82%
8. Bangkok Insurance PCL	34,097,030 shares	1.79%
9. State Street Bank and Trust Company	25,690,400 shares	1.35%
10. Morgan Stanley & CO. International PCL	25,421,229 shares	1.33%

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

2.1) Representative Directors from JRGG Company Limited

1. Mr. Joseph Suchaovanich	Position	Vice Chairman, Chief Executive Officer (CEO), Executive Director and Nomination & Remuneration Committee and Authorized Director
2. Mrs. Rosanna Suchaovanich	Position	Deputy CEO, Executive Director, Chairman of Nomination & Remuneration Committee and Authorized Director
3. Mr. Gertjan Tomassen	Position	Vice Chairman, Executive Director, and Managing Director of Europe
4. Mr. Gerard Martin Elbertsen	Position	Director and Executive Director

2.2) Representative Directors from Bangkok Bank Public Company Limited

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 repayment, or as working capital inside the Company, etc.

The information of the Company's dividend payment year 2019 are as follows:		
Consolidated net loss	274,748,875	Baht
Loss per share	0.30	Baht
Legal reserves	4,000,000	Baht
Dividend payment per share	0.00	Baht
Total dividend payment	0	Baht
No. of shares	912,796,558	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 repayment, or as working capital inside the Company, etc.

Management Structure

As at 31 December 2019, 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

Board of Directors

As of 31 December 2019, the Board of Directors has been consisted of 10 Directors as follows:

Directors' Name	Position
1. Mr. Joti Bhokavanij	Chairman of the Board and Member of Nomination & Remuneration Committee
2. Mr. Taveechai Charoenbundit*	Vice Chairman and Independent Director, Member of Audit Committee
3. Mr. Joseph Suchaovanich	Vice Chairman, Chief Executive Officer, Executive Director and Member of Nomination & Remuneration Committee
4. Mr. Gertjan Tomassen	Vice Chairman, Managing Director of Europe, Executive Director and Member of Nomination & Remuneration Committee
5. Mr. Vudhiphol Suriyabhivadh	Independent Director, Chairman of Audit Committee and Member of Nomination & Remuneration Committee
6. Dr. Poranee Pataranawat	Independent Director and Member of Audit Committee
7. Mrs. Rosanna Suchaovanich	Deputy CEO, Executive Director, and Chairman of Nomination & Remuneration Committee
8. Mr. Gerard Martin Elbertsen	Director and Executive Director
9. Mrs. Nutthaporn Luangsuwan	Director
10. Mr. Ralph Robert Tye**	Director

Dr. Siriporn Viriyabuncha is Company Secretary since 8 August 2019.

Remarks:

* Mr.Taveechai Charoenbundit was appointed to be a Member of Audit Committee to replace Mr. Thanawat Aroonpun, the director who resigned by rotation on 25th April 2019 but still be in the position of Vice Chairman and Independent Director.

** Mr. Ralph Robert Tye was appointed to be a Director replacing Mr. Thanawat Aroonpun, the director who resigned by rotation from the Annual General Shareholders' Meeting on 25th April 2019.

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 or authorized persons as defined by the policy of the Board of Directors.
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 position again.

Audit Committee

As of 31 December 2019, 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. Taveechai Charoenbundit **	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.Taveechai Charoenbundit, Independent Director and Vice Chairman, has been appointed to be Member of Audit Committee replacing Mr. Thanawat Aroonpun who resigned from Director by rotation.

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 system to opine 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;

- (a) An opinion on the accuracy, completeness and creditability of the Company's financial report,
- (b) An opinion on the adequacy of the Company's internal control system,
- (c) An opinion on the compliance with the law on securities and exchange, the Exchangeial report, or related law for the Company's business,
- (d) An opinion on the suitability of an auditor,
- (e) An opinion on the transactions that may lead to conflicts of interests,
- (f) The number of the audit committee meeting, and the attendance of such meeting by each committee member,
- (g) An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- (h) Other transactions which, according to the audit committee from its performance 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.

Executive Committee

As of 31 December 2019, the Executive Committee has been consisted of 5 members as follows:

Name	Position
1. Mr. Joti Bhokavanij*	Chairman of the Board of Directors
2. Mr. Joseph Suchaovanich	Vice Chairman, Chief Executive Officer, Executive Director and Member of Nomination & Remuneration Committee
3. Mr. Gertjan Tomassen	Vice Chairman, Managing Director of Europe, Executive Director and Member of Nomination & Remuneration Committee
4. Mrs. Rosanna Suchaovanich	Deputy CEO, Executive Director, and Chairman of Nomination & Remuneration Committee
5. Mr. Gerard Martin Elbertsen	Director, Executive Director and Chief Financial Officer (CFO) (Netherlands)

Dr. Siriporn Viriyabuncha is the secretary of the Executive Committee since 14 November 2018

Remarks: * Mr.Joti Bhokavanij is not an authorized signatory. Only giving an advice to the Company.

Scope of Duties and Responsibilities of the Executive Committee

1. Provide Strategic Direction, Management Structure and Annual Operational Plan and budget.
2. Ensure that the Company operates according to the already set plan, goals and objectives.
3. Check and Monitor the Company and its subsidiaries already set operation and performance then report to the Board of Directors 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 Company Articles of Association and SEC's rules. The approved transaction must conform to policies 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 Directors’ meeting to provide information on topics discussed.
10. Report the Executive Committee’s activities, under authority of Executive Committee, to the Board of Directors regularly. 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 Directors for review and revise.
13. Perform other duties assigned by the Board of Directors.

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.

The Nomination & Remuneration Committee

As of 31 December 2019, the Nomination & Remuneration Committee consists of 5 directors as follws;

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

Remarks: *Ms. Kannikar Boonyarak is the Secretary of the Nomination and Remuneration Committee since 9 September 2014.

Scope of Duties and Responsibilities of the Nomination & Remuneration Committee

1. Considere and advise the overall policy for nomination of the Company ‘s Directors, subcommittee members and staffs, and benefit of the Company’s directors, subcommittee members and staffs.
2. Determine 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. Approve 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 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. Approve 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. Verifiy 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. Consent the policy for approval on claim of expenses from Chief Executive Officer and Chairman of the Board.
8. Execute to ensure that the benefit in different natures is given in consistency with the policy and system of the Company’s risk.
9. Verify 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. Considere 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. Prohibit any director not to enter to participate in consideration of self-remuneration.
13. Advise the Board as deemed as proper in the part related to Terms of Reference that should be executed or improved.
14. Considere 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 Directors. In the event there is a vacancy, the Board shall appoint a qualified person to fill such vacancy within Ninety (90) days.

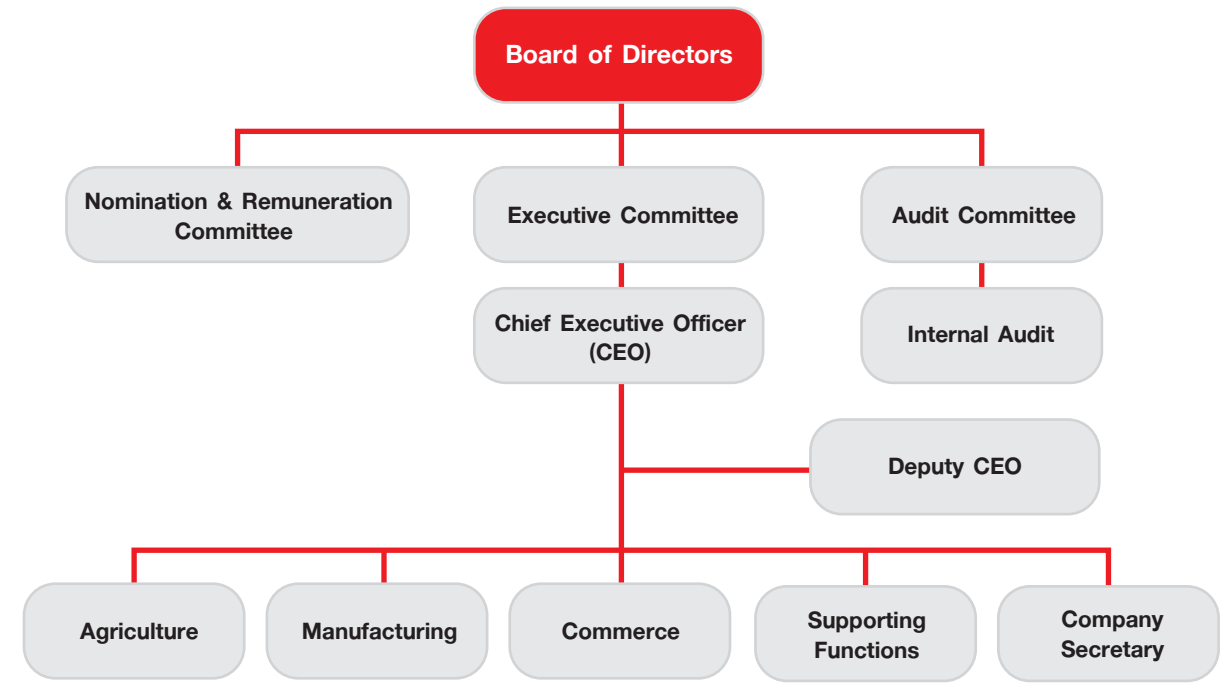
The Managements

The managements in accordance with the SEC announcement No.Kor.Jor.17/2008 “Determination of Definitions in the Notification of Issuance and Offering of Securities (including additional revision)”.

As of 31st December 2019, there are 5 managements consist of:

Managements’ Name	Position
1. Mr. Joseph Suchaovanich	Vice Chairman, Chief Executive Officer, Executive Director and Member of Nomination & Remuneration Committee
2. Mrs. Rosanna Suchaovanich	Deputy CEO, Executive Director, and Chairman of Nomination & Remuneration Committee
3. Mr. Weerasak Wahawisal	Assistant to CEO office
4. Mr. Wutinai Ulit	Group CIO
5. Mr. Teerawat Kitipuriwat	Breeding Director

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 management structure in 2019 is shown below:



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 Limited 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 follows:

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 a 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 appoint 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 appoint one independent director who is member of Nomination & Remuneration Committee to be a Chairman of Nomination & Remuneration Committee.

Company Secretary

The Board of Director's Meeting No.4/2019 on 7th August 2019 has appointed Dr. Siriporn Viriyabuncha 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 follows:

1. Advise 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. Support 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. Disclose 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 2019

Directors' Name	Attendance / Total Meetings in 2019			
	Board of Directors	Executive Committee	Audit Committee	Nomination & Remuneration Committee
1. Mr. Joti Bhokavanij	7/7	7/8	-	1/1
2. Mr. Taveechai Charoenbundit*	7/7	-	3/4	-
3. Mr. Joseph Suchaovanich	7/7	8/8	4/4	1/1
4. Mr. Gertjan Tomassen	5/7	8/8	-	-
5. Mr. Vudhiphol Suriyabhivadh	7/7	-	4/4	1/1
6. Dr. Poranee Pataranawat	7/7	-	4/4	-
7. Mrs. Rosanna Suchaovanich	7/7	8/8	4/4	1/1
8. Mr. Gerard Martin Elbertsen	6/7	7/8	-	-
9. Mrs. Nutthaporn Luangsuwan	7/7	-	-	-
10. Mr. Ralph Robert Tye **	5/5	-	-	-

Remarks:

* Mr.Taveechai Charoenbundit was appointed to be a Member of Audit Committee to replace Mr. Thanawat Aroonpun, the director who resigned by rotation on 25th April 2019 but still be in the position of Vice Chairman and Independent Director.

** Mr. Ralph Robert Tye was appointed to be a Director replacing Mr. Thanawat Aroonpun, the director who resigned by rotation from the Annual General Shareholders' Meeting on 25th April 2019.

Remuneration for Directors and Managements

1. Monetary Remuneration

Remuneration for Directors

The Board of Directors’ Meeting No. 1/2019 on 9th January 2019 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 2019, the Company Group paid remuneration for 10 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	135,000.00	-	1,480,000.00
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. Mrs. Rosanna Suchaovanich	25,000.00	-	300,000.00
9. Mr. Gerard Martin Elbertsen	25,000.00	-	300,000.00
10. Mr. Ralph Robert Tye	25,000.00	-	200,000.00
Total	565,000.00	-	6,540,000.00

Remarks:
* Mr. Thanawat Aroonpun, Independent Director and Member of Audit Committee recieved the director remuneration during his position in the amount of 240,000.00 Baht.

Remuneration for Managements

In 2019, the Company and its subsidiaries in Thailand paid remuneration for 5 Executives at the amount of 18,721,083 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 2019, there are the employees of the Company and its subsidiaries in Thailand at the amount of 1,985 persons, permanent employees 705 persons and contract employees 1,280 persons which can be divided as follows:

Section/ Department	Amount (persons)	Section/Department	Amount (persons)
Management	22	Finance and Account	58
Human Resources and Administration	30	Purchasing	16
Plant Management	80	IT	16
Laboratory	18	Logstics and Planning	113
Sale and Export	99	Production	1,169
Parent Stock Farm and Hatchery	274	Feed Mill	90

Employees’ Compensation

The Company and its subsidiaries in Thailand paid the employees’ compensation in 2019 at the amount of 604.6 Million Baht including salary, overtime payment, cost of living, bonus, special allowance, social security, and providend funds.

Human Resources Development Policy

A group of the Company 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, both operational and 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 focuses on 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 easily 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.

Corporate Governance



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. The Company provides opportunities for the shareholders to submit registration documents for attending the meeting in advance of the meeting date in order to minimize the time for documents verification on the meeting date. The Company also provides registration channels at the meeting venue specifically for individual shareholders, juristic person shareholders, and institutional investors and also arranges for a barcode system for registration and vote counting to expedite the registration and vote computation process. To facilitate the shareholders, the Company also provides stamp duty for the appointment of proxies.

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 Annual 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 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 self benefit 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 retail 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, Nomination and Remuneration Committee and Executive 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. In the year 2019, the Board of Directors has organized the Board Self - Assessment, dividing the assessment into 3 sets which are 1) Evaluation of the performance of the entire Board of Directors, divided into 6 evaluation topics, namely the structures and qualifications of the Board of Directors, Roles, duties and responsibilities of the Board of Directors, Board Meetings, the Board's performance of duties, Relationship with managements and Directors' self-development and executive development. 2) Evaluation of individual director's self assessment 3) Evaluation of each Sub-Committee. The results of the evaluation show that the directors strongly agree and we have a good implementation of the matters under topics on the evaluation.

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 Company is aware of an importance of prohibition of use of inside information of the Company in order to prevent unlawful use of inside information for personal benefits or the benefits of other persons. It is responsibility of directors, executives and employees of the Company to prevent access by unauthorized persons to, and disclosure of, non-public information that may affect the market price of the Company's shares and other financial instruments issued by the Company before the Company disclosures such information via the stock exchange's disclosure system, or before the information ceases to be price-sensitive

According to the Board of Directors' Meeting No. 5/2014 held on 9 September 2014 passed the resolution on the regulations on the use of internal information of the Company that has not been disclosed to be used for the benefit of oneself or others. The regulations on the use of internal information of the Company shall be as follows:

1. All directors, executives, staff and employees of the Company shall keep the confidential and/or internal information of the Company except for the purpose of the operation of the Company's businesses;
2. All directors, executives, staff and employees of the Company shall not disclose confidential and/or internal information of the Company with the aim to seek benefit for oneself or for other persons either directly or indirectly regardless of whether or not such benefit is to be received; and
3. All directors, executives, staff and employees of the Company shall not sell, purchase, transfer or take the assignment of securities of the Company by using confidential and/or internal information of the Company and/or enter into any transactions by using confidential and/or internal information of the Company in the manner that could possibly cause damage to the Company either directly or indirectly. This provision shall also apply to spouses and minor children of the directors, executives, staff and employees of the Company. Violators of the regulations shall be deemed as committing a serious offence.

In case, directors, executives, managers, person responsible for the operation, auditor of the Company acquire or dispose of shares or other securities (if any) of the Company, such person have to report on such acquire or dispose to the SEC within the time described by SEC Act B.E. 2535. The said acquire or dispose of such person shall include the holding of shares and other securities (if any) by his spouse and minor children of securities in the Company.

In addition, the Company has notified directors and executives on dealing in the Company's securities. The directors and executives of the Company are prohibited from dealing in the Company's securities for the period of one month prior to the announcement of the Company's operating results for each quarter until the day following the date in which the Company's operating results are made public, and from trading and short-term considerations.

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.

4.1 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.

4.2 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.

4.3 Charity Donation and Subsidy Granting

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

4.4 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.

4.5 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.

4.6 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.

4.7 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 2019, 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 is qualified and 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 2019, the Company's audit fee was 3,079,000 Baht and its subsidiaries' audit fee was 5,477,500 Baht therefore, total audit fee of BR Group was 8,556,500 Baht.

5.2 Non-audited Fee

In 2019, the Company paid for non-audited fee which are travelling and additional audit work to EY Office Co., Ltd. in the amount of 232,700 Baht.

6. Compliance with Other Good Corporate Governance Practices

The Company has planned ahead Board of Directors' meetings in a year in order to consider regular agenda items. If there is any other important matter, the Chairman of the Board is empowered to call meetings to consider such matter by giving advanced notice to all directors as required by the relevant laws. The number of Board of Directors' meeting in 2019 was 7 times.

Corporate Social Responsibilities

The Group of Company fully recognizes the business operation based on a sustainable basis by taking care in quality and safety in all stages of production and delivering our products to customers with the heart of administration. To ensure that all business operation creates value, the Company aims to develop its people capabilities as well as 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 utmost heart which is essential in our works and permeates in every BR angles including 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 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.

Moverover, the Company will intentionally develop itself and become well-prepared for the competition in the global market by inculcating core value, namely **BR DNA** into the Company's employees as the utmost heart in our work where permeates in every BR angles as follows;



- Result oriented
- English base
- Attention to details till completion
- Cost conscious
- Honest

Overview Policy

We strongly believe that 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 adhering to and complying 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” because people is the valuable resource asset and is considered as 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 taking the business practices that generate a positive impact on the environment in the production process and all products distributed 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 helps building the relationships with both suppliers and business partners to ensure a positive experience with long-term relations and sustainability goals which take the stakeholder’s interest into consideration 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 working process development, working consistency and dynamic, as well as promotion with integrated concept of responsibility and creating share values are the part of our culture throughout the organization, coupled with creating values to economy, society 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 studies the Sustainability Development Report Guideline of Global Reporting Initiative (GRI) to make more understanding and be able to create an appropriate social responsibility policy as well as create more sustainability activities of the Company and related parties and further collect information to report on Corporate Social Responsibility Report or Sustainability Development Report.

Business Operation with the effect on Corporate Social Responsibilities

The Company is always aware of business operation which may affect to social responsibility approach in every step according to the following principles:

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 apparently and transparently corporate practice that will generate benefits to the Company's stakeholders, which has been described in topic “Corporate Governance”.

2) Fair Business Operation

The Company operates business on honest, fair, and equitable basis and will not support any operational procedures which may cause unfair business competition in order to obtain appropriate quality and price of products as well as do not take any advantage from the need of consumers.

3) Anti-Corruption

The Board of Directors defines the Anti-Corruption Policy by joining with Thailand’s Private Sector Collective Action against Corruption and announcing the declaration of intent to against corruption in all form.

4) Respect of Human Right and Fair Treatment to Employees

The Company pays warm attention to the orientation program for new employees when they enter into the Company. We engage new employees through learning with “PDF” and BR DNA as previously mentioned in order for them to apply such core value for their works and lives in everyday actions. The Company management team also participates in the orientation program to share the best knowledge or practice from their working experiences to new employees.

Furthermore, the Company is committed to the fair and equitable treatment to all employees, including compliance with all labor laws and human rights standards. The rules and regulations cover all business units, gender, race and religion without exception, applicable for all employee levels ranging from operational workers to top management. In addition, we respect employee rights by promoting freedom of expression regarding their works under the fair treatment to all employees.

5) The Practices and Basic Rights of Employee on Equitable Basis

- The Company represents to refuse any employment discrimination e.g. state on the non-discrimination in employment such as gender, race, and religion.
- The Company allows employee to have the full eligible rights without discrimination, including education, employment, economic and 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-discrimination in employment, e.g., gender, race, etc.
- The Company supports 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 2019, the Company has hired 29 disabled employees.
- The Company takes consideration on the higher interests to children and youth, including non-discrimination, 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 equal 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 foreign employees by directly engaging the employment from the legal 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 Foreign employees and welfare benefits provided, e.g., accommodation for alien employees.

6) Fair Treatment to Employees

- The Company has a policy of employment free from bias regardless of race, color, nationality, sex, age, 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 worker's 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, marital status, sexual orientation, disability, health or political relations. This is stated in the Company's Policy.

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. The Company has been certified ISO14001:2015 under management system and ISO45001:2018 under occupational health and safety management to ensure the safety operation for the stakeholders. The Company also focuses on proactive management of health, occupational health and safety and initiates a risk assessment program on occupational health. The work environment is closely monitored by covering unsafe possibility from the source chemicals, light, noise, and heat on a regular basis to define preventive and mitigation measures, as well as improving workplace safety. With our care 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, Risk assessment and Environmental Impact in each working line regularly in order for them 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, emergency plan for chemical and LNG spill, preparedness plan for boiler breakdown and forklift driving with safety, etc.

Accidental in Workplace

Bangplee Head Office, main factory site of the Company, has total accident in 2019 at the amount of 20 times, decreasing by 33% from 2018.

Hatchery has total accident in 2019 at the amount of 1 time.

Feed Mill has total accident in 2019 at the amount of 1 time, which is accident without leave, decreasing by 50% from 2018.

8) Environment Responsibilities

The Company is committed to supporting 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 air pollution, etc., according to environmental management systems standard as required by ISO 14001:2015.

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 takes step to prepare for the prevention plan of chemical accidents and implements 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 plan 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 pays attention to direct, control, and limit the impact on the environment and also has 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 (drain water, air, waste) 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 perform by sorting the material that is not used by using 3R. This is eliminated by using the sewage system which is better than the government-set standards and being able to control sewage systems continuously 24 hours a day. The Company

also supports the environment protection through various activities and encourages our employees to participate in such activities in order to increase understanding and awareness of the possible impact on 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 [Department of Industrial Works] in real time who will make an observation and inform the Company if pollution levels exceed the required standards. The Company also holds 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 Company features in the opinions and recommendations to revise and update our internal processes to prevent complaints in the future. We also have a measurement of pollution levels around the plant to ensure the safety of the people within the community while we also have 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 such as, Water & Energy Consumption (metric is used to reduce water and energy consumption). 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 including the use of alternative resources that can be recycled and low-impact use to incorporate or replace with the non-renewable resources. This includes: “water cycle projects” by bringing condensated water to be used in boilers, drain water to be used in cleaning roads in the factory area and recycled rubber to be reused, etc.




The Company emphasizes 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 have 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 as 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 intend to cultivate and encourage the employee from the first day of joining the BR Family by conveying the vision regarding the sustainable development to employees. Employees from each function will regularly hold and attend various CSR activities during working period with the Company.

10) Stakeholder Engagement

Stakeholder Group	Engagement Approach	Stakeholder Expectations	BR Response
 Customers	<ul style="list-style-type: none"> • Dialogue, Face-to-Face meetings, customer visit • Customer feedback Surveys • Standardized procedures to customers 	<ul style="list-style-type: none"> • Quality products and services • Impartial treatment • Protection of customer data • Product safety and environmental concerns 	<ul style="list-style-type: none"> • Develop new innovative products and services to meet customer expectations • Customer data protection procedures and measurement • Implement environmental management system: ISO14001 • Implement safety management system: ISO45001
 Employees	<ul style="list-style-type: none"> • Town-halls Meeting (Year-end/Half-year Reviews); conference, social activities • Performance Appraisal • Individual Development Program • Participate in expressing opinions about safety and environmental issues • Comply with working procedures, rules and regulations to create safety in working place 	<ul style="list-style-type: none"> • Appropriate employee rewarding and recognition system • Career advance and security • Suitable and safe working environment 	<ul style="list-style-type: none"> • Respect human rights and treat employees impartially • Employee development Program • Employee engagement activities • Implement environmental management system: ISO14001 • Implement safety management system: ISO45001
 Community	<ul style="list-style-type: none"> • Engage employees in volunteer activities • Regular site visits and meeting with community leaders • Explore the expectation of community 	<ul style="list-style-type: none"> • Conduct business with social responsibilities, particularly concerning public benefits • Promote and participate in activities that benefit communities, community and safety 	<ul style="list-style-type: none"> • Volunteer employees participate in activities that benefit communities and society • Develop community related projects • Goods Donation • Promote and create benefit for environment and safety to community

Stakeholder Group	Engagement Approach	Stakeholder Expectations	BR Response
 Business Partners	<ul style="list-style-type: none"> • Regular meetings • Site visits and interactions between Business Development team, BR team and business partners 	<ul style="list-style-type: none"> • 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 • Operate business by not generating environmental impact and concern about safety 	<ul style="list-style-type: none"> • Review and discuss with business partner on value creation initiatives • Review and update product innovations • Review and take immediate actions on any issues that occur
 Suppliers	<ul style="list-style-type: none"> • Regular meetings and site visits/audits on quality of raw material • Be mutual partner in managing environment and safety issues • Take part in proposing advices and opinions related to safety and environment issues • Comply with working procedures, rules and regulations to create safety in working place 	<ul style="list-style-type: none"> • 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 • Suitable and safe working environment 	<ul style="list-style-type: none"> • 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 • Implement environmental management system: ISO14001 • Implement safety management system: ISO45001
 Shareholders and Investors	<ul style="list-style-type: none"> • Annual General Meeting (AGM) • Annual report • Press releases • Quarterly financial announcements • Meetings with investors and equity analysts 	<ul style="list-style-type: none"> • Operate business on a fair basis to deliver good performance • Impartial treatment to shareholders • Good Corporate Governance • Internal control and audit system 	<ul style="list-style-type: none"> • Publish Annual Reports • Deliver business performance and pay dividends on an appropriate basis. • Provide transparent and timely on the updated information • Establish business code of conduct

Stakeholder Group	Engagement Approach	Stakeholder Expectations	BR Response
		<ul style="list-style-type: none"> ● Avoid risk from production disruption from emergency cases ● Implement environmental management system and Implement safety management system 	<ul style="list-style-type: none"> ● Implement environmental management system: ISO14001 ● Implement safety management system: ISO45001 ● Prepare business continuity plan and emergency plan
 Government Agencies	<ul style="list-style-type: none"> ● Attend government agencies meetings and events on a regular basis ● Comply with laws related to business operation 	<ul style="list-style-type: none"> ● Partnership in government agencies programs ● Comply with the government policy and Involve in sharing opinions in good operational practices from business sector ● Comply with laws and submit report and document as required by government agencies on a complete basis 	<ul style="list-style-type: none"> ● Share best practice programs with certain governments agencies ● Comply with laws related to environment and safety aspect ● Submit report and document as required by government agencies on a complete basis

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 2019, 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) Farm Coordination (2) Meat Processing (3) Food City (4) NS Delicatessen (5) Sales, Recognition and Collections (6) Capital Expenditure 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 2019, the Company has executed the improvement and correction of various aspects to achieve internal control objective for various aspects.

The Company has appointed Audit People Company 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 Ducklings 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 2019 ended 31 December 2019 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, Executive Director, and Managing Director of Asia and Asia Pacific
Mrs.Rosanna Suchaovanich	A shareholder, director, and executive of the Company.	Director, Executive Director and Chief Operation Officer (COO)
Mr. Gertjan Tomassen	A shareholder, director, and executive of the Company.	Vice Chairman, Executive Director, and Managing Director in Netherlands
Mr. Gerard Martin Elbertsen	A shareholder, director, and executive of the Company.	Director, Executive Director and Chief Financial Officer (CFO) in Netherlands
Lisuda Vastgoed B.V. ("Lisuda")	Mr. Gertjan Tomassen; a major shareholder, director, and executive of DTH; is a major shareholder of Lisuda VastgoedB.V.	- None -
G.J. Tomassen Holding B.V. ("G.J. Tomassen Holding")	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 2018 ended 31 December 2018 and the year of 2019 ended 31 December 2019 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
		2019	2018	
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	<u>Remuneration of the Executive</u> 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. 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.	12,077,134	14,293,287	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 (Audit People) commented that the nature of remuneration payment transaction through juristic person is deemed as normal transaction and is the nature of transaction permitted under the law of the Netherlands. 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 working 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.

Measurement or Procedures in Approval or Entry for Related Transactions

The Board of Directors' Meeting No. 4 dated 9 September 2014 resolved to determine the policy and procedure of the entries for related transactions in order for transparency of the inter-transaction of person or juristic person that may have conflict of interests and for retention of the Company's benefits. 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 the entries for related transactions. However, according to the executive or the stakeholder who cannot enter to participate in approval of the said inter-transactions 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 the entry for transactions and reasonability of that transaction. However, the following is the principle for the entries into transactions which are the trade agreement with general trade condition and the transaction which is the trade agreement without general trade condition.

Transaction which is the trade agreement with general trade condition

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 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.

Transaction which is the trade agreement without general trade condition

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 entering into 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 benefits. However, the Company shall disclose the related transactions in Annual Registration Statement and Notes to Financial Statements audited by the Company's auditor.

Policy or Trend of Future Related Transaction Entry

In the event that the Company enters into the transaction with the connected person that has conflict of interests with the Company, the Audit Committee shall express the opinion regarding to the Company's necessity in enter into 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 entering into the said transaction with market price. In the event of no market price, the Audit Committee shall execute to ensure that the transaction which is entered by the Company is reasonable price with maximum benefits to the Company and its shareholders. If the Audit Committee cannot valuate such connected transaction due to inadequacy of expertise as mentioned issue, the Company shall procure the expert to evaluate the valuation of the said transaction and the express an opinion on the entry into 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 into transaction. The director, who has a conflict of interests related to the entry into transaction, has no rights to vote in consideration and approval on the entry into the transaction. Moreover, the Company shall disclose the information of the entry into the connected transaction in notes to financial statements which have been audited or reviewed, Annual Report or Annual Registration Statement (Form 56-1) of the Company.

The 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. Mr. Taveechai Charoenbundit | Member of the Audit Committee |
| 3. Assoc.Prof.Dr. Poranee Pataranawat | Member of the Audit Committee |

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

For the year 2019, the Audit Committee has held 4 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 2019, 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 2019.

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 2019

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.

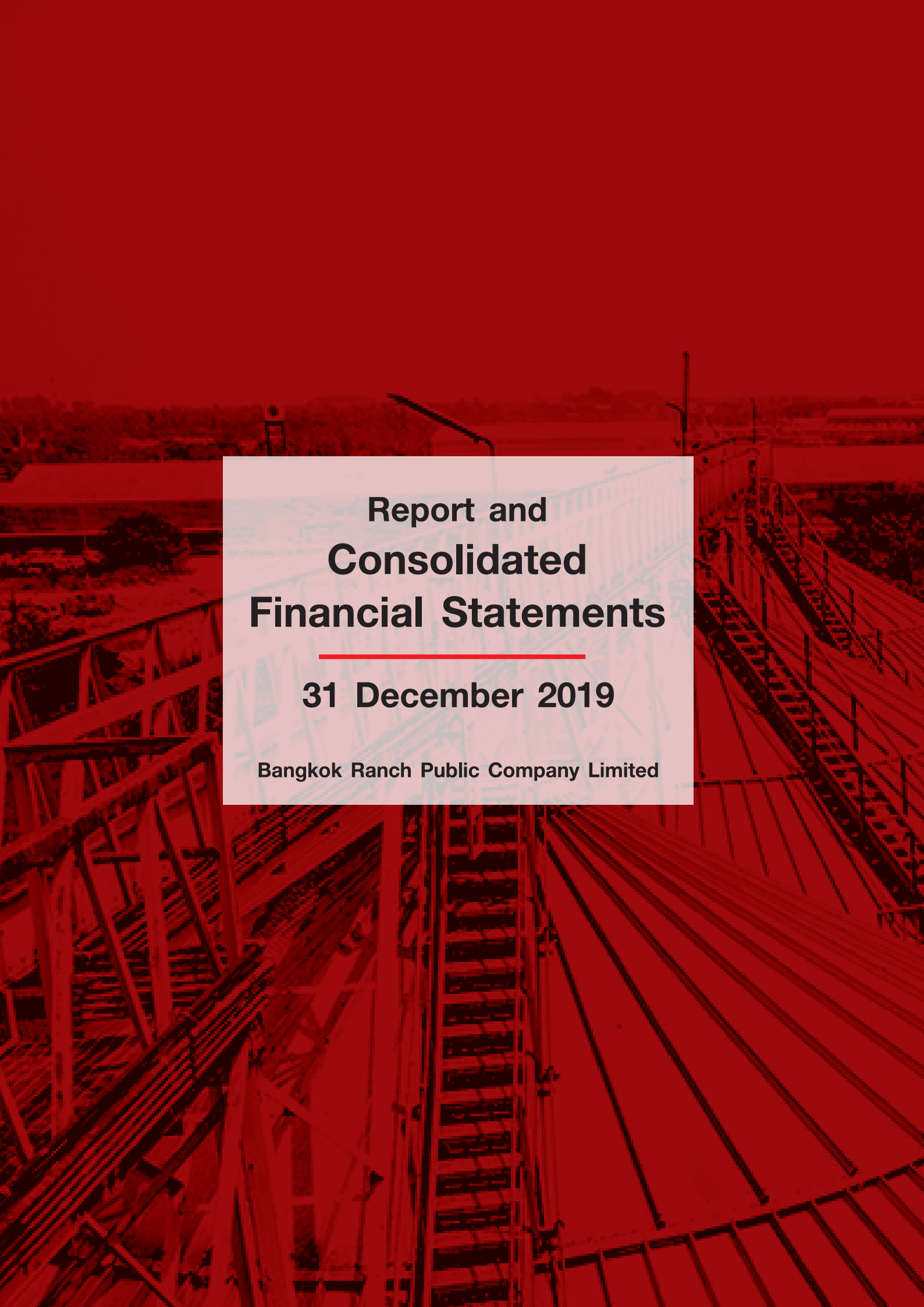
In this regard, the Board of Directors has appointed Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit, and risk management system. The Audit Committee also reviews disclosure of related party transactions. 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 2019. 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



Report and Consolidated Financial Statements

31 December 2019

Bangkok Ranch Public Company Limited

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 2019, 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 2019, 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 to 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 94% 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.

Goodwill and trade name

As at 31 December 2019, the Company recorded impairment of goodwill amounted to Baht 72 million as discussed in Note 17 to the financial statements. 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 2020

Statements of Financial Position

Bangkok Ranch Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	222,976,380	534,206,331	75,841,028	316,098,446
Current investments		240,244	238,186	114,460	113,480
Trade and other receivables	8	629,944,734	675,100,360	668,874,056	514,140,628
Short-term loans to related party	6	1,248,051	1,485,008	-	-
Current portion of long-term loans to related party	6	4,308,379	6,783,289	-	-
Current portion of long-term loans to other companies	11	7,465,909	-	-	-
Inventories	9	1,521,465,332	1,644,401,182	1,136,356,434	1,305,930,185
Current biological assets	10	71,706,205	93,459,722	39,262,853	64,790,558
Other current assets		38,469,262	48,740,875	9,061,752	18,669,490
Total current assets		2,497,824,496	3,004,414,953	1,929,510,583	2,219,742,787
Non-current assets					
Restricted bank deposits		5,000,000	-	-	-
Non-current biological assets	10	144,374,338	97,038,785	85,878,159	97,161,313
Long-term loan to other companies	11	-	6,435,136	-	-
Investments in subsidiaries	12	-	-	2,918,903,400	2,128,904,855
Investments in associates		-	100,000	-	-
Investments in joint ventures	13	199,164,313	308,164,901	250,764,700	329,000,000
Other long-term investments		1,041,292	335,372	2,210	2,248
Other investments	14	9,996,431	111,696,531	5,000,000	105,000,100
Investment properties	15	60,225,034	60,225,034	75,836,552	68,762,227
Property, plant and equipment	16	5,018,849,168	3,986,655,940	2,136,723,713	2,096,832,728
Goodwill	17	1,876,164,356	1,955,124,881	1,838,483,342	1,910,483,342
Intangible assets	18	677,396,184	688,958,828	571,500,500	586,169,762
Deferred tax assets	27	200,587,564	128,006,764	146,066,731	100,017,273
Other non-current assets		3,703,244	4,267,499	3,671,131	4,064,134
Total non-current assets		8,196,501,924	7,347,009,671	8,032,830,438	7,426,397,982
Total assets		10,694,326,420	10,351,424,624	9,962,341,021	9,646,140,769

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	2,748,669,249	2,404,189,544	2,329,516,313	1,967,456,698
Short-term loan from related person	6	-	4,148,741	-	-
Trade and other payables	20	491,852,170	498,546,712	285,726,337	685,113,183
Current portion of long-term loans	21	703,125,188	549,642,680	651,984,000	483,920,000
Income tax payable		159,467	34,510,811	-	15,566,222
Other current liabilities		53,703,216	35,926,228	18,321,347	24,578,164
Total current liabilities		3,997,509,290	3,526,964,716	3,285,547,997	3,176,634,267
Non-current liabilities					
Long-term loans, net of current portion	21	2,230,272,534	1,893,360,466	1,920,052,500	1,647,249,625
Long-term loans from related person and party	6	13,337,884	41,176,500	-	41,176,500
Provision for long-term employee benefits	22	86,910,594	60,523,603	62,018,970	39,660,116
Deposit for agro credit sales		20,761,949	24,851,849	20,761,949	24,851,849
Deferred tax liabilities	27	145,218,426	151,412,800	119,068,091	124,166,351
Other non-current liabilities		24,595,223	32,154,441	23,483,176	23,483,176
Total non-current liabilities		2,521,096,610	2,203,479,659	2,145,384,686	1,900,587,617
Total liabilities		6,518,605,900	5,730,444,375	5,430,932,683	5,077,221,884

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
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	23	(7,431,241,496)	(7,431,241,496)	(6,557,910,481)	(6,557,910,481)
Treasury shares	25	(1,998,800)	-	(1,998,800)	-
Retained earnings					
Appropriated - statutory reserve	24	245,720,800	241,720,800	245,720,800	241,720,800
Appropriated - treasury shares reserve	25	1,998,800	-	1,998,800	-
Unappropriated		3,044,530,996	3,427,290,910	2,442,404,108	2,483,914,617
Other components of shareholders' equity		(82,453,256)	(19,573,595)	(171)	(133)
Equity attributable to owners of the Company		4,177,751,126	4,619,390,701	4,531,408,338	4,568,918,885
Non-controlling interests of the subsidiaries		(2,030,606)	1,589,548	-	-
Total shareholders' equity		4,175,720,520	4,620,980,249	4,531,408,338	4,568,918,885
Total liabilities and shareholders' equity		10,694,326,420	10,351,424,624	9,962,341,021	9,646,140,769
		-	-	-	-

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

Directors

Bangkok Ranch Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales		7,568,289,354	8,136,400,935	4,954,956,869	5,099,726,200
Dividend income	12	-	-	277,999,994	89,999,998
Gain on sale of investments in subsidiary		-	2,298,304	-	-
Gain on sale of investments in associate		-	8,188,117	-	-
Exchange gains		14,770,204	8,683,819	33,147,061	15,445,829
Other income		20,494,667	25,120,050	31,115,475	22,802,648
Total revenues		7,603,554,225	8,180,691,225	5,297,219,399	5,227,974,675
Expenses					
Cost of sales		6,601,833,392	6,775,141,251	4,283,668,405	4,117,827,455
Selling and distribution expenses		458,679,876	453,406,137	355,977,636	355,845,317
Administrative expenses		549,879,782	601,267,604	340,392,962	408,026,932
Impairment loss of investments in associate and other investments	14	101,800,000	-	100,000,000	-
Impairment loss of goodwill	17	72,000,000	-	72,000,000	-
Total expenses		7,784,193,050	7,829,814,992	5,152,039,003	4,881,699,704
Profit (loss) before share of loss from investments in associates and joint ventures, finance costs and income tax income (expenses)		(180,638,825)	350,876,233	145,180,396	346,274,971
Share of loss from investments in associates		-	(636,725)	-	-
Share of loss from investments in joint venture	13	(33,769,377)	(30,579,399)	-	-
Profit (loss) before finance costs and income tax income (expenses)		(214,408,202)	319,660,109	145,180,396	346,274,971
Finance costs		(140,296,816)	(106,680,831)	(125,165,812)	(84,789,099)
Profit (loss) before income tax income (expenses)		(354,705,018)	212,979,278	20,014,584	261,485,872
Income tax income (expenses)	27	76,334,834	(21,982,291)	49,908,739	(16,627,460)
Profit (loss) for the year		(278,370,184)	190,996,987	69,923,323	244,858,412
Profit (loss) attributable to:					
Equity holders of the Company		(274,748,875)	191,297,326	69,923,323	244,858,412
Non-controlling interests of the subsidiary		(3,621,309)	(300,339)		
		(278,370,184)	190,996,987		
Earnings per share	29				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.30)	0.21	0.08	0.27

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit (loss) for the year		(278,370,184)	190,996,987	69,923,323	244,858,412
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency		(62,806,259)	(26,788,821)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		(73,402)	1,746,619	(38)	(187)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(62,879,661)	(25,042,202)	(38)	(187)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Share of profit from actuarial gain of investments in joint venture - net of income tax	13	3,422,793	-	-	-
Actuarial loss - net of income tax	22	(4,955,911)	(15,248,739)	(4,955,911)	(14,243,791)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,533,118)	(15,248,739)	(4,955,911)	(14,243,791)
Other comprehensive income for the year		(64,412,779)	(40,290,941)	(4,955,949)	(14,243,978)
Total comprehensive income for the year		(342,782,963)	150,706,046	64,967,374	230,614,434
Total comprehensive income attributable to:					
Equity holders of the Company		(339,161,654)	151,006,385	64,967,374	230,614,434
Non-controlling interests of the subsidiary		(3,621,309)	(300,339)		
		(342,782,963)	150,706,046		

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

Bangkok Ranch Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

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	Treasury shares	Retained earnings			Other components of shareholders' equity			Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
								Statutory reserve	Treasury shares 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			Total equity attributable to owners of the Company
Balance as at 1 January 2018		4,567,232,790	4,233,961,292	(400,000,000)	(7,431,241,496)	183,725	-	228,720,800	-	3,620,620,946	7,332,187	(1,863,560)	5,468,607	4,833,946,664	3,416,324	4,837,362,988
Profit (loss) for the year		-	-	-	-	-	-	-	-	191,297,326	(267,888,821)	1,748,619	(25,042,202)	191,297,326	(300,339)	190,996,987
Other comprehensive income for the year		-	-	-	-	-	-	-	-	(15,248,739)	(267,888,821)	1,748,619	(25,042,202)	(40,290,941)	(40,290,941)	(40,290,941)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	176,048,587	(267,888,821)	1,748,619	(25,042,202)	151,006,385	(300,339)	150,706,046
Decrease in non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease from sales of subsidiary with loss of control		-	-	-	-	(183,725)	-	-	-	-	-	-	-	-	(840,677)	(840,677)
Unappropriate retained earnings transferred to statutory reserve	24	-	-	-	-	-	-	13,000,000	-	(13,000,000)	-	-	-	-	(885,760)	(889,485)
Dividend paid	32	-	-	-	-	-	-	-	-	(365,378,623)	-	-	-	(365,378,623)	-	(365,378,623)
Balance as at 31 December 2018		4,567,232,790	4,233,961,292	(400,000,000)	(7,431,241,496)	-	-	241,720,800	-	3,427,290,910	(19,456,654)	(116,941)	(19,573,595)	4,619,390,701	1,589,548	4,620,980,249
Loss for the year		-	-	-	-	-	-	-	-	3,427,290,910	(19,456,654)	(116,941)	(19,573,595)	4,619,390,701	1,589,548	4,620,980,249
Other comprehensive income for the year		-	-	-	-	-	-	-	-	(274,748,875)	(62,806,259)	(73,402)	(62,879,661)	(274,748,875)	(3,621,309)	(278,370,184)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	(1,533,118)	(62,806,259)	(73,402)	(62,879,661)	(64,412,779)	-	(64,412,779)
Increase in non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	(276,281,993)	(62,806,259)	(73,402)	(62,879,661)	(339,161,654)	(3,621,309)	(342,782,963)
Treasury shares during the year	25	-	-	-	-	-	(1,998,800)	-	-	-	-	-	-	-	1,155	1,155
Unappropriate retained earnings transferred to statutory reserve	24	-	-	-	-	-	-	4,000,000	-	(4,000,000)	-	-	-	(1,998,800)	-	(1,998,800)
Unappropriate retained earnings transferred to treasury shares reserve	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	32	-	-	-	-	-	-	-	-	-	-	-	-	(100,479,121)	-	(100,479,121)
Balance as at 31 December 2019		4,567,232,790	4,233,961,292	(400,000,000)	(7,431,241,496)	-	(1,998,800)	245,720,800	1,998,800	3,044,530,996	(82,262,913)	(190,343)	(82,453,256)	4,177,751,126	(2,030,606)	4,175,720,520

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

Bangkok Ranch Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)									
Separate financial statements									
Note	Issued and paid-up share capital	Share premium	Share discount	Deficit on amalgamation	Treasury shares	Retained earnings			Total shareholders' equity
						Appropriated -	Treasury shares reserve	Unappropriated	
						Statutory reserve			
	4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	-	228,720,800	-	2,631,678,619	4,703,683,074
	-	-	-	-	-	-	-	244,858,412	244,858,412
	-	-	-	-	-	-	-	(14,243,791)	(14,243,978)
	-	-	-	-	-	-	-	230,614,621	230,614,434
24	-	-	-	-	-	13,000,000	-	(13,000,000)	-
32	-	-	-	-	-	-	-	(365,378,623)	(365,378,623)
Balance as at 31 December 2018	4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	-	241,720,800	-	2,483,914,617	4,568,918,885
Balance as at 1 January 2019	4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	-	241,720,800	-	2,483,914,617	4,568,918,885
Profit for the year	-	-	-	-	-	-	-	69,923,323	69,923,323
Other comprehensive income for the year	-	-	-	-	-	-	-	(4,955,911)	(4,955,949)
Total comprehensive income for the year	-	-	-	-	-	-	-	64,967,412	64,967,374
Treasury shares during the year	-	-	-	-	(1,998,800)	-	-	-	(1,998,800)
Unappropriate retained earnings transferred to statutory reserve	-	-	-	-	-	4,000,000	-	(4,000,000)	-
Unappropriate retained earnings transferred to treasury shares reserve	-	-	-	-	-	-	1,998,800	(1,998,800)	-
Dividend paid	-	-	-	-	-	-	-	(100,479,121)	(100,479,121)
Balance as at 31 December 2019	4,567,232,790	4,233,961,292	(400,000,000)	(6,557,910,481)	(1,998,800)	245,720,800	1,998,800	2,442,404,108	4,531,408,338

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 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before tax	(354,705,018)	212,979,278	20,014,584	261,485,872
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	264,114,654	245,544,291	162,813,556	154,233,780
Other amortisations	16,192,587	15,109,371	14,815,188	14,581,747
Allowance for doubtful debts/write off bad debts	15,106,690	1,422,532	2,284,540	11,199,501
Reduction of inventory to net realisable value (reversal)	(6,736,019)	15,503,587	(9,452,135)	5,411,710
Gain on change in value of current investments	(2,058)	(1,376)	(980)	(656)
Impairment loss of investments in associate and other investments	101,800,000	-	100,000,000	-
Impairment loss of goodwill	72,000,000	-	72,000,000	-
Impairment loss of intangible assets	4,074	1,355,026	4,074	1,355,026
Impairment loss of plant and equipment	776,238	-	776,238	-
Share of loss from investments in associate	-	636,725	-	-
Share of loss from invesment in joint ventures	33,769,377	30,579,399	-	-
Provision for long-term employee benefits	39,702,181	20,850,235	17,396,859	2,280,055
Gain on sale of investment in subsidiary	-	(2,298,304)	-	-
Gain on sale of investment in associate	-	(8,188,117)	-	-
Loss on sale of other long-term investment	-	1,718,998	-	-
Gain on sales/write-off of plant and equipment	(305,574)	(817,460)	(344,303)	(709,891)
Loss on sales of investment properties	-	-	84,442	-
Gain on sale of intangible assets	-	(2,969)	-	-
(Gain) loss arising from change in fair value of biological assets and agricultural produce	(13,036,127)	683,139	18,100,734	(26,114,741)
Unrealised gain on exchange	(83,124)	(1,183,618)	(194,141)	(7,341,812)
Interest expenses	140,296,816	106,680,831	125,165,812	84,789,099
Dividend income from subsidiary	-	-	(277,999,994)	(89,999,998)
Profit from operating activities before changes in operating assets and liabilities	308,894,697	640,571,568	245,464,474	411,169,692
Operating assets (increase) decrease				
Trade and other receivables	30,046,582	123,588,267	(157,226,630)	49,672,810
Inventories	129,671,869	(412,934,212)	179,025,886	(375,121,132)
Other current assets	10,854,698	10,548,935	10,241,790	(6,756,386)
Biological assets	(12,545,909)	(23,969,500)	18,710,125	(34,461,112)
Other non-current assets	564,255	1,052,355	393,003	114,172
Operating liabilities increase (decrease)				
Trade and other payables	(4,045,239)	11,533,940	(398,353,954)	107,821,673
Other current liabilities	17,500,225	(3,262,447)	(6,459,364)	(4,036,310)
Provision for long-term employee benefits	(17,840,263)	(18,940,492)	(1,232,894)	(1,134,044)
Other non-current liabilities	(11,649,118)	26,269,129	(4,089,900)	26,053,028
Cash from (used in) operating activities	451,451,797	354,457,543	(113,527,464)	173,322,391
Cash paid for interest expenses	-142,583,909	-108,028,058	-125,593,354	-84,647,731
Cash paid for corporate income tax and withholding tax deducted at source	-36,012,563	-92,577,157	-16,200,275	-48,032,267
Net cash from (used in) operating activities	272,855,325	153,852,328	(255,321,093)	40,642,393

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in restricted bank deposits	(5,000,000)	-	-	-
Cash paid for investments in subsidiaries	-	-	(789,998,545)	(649,879,625)
Cash receipt from acquisition of investment in subsidiary	-	549,775	-	-
Cash paid for investments in joint ventures	-	(3,064,600)	-	-
Cash paid for other invesments	(829,672)	(10,139,760)	-	(3,750,000)
Proceeds from sales of investments in subsidiaries	-	2,727,921	-	-
Proceeds from share reduction in joint ventures	78,235,300	-	78,235,300	-
Proceeds from sales of investment in associate	-	8,620,583	-	-
Proceeds from sales of other long-term investments	-	1,323,087	-	-
Proceeds from sales of other investments	100	-	100	-
Decrease in short-term loan to related party	103,927	-	-	-
Decrease (increase) in long-term loans to related party	1,904,870	(10,299,770)	-	-
Decrease (increase) in long-term loans to other companies	(1,662,835)	6,803,334	-	-
Cash paid for acquisition of intangible assets	(4,731,632)	(1,556,562)	(150,000)	(1,422,688)
Acquisitions of property, plant and equipment	(1,369,663,616)	(868,233,810)	(210,826,457)	(447,359,425)
Proceeds from sales of plant and equipment	1,096,563	1,388,962	496,624	759,549
Proceeds from sales of investment properties	-	-	34,590	-
Proceeds from sales of intangible assets	-	101,946	-	-
Dividend received from subsidiary	-	-	277,999,994	89,999,998
Dividend received from associate	-	1,615,338	-	-
Net cash used in investing activities	(1,300,546,995)	(870,163,556)	(644,208,394)	(1,011,652,191)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	344,479,705	1,078,232,356	362,059,615	1,002,910,452
Cash receipt from long-term loans from financial institutions	1,097,105,426	954,704,339	941,198,875	939,499,625
Repayment of long-term loans from financial institutions	(576,093,786)	(748,041,706)	(500,332,000)	(409,330,000)
Cash receipt from non-controlling interests of the subsidiaries	1,155	375	-	-
Cash paid for treasury shares	(1,998,800)	-	(1,998,800)	-
Decrease in short-term loan from related person	(3,871,288)	-	-	-
Increase (decrease) in long-term loan from related person and party	(27,478,272)	41,176,500	(41,176,500)	41,176,500
Dividend paid	(100,479,121)	(365,378,623)	(100,479,121)	(365,378,623)
Net cash from financing activities	731,665,019	960,693,241	659,272,069	1,208,877,954
Decrease in translation adjustments	(15,203,300)	(7,607,650)	-	-
Net increase (decrease) in cash and cash equivalents	(311,229,951)	236,774,363	(240,257,418)	237,868,156
Cash and cash equivalents at beginning of year	534,206,331	297,431,968	316,098,446	78,230,290
Cash and cash equivalents at end of year	222,976,380	534,206,331	75,841,028	316,098,446
Supplemental cash flow information :				
Non-cash transaction				
Transfer loss on change in value of other long-term investment from other components of shareholders' equity to profit and loss because of sales	-	1,718,998	-	-
Transfer investment in subsidiary to other investments due to sale of subsidiary and loss of control	-	306,671	-	-
Transfer property plant and equipment to investment properties	-	-	10,193,510	-

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 2019

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, feed mills and distribution center located in Chonburi, Rayong, Singburi, Petchabun, Sa Kaeo and Chachoengsao. Its registered address is at No. 18/1 Moo 12, Sai Langwatbangpleeyainai Road, Bangpleeyai, Bangplee, Samutprakarn.

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 and the following subsidiary companies (hereinafter called “the Group”):

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		2019	2018	
		%	%	
<u>Held by the Company</u>				
Anatis Foods Limited	Holding business and international headquarters business and international business center	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) Co., Ltd.	Not yet operational	100	100	Hong Kong SAR
NS Delicatessen Co., Ltd.	Food processing	100	100	Thailand
Winthai Food Co., Ltd.	Not yet operational	100	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 (Cambodia) Co., Ltd.	Not yet operational	100	100	Cambodia
<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
Weng Fat Poultry (Kosovo) Sh.P.K.	Not yet operational	60	60	Republic of Kosovo

- 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.

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 Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenues from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

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 Group 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 - 40 years	20 - 40 years
Machinery	10 years	10 - 20 years
Tools and equipment	2 - 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 Group' biological assets is 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 Group 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 Group 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 Group (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group 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 individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

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

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

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

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats 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 defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.17 Provisions

Provisions are recognised when the Group 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 Group 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 Group recognises 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 Group reviews and reduces 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 Group records 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 Group applies 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 Group measures 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 Group determines 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 Group measured its non-current biological assets at its 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 Group 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 Group 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, the subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2019	2018	2019	2018	
<u>Transaction with subsidiaries</u> (Eliminated from the consolidated financial statements)					
Sales of goods	-	-	695	981	Agree between parties
Purchase of goods	-	-	152	125	Agree between parties
Commission expenses	-	-	27	41	Per contract
Rental and service income	-	-	22	13	Per contract
Management fee	-	-	2	1	Per contract
<u>Transaction with jointly controlled entity and associate</u>					
Sales of goods	6	7	6	7	Market price
Purchase of goods	1	-	1	-	Market price
Labour income	-	1	-	-	Market price
Labour expenses	-	3	-	-	Market price
Interest expenses	1	-	1	-	Per contract
<u>Transaction with related parties</u>					
Sales of goods	2	1	1	-	Market price
Management fee	11	12	-	-	Agree between parties
Other service fee	1	2	-	-	Agree between parties

The balances of the accounts as at 31 December 2019 and 2018 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties</u>				
(Note 8)				
<u>Trade receivables</u>				
Subsidiaries	-	-	125,590	140,000
Jointly controlled entity	675	1,011	675	1,011
Related company (related by director)	227	983	227	745
Total trade receivables - related parties	902	1,994	126,492	141,756
<u>Other receivables</u>				
Subsidiaries	-	-	273,240	119,196
Associate	5,900	5,900	5,900	5,900
Jointly controlled entity	22	-	22	-
Related company (related by director)	402	402	-	-
Related person	1,826	-	-	-
Total	8,150	6,302	279,162	125,096
Less: Allowance for doubtful accounts	(6,302)	(5,900)	(5,900)	(5,900)
Total other receivables - related parties	1,848	402	273,262	119,196
Total trade and other receivables - related parties, net	2,750	2,396	399,754	260,952
<u>Short-term loan to related party</u>				
Related company (related by shareholder)	1,248	1,485	-	-
Total short-term loan to related party	1,248	1,485	-	-
<u>Long-term loan to related party</u>				
Related company (related by shareholder)	4,308	6,783	-	-
Total long-term loan to related party	4,308	6,783	-	-
<u>Trade and other payables - related parties</u>				
(Note 20)				
<u>Trade payables</u>				
Subsidiaries	-	-	16,470	15,903
Total trade payables - related parties	-	-	16,470	15,903

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Other payables</u>				
Subsidiaries	-	-	28,562	378,460
Total other payables - related parties	-	-	28,562	378,460
<u>Accrued interest expense</u>				
Jointly controlled entity	-	144	-	144
Total accrued interest expense - related party	-	144	-	144
Total trade and other payables - related parties	-	144	45,032	394,507
<u>Short-term loan from related person</u>				
Director of a subsidiary	-	4,149	-	-
Total short-term loan from related person	-	4,149	-	-
<u>Long-term loan from related person and party</u>				
Jointly controlled entity	-	41,177	-	41,177
Shareholder of a subsidiary	13,338	-	-	-
Total long-term loan from related person and party	13,338	41,177	-	41,177

Short-term loan to related party

Short-term loan to related party is an unsecured short-term loan provided by the overseas subsidiary which carried interest at the rate 2% per annum and is repayable on demand.

Long-term loan to related party

Long-term loan to related party is a long-term loan to associated company by overseas subsidiary which unsecured loan carrying interest at a rate of 2% per annum and payable within year 2019. Currently, the subsidiary is in the process of following up such related party to repay the loan.

Short-term loan from related person

Short-term loan from related person is a short-term loan from director of a subsidiary which no interest and repayment at call.

Long-term loans from related person and party

Long-term loan from related party is a long-term loan from a joint venture which unsecured loan carrying interest of rate of 2% per year and payable within year 2021.

Long-term loan from related person is an unsecured long-term loan from overseas subsidiary's shareholder which has no interest charged and is repayable with future dividend of the subsidiary.

As at 31 December 2019 and 2018, the balance of loans between the Company and those related person and party and the movement are as follows:

(Unit: Thousand Baht)

Loans	Consolidated financial statements				
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Exchange differences on translation of financial statement	Balance as at 31 December 2019
<u>Short-term loan to related party</u>					
Related company (related by shareholder)	1,485	-	(104)	(133)	1,248
Total	1,485	-	(104)	(133)	1,248
<u>Long-term loan to related party</u>					
Related company (related by shareholder)	6,783	-	(1,905)	(570)	4,308
Total	6,783	-	(1,905)	(570)	4,308
<u>Short-term loan from related person</u>					
Director of a subsidiary	4,149	-	(3,871)	(278)	-
Total	4,149	-	(3,871)	(278)	-
<u>Long-term loans from related person and party</u>					
Jointly controlled entity	41,177	-	(41,177)	-	-
Shareholder of a subsidiary	-	13,698	-	(360)	13,338
Total	41,177	13,698	(41,177)	(360)	13,338

(Unit: Thousand Baht)

Loan	Separate financial statements			
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
<u>Long-term loan from related party</u>				
Jointly controlled entity	41,177	-	(41,177)	-
Total	41,177	-	(41,177)	-

Directors and management's benefits

During the year ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	68,751	72,074	25,218	24,021
Post-employment benefits	5,279	1,794	3,243	449
Total	74,030	73,868	28,461	24,470

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	3,237	2,456	3,120	2,083
Bank deposits	219,739	531,750	72,721	314,015
Total	222,976	534,206	75,841	316,098

As at 31 December 2019, bank deposits in saving accounts and fixed deposit carried interests between 0.13 and 1.50 percent per annum (the Company only: between 0.13 and 1.50 percent per annum) (2018: 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	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	857	1,574	73,906	107,699
Past due				
Up to 3 months	45	420	33,265	33,983
3 - 6 months	-	-	10,601	74
6 - 12 months	-	-	6,916	-
Over 12 months	-	-	1,804	-
Total trade receivables - related parties	902	1,994	126,492	141,756
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	494,709	501,448	214,910	181,673
Past due				
Up to 3 months	85,372	115,459	22,908	31,503
3 - 6 months	9,085	2,481	3,336	2,281
6 - 12 months	6,435	1,351	571	1,344
Over 12 months	52,975	50,367	44,975	50,372
Total	648,576	671,106	286,700	267,173
Less: Allowance for doubtful accounts	(35,830)	(21,125)	(23,410)	(21,125)
Total trade receivables - unrelated parties, net	612,746	649,981	263,290	246,048
Total trade receivables - net	613,648	651,975	389,782	387,804
<u>Other receivables</u>				
Other receivables - related parties	8,150	6,302	279,162	125,096
Other receivables - unrelated parties	6,407	12,233	-	-
Prepaid expenses	6,800	7,503	4,786	4,779
Advances	1,242	2,987	1,044	2,362
Total	22,599	29,025	284,992	132,237
Less: Allowance for doubtful accounts	(6,302)	(5,900)	(5,900)	(5,900)
Total other receivables, net	16,297	23,125	279,092	126,337
Total trade and other receivables - net	629,945	675,100	668,874	514,141

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	
	2019	2018	2019	2018	2019	2018
Raw materials	338,960	333,871	(4,932)	(2,921)	334,028	330,950
Frozen ducks and finished products	1,174,941	1,303,388	(114,062)	(122,988)	1,060,879	1,180,400
Feed products	13,610	16,495	-	-	13,610	16,495
Duck cages, feathers and components	64,725	63,397	(452)	(273)	64,273	63,124
Goods in transit	48,675	53,432	-	-	48,675	53,432
Total	1,640,911	1,770,583	(119,446)	(126,182)	1,521,465	1,644,401

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Raw materials	326,486	321,939	(3,870)	(2,921)	322,616	319,018
Frozen ducks and finished products	853,993	1,029,134	(112,180)	(122,754)	741,813	906,380
Feed products	12,259	15,001	-	-	12,259	15,001
Duck cages, feathers and components	34,243	35,097	(446)	(273)	33,797	34,824
Goods in transit	25,871	30,707	-	-	25,871	30,707
Total	1,252,852	1,431,878	(116,496)	(125,948)	1,136,356	1,305,930

During the current year, the Group reduced cost of inventories by Baht 62million (2018: Baht 47 million) (The Company only: Baht 58 million and 2018: Baht 36 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 69 million (2018: Baht 31 million), (The Company only: Baht 67 million and 2018: Baht 31 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2019, frozen ducks and finished products of Duck-To Holding B.V. and its subsidiaries of Euro 5 million or approximately Baht 158 million (2018: 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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current biological assets	71,706	93,460	39,263	64,791
Non-current biological assets	144,375	97,039	85,878	97,161
Total biological assets	<u>216,081</u>	<u>190,499</u>	<u>125,141</u>	<u>161,952</u>

Biological assets comprise eggs in hatchery, day one ducks, ducklings, parent ducks and grandparent ducks. The Group 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 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	190,499	161,952
Gains (losses) arising from changes in fair value		
less costs to sell	13,036	(18,101)
Increase due to purchase/raise	589,491	458,315
Decrease due to sales/harvest	(576,945)	(477,025)
Balance as at 31 December 2019	<u>216,081</u>	<u>125,141</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		Cost		Dividend received	
			percentage				during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
			%	%				
Anatis Foods Limited	Baht 904 million	Baht 904 million	100	100	904,489	904,489	278,000	90,000
BR Agriculture Co., Ltd.	Baht 100 million	Baht 70 million	100	100	99,999	70,000	-	-
BM Agriculture Co., Ltd.	Baht 5 million	Baht 5 million	48	48	20,300	20,300	-	-
Food City Co., Ltd.	Baht 800 million	Baht 800 million	100	100	799,760	799,760	-	-
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	HKD 1.66 million	100	100	6,857	6,857	-	-
NS Delicatessen Co., Ltd.	Baht 85 million	Baht 75 million	100	100	85,000	75,000	-	-
Winthai Food Co., Ltd.	Baht 1,000 million	Baht 250 million	100	100	<u>999,999</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Total					<u>2,918,903</u>	<u>2,128,905</u>	<u>278,000</u>	<u>90,000</u>

BR Agriculture Co., Ltd.

On 4 June 2019, the Board of Directors Meeting of BR Agriculture Co., Ltd. No. 2/2019 approved an additional called up of BR Agriculture Co., Ltd. with Baht 1.50 per share, or a total of Baht 30 million. The Company additional called up capital in proportion to the Company's interests amounting to Baht 30 million on 7 June 2019.

NS Delicatessen Co., Ltd.

On 1 February 2019, the Board of Directors Meeting of NS Delicatessen Co., Ltd. No. 1/2019 approved an additional called up with Baht 10 per share, or a total of Baht 10 million. The Company paid additional called up capital in proportion to the Company's interests amounting to Baht 10 million in the first quarter of 2019.

Winthai Food Co., Ltd.

The Company's Board of Directors Meeting passed a resolution to approve the incorporation of Winthai Food Company Limited, in which the Company's interest is 100 percent, with a registered capital of Baht 200 million (2,000,000 ordinary shares of Baht 100 each) of which Baht 25 per share is to be initially called up, or a total of Baht 50 million. The Company already paid in share capital on 23 May 2018.

Subsequently, on 5 July 2018, the Company's Board of Directors Meeting No. 4/2018 approved an increase in the registered capital from Baht 200 million to Baht 1,000 million, through the issuance of 8,000,000 ordinary shares with par value of Baht 100 each of which Baht 25 per share is to be initially called up, or a total of Baht 200 million.

The subsidiary registered the increase of its capital with the Ministry of Commerce on 3 September 2018 and the Company already paid in increase share capital on 28 August 2018.

On 9 April 2019, the Board of Directors Meeting of Winthai Food Co., Ltd. No. 2/2019 approved an additional called up of Winthai Food Co., Ltd. with Baht 35 per share, or a total of Baht 350 million. The Company paid additional called up capital in proportion to the Company's interests amounting to Baht 350 million on 12 April 2019.

Subsequently, on 4 May 2019, the Board of Directors Meeting of Winthai Food Co., Ltd. No. 3/2019 approved an additional called up of Winthai Food Co., Ltd. with Baht 40 per share, or a total of Baht 400 million. The Company paid additional called up capital in proportion to the Company's interests amounting to Baht 400 million on 9 May 2019.

13. Investments in joint ventures

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		Carrying amounts based	
		percentage		on equity method	
		2019	2018	2019	2018
		(%)	(%)		
Man Food Holding Company Limited	Restaurant and food service business	41	41	191	299
PT Rumah Bebek Bergizi Company Limited	Not yet operational	40	40	6	6
Asia Pacific International Trading Joint Stock Company	Not yet operational	49	49	2	3
Total				199	308

(Unit: Million Baht)

Joint ventures	Nature of business	Separate financial statements			
		Shareholding		Carrying amounts based	
		percentage		on equity method	
		2019	2018	2019	2018
		(%)	(%)		
Man Food Holding Company Limited	Restaurant and food service business	41	41	251	329
Total				251	329

In September 2019, the Extraordinary General Meeting of shareholders No. 2/2019 of Man Food Holding Company Limited passed a resolution approving the decrease of its registered share capital by Baht 190 million. The Company received Baht 78 million as a result of the share capital reduction, in proportion to its shareholding.

13.2 Share of comprehensive income

During the years, the Group recognised its share of comprehensive income from investment in the joint ventures in the consolidated financial statements as follows:

(Unit: Million Baht)

Joint venture	Consolidated financial statements			
	Share of profit (loss) from investment in joint ventures		Share of other comprehensive income from investment in joint ventures	
	during the year		during the year	
	2019	2018	2019	2018
Man Food Holding Company Limited	(33)	(31)	3	-
Asia Pacific International Trading Joint Stock Company	(1)	-	-	-
Total	(34)	(31)	3	-

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	
	2019	2018
Cash and cash equivalent	56	130
Other current assets	35	35
Intangible assets	342	393
Other non-current assets	127	285
Current liabilities	(76)	(50)
Non-current liabilities	(9)	(16)
Deferred tax liabilities	(68)	(79)
Non-controlling interests of the joint venture	22	(7)
Net assets	429	691
Shareholding percentage (%)	41	41
Share of net assets	177	285
Goodwill	14	14
Carrying amounts of joint venture based on equity method	191	299

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	Man Food Holding Company Limited	
	2019	2018
Revenue	373	1391
Cost of sales	(221)	(235)
Selling and administration expenses	(265)	(232)
Income tax income	2	-
Loss for the year	(111)	(76)
Other comprehensive income	10	-
Total comprehensive income for the year	(101)	(76)
Loss attributable to:		
Equity holders of joint venture	(72)	(74)
Non-controlling interests of the joint venture	(29)	(2)

14. Other investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Other non-marketable equity securities	111,696	111,697	105,000	105,000
<u>Less</u> Allowance for diminution in value	(101,700)	-	(100,000)	-
Total	<u>9,996</u>	<u>111,697</u>	<u>5,000</u>	<u>105,000</u>

15. 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 2019 and 2018 are presented below.

	(Unit: Thousand Baht)				
	Consolidated		Separate		
	financial statements		financial statements		
	Non-operating land	Total	Non-operating land	Land and building for rent	Total
31 December 2019:					
Cost	60,225	60,225	60,225	317,746	377,971
<u>Less</u> Accumulated depreciation	-	-	-	(302,134)	(302,134)
Net book value - net	<u>60,225</u>	<u>60,225</u>	<u>60,225</u>	<u>15,612</u>	<u>75,837</u>
31 December 2018:					
Cost	60,225	60,225	60,225	197,339	257,564
<u>Less</u> Accumulated depreciation	-	-	-	(188,802)	(188,802)
Net book value - net	<u>60,225</u>	<u>60,225</u>	<u>60,225</u>	<u>8,537</u>	<u>68,762</u>

A reconciliation of the net book values of investment properties for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	60,225	60,225	68,762	71,562
Disposals - net book value	-	-	(119)	-
Transfer from property, plant and equipment (Note 16)	-	-	10,194	-
Depreciation for the year	-	-	(3,000)	(2,800)
Net book value at end of year	<u>60,225</u>	<u>60,225</u>	<u>75,837</u>	<u>68,762</u>

The fair value of the investment properties as at 31 December 2019 and 2018 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Non-operating land	116,242	108,802	116,242	108,802
Land and building for rent	-	-	94,828	74,027

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.

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements									
	Building and			Furniture, fixtures and		Assets under			
	Land	Land improvements	building improvements	Machinery	Tools and equipment	office equipment	Motor vehicles	installation and under construction	Total
Cost:									
1 January 2018	916,515	326,793	2,739,694	1,634,296	585,800	72,547	169,575	347,610	6,792,830
Additions	100,343	2,216	45,090	27,781	26,896	6,200	10,621	648,290	867,437
Acquisitions of subsidiary during the year	-	-	-	-	-	-	-	30,509	30,509
Decrease from sales of subsidiary	-	(828)	-	-	(208)	(170)	-	-	(1,206)
Disposals/write-offs	-	-	-	(6,381)	(11,453)	(782)	(337)	-	(18,953)
Transfers	-	5,468	131,636	256,167	12,589	2,943	2,083	(410,886)	-
Reclassification	-	-	(54,310)	51,068	3,705	252	(715)	-	-
Translation adjustments	(12,125)	(42)	(23,872)	(12,949)	(10)	(1,608)	(7,505)	-	(58,111)
31 December 2018	1,004,733	333,607	2,838,238	1,949,982	617,319	79,382	173,722	615,523	7,612,506
Additions	-	725	63,475	36,527	17,976	6,068	14,609	1,230,284	1,369,664
Disposals/write-offs	-	-	(716)	(49,310)	(18,741)	(1,804)	(5,895)	-	(76,466)
Transfers	-	3,271	340,472	110,136	29,807	22,170	5,853	(511,709)	-
Translation adjustments	(22,280)	-	(46,546)	(25,399)	-	(3,287)	(14,464)	-	(111,976)
31 December 2019	982,453	337,603	3,194,923	2,021,936	646,361	102,529	173,825	1,334,098	8,793,728

(Unit: Thousand Baht)

	Consolidated financial statements (continued)								
	Building and			Furniture, fixtures and		Assets under			
	Land	Land improvements	building improvements	Machinery	Tools and equipment	office equipment	Motor vehicles	installation and under construction	Total
Accumulated depreciation:									
1 January 2018	-	243,774	1,377,296	1,110,551	510,594	59,471	117,344	-	3,419,030
Depreciation for the year	-	4,255	91,969	99,970	29,433	5,248	14,669	-	245,544
Decrease from sales of subsidiary	-	(138)	-	-	(52)	(28)	-	-	(218)
Depreciation on disposals/write-offs	-	-	-	(6,381)	(11,202)	(627)	(172)	-	(18,382)
Reclassification	-	-	(633)	630	606	112	(715)	-	-
Translation adjustments	-	(6)	(4,696)	(8,942)	(2)	(1,375)	(5,103)	-	(20,124)
31 December 2018	-	247,885	1,463,936	1,195,828	529,377	62,801	126,023	-	3,625,850
Depreciation for the year	-	4,367	102,952	99,168	34,558	7,729	15,341	-	264,115
Depreciation on disposals/write-offs	-	-	(497)	(49,304)	(18,704)	(1,795)	(5,375)	-	(75,675)
Translation adjustments	-	-	(9,924)	(17,707)	-	(2,567)	(9,989)	-	(40,187)
31 December 2019	-	252,252	1,556,467	1,227,985	545,231	66,168	126,000	-	3,774,103
Allowance for impairment loss:									
31 December 2018	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	611	153	12	-	-	776
31 December 2019	-	-	-	611	153	12	-	-	776
Net book value:									
31 December 2018	1,004,733	85,722	1,374,302	754,154	87,942	16,581	47,699	615,523	3,986,656
31 December 2019	982,453	85,351	1,638,456	793,340	100,977	36,349	47,825	1,334,098	5,018,849

(Unit: Thousand Baht)

	Separate financial statements								
	Building and			Furniture, fixtures and		Assets under			
	Land	Land improvements	building improvements	Machinery	Tools and equipment	office equipment	Motor vehicles	installation and under construction	Total
Cost:									
1 January 2018	500,359	314,589	1,746,230	1,285,948	548,020	38,978	14,841	88,084	4,537,049
Additions	85,596	1,316	21,228	6,058	21,865	3,718	192	307,386	447,359
Disposals/write-offs	-	-	-	(6,381)	(11,114)	(604)	(148)	-	(18,247)
Transfers	-	2,583	117,180	24,662	3,580	507	2,082	(150,594)	-
Reclassification	-	-	38	-	568	109	(715)	-	-
31 December 2018	585,955	318,488	1,884,676	1,310,287	562,919	42,708	16,252	244,876	4,966,161
Additions	-	296	8,047	6,617	12,655	1,438	-	181,773	210,826
Disposals/write-offs	-	-	(255)	(49,310)	(18,675)	(1,804)	(1,749)	-	(71,793)
Transfers	-	2,966	233,874	83,056	17,805	18,426	2,012	(358,139)	-
Transfer to investment properties									
(Note 15)	(10,700)	(19,427)	(84,011)	(953)	(5,471)	(413)	-	-	(120,975)
31 December 2019	575,255	302,323	2,042,331	1,349,697	569,233	60,355	16,515	68,510	4,984,219

(Unit: Thousand Baht)

	Separate financial statements									
	Building and			Furniture, fixtures and	Assets under					
	Land	Land improvements	building improvements		Machinery	Tools and equipment	office equipment	Motor vehicles	installation and under construction	Total
Accumulated depreciation:										
1 January 2018	-	238,486	1,120,704	852,341	479,758	30,958	13,845	-	2,736,092	
Depreciation for the year	-	3,800	57,645	61,790	24,288	3,206	705	-	151,434	
Depreciation on disposals/write-offs	-	-	-	(6,381)	(11,074)	(595)	(148)	-	(18,198)	
Reclassification	-	-	38	-	568	109	(715)	-	-	
31 December 2018	-	242,286	1,178,387	907,750	493,540	33,678	13,687	-	2,869,328	
Depreciation for the year	-	3,869	63,275	60,233	26,699	4,601	1,137	-	159,814	
Depreciation on disposals/write-offs	-	-	(155)	(49,304)	(18,638)	(1,795)	(1,749)	-	(71,641)	
Transfer to investment properties										
(Note 15)	-	(16,870)	(87,075)	(953)	(5,471)	(413)	-	-	(110,782)	
31 December 2019	-	229,285	1,154,432	917,726	496,130	36,071	13,075	-	2,846,719	
Allowance for impairment loss:										
31 December 2018	-	-	-	-	-	-	-	-	-	
Increase during the year	-	-	-	611	153	12	-	-	776	
31 December 2019	-	-	-	611	153	12	-	-	776	
Net book value:										
31 December 2018	585,955	76,202	706,289	402,537	69,379	9,030	2,565	244,876	2,096,833	
31 December 2019	575,255	73,038	887,899	431,360	72,950	24,272	3,440	68,510	2,136,724	
Depreciation for the year										
2018 (Baht 133 million included in manufacturing cost, and the balance in selling and administrative expenses)										
2019 (Baht 136 million included in manufacturing cost, and the balance in selling and administrative expenses)										

As at 31 December 2019, the overseas subsidiaries have pledged their property, plant and equipment with net book value of EUR 9 million or approximately Baht 306 million, as collateral against credit facilities received from commercial banks (2018: EUR 12 million or approximately Baht 463 million).

As at 31 December 2019, 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 2,301 million (The Company only: Baht 1,905 million) (2018: Baht 2,322 million, The Company only: Baht 1,935 million).

17. 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.

On 2 November 2018, Tomassen Duck-To B.V. (a subsidiary) purchased an additional 31% shareholding in Weng Fat Poultry (Kosovo) Sh.P.K. from an unrelated party, for a price of EUR 310 or approximately Baht 0.01 million, increasing the subsidiary's shareholding from 29% to 60%. As a result, Tomassen Duck-To B.V. has control of this company and the Group have reclassified the investment from investment in associates to investment in subsidiaries. The acquisition cost was approximately EUR 0.02 million, or approximately Baht 0.7 million, in excess of the net fair value of the identifiable assets, liabilities and contingent liabilities of that company, and this amount was recorded as "Goodwill" in the consolidated statement of financial position.

A reconciliation of the net book values of goodwill for the years 2019 and 2018 is presented below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	1,955,125	1,955,125	1,910,483	1,910,483
Less: Impairment loss of goodwill	(72,000)	-	(72,000)	-
Translation adjustments	(6,961)	-	-	-
Net book value at end of year	1,876,164	1,955,125	1,838,483	1,910,483

The Group allocated goodwill acquired through business combinations and trade name with indefinite lives to the cash generating units (CGUs) as follows:

	(Unit: Thousand Baht)				
	Bangkok	Duck-To	Lucky Duck	Weng Fat Poultry	
	Ranch Plc.	Holding B.V.	International Food B.V.	(Kosovo) Sh.P.K.	Total
Goodwill	1,838,483	2,979	34,100	602	1,876,164
Trade name (Note 18)	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)		
	Lucky Duck		
	Bangkok Ranch Plc.	Duck-To Holding B.V.	International Food B.V.
Growth rates	3 - 15	0	0 - 15
Discount rates	8	4	3

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.

18. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements				
	Computer software	Customer relationships	Trade name	Total
Cost:				
1 January 2018	29,250	504,706	274,699	808,655
Addition	1,557	-	-	1,557
Disposals	(134)	-	-	(134)
31 December 2018	30,673	504,706	274,699	810,078
Addition	4,732	-	-	4,732
Translation adjustments	(120)	-	-	(120)
31 December 2019	35,285	504,706	274,699	814,690
Accumulated amortisation:				
1 January 2018	22,043	63,089	-	85,132
Amortisation for the year	2,492	12,617	-	15,109
Amortisation on disposals	(34)	-	-	(34)
31 December 2018	24,501	75,706	-	100,207
Amortisation for the year	3,575	12,618	-	16,193
Translation adjustments	(22)	-	-	(22)
31 December 2019	28,054	88,324	-	116,378
Allowance for impairment loss:				
1 January 2018	-	19,557	-	19,557
Increase during the year	-	1,355	-	1,355
31 December 2018	-	20,912	-	20,912
Increase during the year	4	-	-	4
31 December 2019	4	20,912	-	20,916
Net book value:				
31 December 2018	6,172	408,088	274,699	688,959
31 December 2019	7,227	395,470	274,699	677,396

(Unit: Thousand Baht)

Separate financial statements				
	Computer software	Customer relationships	Trade name	Total
Cost:				
1 January 2018	28,976	486,688	187,410	703,074
Addition	1,423	-	-	1,423
31 December 2018	30,399	486,688	187,410	704,497
Addition	150	-	-	150
31 December 2019	30,549	486,688	187,410	704,647
Accumulated amortisation:				
1 January 2018	21,996	60,837	-	82,833
Amortisation for the year	2,415	12,167	-	14,582
31 December 2018	24,411	73,004	-	97,415
Amortisation for the year	2,648	12,167	-	14,815
31 December 2019	27,059	85,171	-	112,230
Allowance for impairment loss:				
1 January 2018	-	19,557	-	19,557
Increase during the year	-	1,355	-	1,355
31 December 2018	-	20,912	-	20,912
Increase during the year	4	-	-	4
31 December 2019	4	20,912	-	20,916
Net book value:				
31 December 2018	5,988	392,772	187,410	586,170
31 December 2019	3,486	380,605	187,410	571,501

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Interest rate			
	2019	2018	2019	2018
	(% per annum)	(% per annum)		
Trust receipts	1.42 - 1.85	0.66 - 1.93	149,516	67,457
Promissory notes	1.68 - 1.98	1.80 - 2.05	2,180,000	1,900,000
Bank overdrafts	1.36	1.38	336,180	289,723
Short-term loans from financial institutions	0.66 - 1.45	0.67 - 1.72	82,973	147,010
Total			2,748,669	2,404,190

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.

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.

As at 31 December 2019, the overseas subsidiary was unable to maintain financial ratios stipulated in the agreement. However, the overseas subsidiary received a letter from the lender, granting a waiver for such non-compliance subject.

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payables - related parties	-	-	16,470	15,903
Trade payables - unrelated parties	244,829	228,266	77,699	83,942
Other payables - related parties	-	-	28,562	378,460
Other payables - unrelated parties	145,267	142,898	90,434	113,952
Accrued interest expenses - related party	-	144	-	144
Accrued interest expenses - unrelated parties	1,752	3,895	1,062	1,346
Accrued expenses	100,004	123,344	71,499	91,366
Total trade and other payables	<u>491,852</u>	<u>498,547</u>	<u>285,726</u>	<u>685,113</u>

21. Long-term loans

The Group 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	
			2019	2018	2019	2018
1.	Closed to MLR	Repayment in quarterly installments commencing March 2018, with the final installment due in	400,080	533,440	400,080	533,440
2.	4.0% and closed to MLR	December 2022 Repayment in monthly installments commencing February 2018, with the final installment due in January 2023	615,900	816,300	615,900	816,300

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2019	2018	2019	2018
3.	Closed to MLR	Repayment in quarterly installments commencing October 2018, with the final installment due in April 2024	206,240	252,080	206,240	252,080
4.	3.2% and closed to MLR	Repayment in monthly installments commencing October 2018, with the final installment due in July 2023	66,750	85,350	66,750	85,350
5.	Closed to MLR	Repayment in quarterly installments commencing October 2018, with the final installment due in July 2023	60,000	76,000	60,000	76,000
6.	3.2% and closed to MLR	Repayment in monthly installments commencing April 2019, with the final installment due in June 2023	132,280	118,000	132,280	118,000
7.	3.4% and closed to MLR	Repayment in quarterly installments commencing December 2019, with the final installment due in September 2025	957,999	250,000	957,999	250,000
8.	Closed to MLR	Repayment in quarterly installments commencing September 2019, with the final installment due in December 2023	132,788	-	132,788	-
9.	1.4%	Repayment in monthly installments commencing July 2016, with the final installment due in December 2020	7,717	17,760	-	-
10.	Closed to Euribor	Repayment in monthly installments commencing January 2021, with the final installment due in August 2025	37,886	41,698	-	-
11.	2.1%	Repayment in monthly installments commencing July 2016, with the final installment due in August 2025	8,464	10,936	-	-

(Unit: Thousand Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2019	2018	2019	2018
12.	Closed to Euribor	Repayment in quarterly installments commencing August 2016, with the final installment due in May 2026	21,651	27,496	-	-
13.	Closed to Euribor	Repayment in quarterly installments commencing August 2026, with the final installment due in May 2036	33,310	36,661	-	-
14.	2.6%	Repayment in quarterly installments commencing January 2017, with the final installment due in October 2019	-	30,938	-	-
15.	1.6%	Repayment in quarterly installments commencing January 2017, with the final installment due in October 2021	6,746	11,138	-	-
16.	1.4%	Repayment in monthly installments commencing June 2017, with the final installment due in May 2027	17,262	21,560	-	-
17.	Closed to Euribor	Repayment in monthly installments commencing October 2017, with the final installment due in September 2027	82,170	101,983	-	-
18.	1.8%	Repayment in monthly installments commencing October 2018, with in final installment due in September 2023	8,405	11,663	-	-
19.	5.1%	Repayment in monthly installments commencing April 2019, with the final installment due in September 2026	15,554	-	-	-
20.	5.1%	Repayment in monthly installments commencing April 2019, with the final installment due in September 2026	31,107	-	-	-

(Unit: Thousand Baht)						
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2019	2018	2019	2018
21.	2.1%	Repayment in monthly installments commencing April 2019, with the final installment due in March 2029	35,579	-	-	-
22.	1.6%	Repayment in monthly installments commencing April 2019, with the final installment due in March 2029	26,839	-	-	-
23.	2.0%	Repayment in monthly installments commencing June 2019, with the final installment due in March 2024	28,671	-	-	-
Total			2,933,398	2,443,003	2,572,037	2,131,170
Less: Portion due within one year			(703,125)	(549,643)	(651,984)	(483,920)
Long-term loans - net of current portion			<u>2,230,273</u>	<u>1,893,360</u>	<u>1,920,053</u>	<u>1,647,250</u>

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 subsidiary are secured by their trade receivables, inventories, land, 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. As at 31 December 2019, the Group could not maintain the certain financial ratios in accordance with rates prescribed in the loan agreements. However, the Group has already received the waive letter for the covenants from the banks, hence, there is no reclassification of the outstanding balances of such long-term loans as at 31 December 2019.

22. Provision for long-term employee benefits

Provision for long-term employee benefits were as follows:

	(Unit: Thousand Baht)						
	Consolidated financial statements						
	Compensations			Other long-term employee benefits		Paid annual leave	
	2019	2018	2019	2018	2019	2018	Total
Defined benefit obligation at beginning of year	43,656	23,131	6,478	6,361	10,389	10,979	40,471
Included in profit or loss:							
Past service costs	11,287	-	-	-	-	-	-
Current service cost	6,202	2,042	312	438	20,269	17,750	20,230
Interest cost	1,632	620	-	-	-	-	620
Included in other comprehensive income:							
Actuarial loss arising from							
Demographic assumptions changes	-	9,689	-	-	-	-	9,689
Financial assumptions changes	6,195	3,051	-	-	-	-	3,051
Experience adjustments	-	6,258	-	-	-	-	6,258
Translation adjustments	-	-	(600)	(321)	(1,069)	(534)	(855)
Benefits paid during the year	(2,116)	(1,134)	-	-	(15,724)	(17,806)	(18,940)
Provisions for long-term employee benefits at end of year	66,856	43,657	6,190	6,478	13,865	10,389	60,524

	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	Compensations	
	2019	2018
Defined benefit obligation at beginning of year	39,660	20,709
Included in profit or loss:		
Past service costs	10,742	-
Current service cost	5,400	1,705
Interest cost	1,255	575
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	-	9,287
Financial assumptions changes	6,195	2,875
Experience adjustments	-	5,643
Benefits paid during the year	(1,233)	(1,134)
Provisions for long-term employee benefits at end of year	62,019	39,660

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 11 million (The Company only: Baht 11 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

As at 31 December 2019, the Group expect to pay Baht 3 million of long-term employee benefits during the next year. (The Company only: Baht 3 million) (2018: Baht 17 million, The Company only: Baht 14 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 12 years (The Company only: 12 years) (2018: 12 years, The Company only: 12 years).

Significant actuarial assumptions are summarised below:

Significant actuarial assumptions are summarised below:		(Unit: percent per annum)		
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Discount rate	1.32 - 2.38	1.72 - 4.28	1.32 - 2.38	1.72 - 4.28
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00
Turnover rate	4.00 - 50.00	4.00 - 50.00	4.00 - 50.00	4.00 - 50.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Thousand Baht)

	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(3,816)	4,376	(3,634)	4,169
Salary increase rate (1%)	4,768	(4,219)	4,535	(4,010)
Turnover rate (20%)	(6,229)	7,986	(5,948)	7,631

(Unit: Thousand Baht)

	As at 31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	(2,912)	3,331	(2,763)	3,165
Salary increase rate (1%)	3,261	(2,909)	3,099	(2,761)
Turnover rate (20%)	(4,147)	5,259	(3,979)	5,050

23. 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.

24. 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.

25. Treasury shares/appropriated retained earnings for treasury shares reserve

On 21 November 2018, the Board of Directors Meeting of the Company approved a share repurchase program for financial management propose with a budget of up to Baht 200 million, to repurchase no more than 43 million shares (par value of Baht 5 each), which accounts for not more than 4.71 percent of the total number of shares in issue. The shares are to be repurchased on the Stock Exchange of Thailand from 7 December 2018 to 6 June 2019. The share resale period is determined after 6 months from the completion date of share repurchase but no later than 3 years.

During the second quarter of the current year, the Company has purchased back 0.65 million ordinary shares (the average purchase price of Baht 3.08 each), or 0.07 percent of total number of shares in issue, a total of Baht 2 million and the Company has already appropriated the required amount of retained earnings to a reserve for the treasury shares amounting to Baht 2 million.

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Salaries and wages and other employee benefits	981,612	1,001,050	598,002	605,785
Depreciation	264,115	245,544	162,814	154,234
Amortisation expenses	16,193	15,109	14,815	14,582
Electricity	179,627	181,796	129,376	135,131
Professional fee	46,584	125,196	19,582	86,271
Transportation and gasoline	159,733	170,137	110,726	118,432
Rental expenses from operating lease agreements	149,559	151,931	141,244	136,912
Loss on impairment of investment in associate and other investments	101,800	-	100,000	-
Loss on impairment of goodwill	72,000	-	72,000	-
Raw materials and consumables used	5,328,286	5,149,152	3,648,592	3,043,544
Changes in inventories of finished goods and work in progress	(130,004)	365,162	(178,737)	318,531

27. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Corporate income tax charge for the year	323	53,234	-	24,470
Deferred tax:				
Relating to origination and reversal of temporary differences	(76,658)	(31,252)	(49,909)	(7,843)
Income tax expense (income) reported in profit or loss	<u>(76,335)</u>	<u>21,982</u>	<u>(49,909)</u>	<u>16,627</u>

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2019 is deferred tax relating to actuarial loss and gain (loss) on change in value of other long-term investments amounting to Baht 1.2 million (The Company only: Baht 1.2 million) (2018: Baht 3.7 million The Company only: Baht 3.6 million).

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	<u>(354,705)</u>	<u>212,979</u>	<u>20,015</u>	<u>261,486</u>
Applicable tax rate (percent)	0 - 25	0 - 25	20	20
Accounting profit (loss) before tax multiplied by income tax rate	(73,145)	67,841	4,003	52,297
Utilisation and recording of previously unrecognised deferred tax assets	-	(605)	-	-
Deferred tax asset which were not recognised during the year as future taxable profits may not be sufficient	273	-	-	-
Effects of changes in tax rates	201	-	-	-
Effects of:				
Promotional privileges (Note 28)	(14,096)	(15,005)	(8,498)	(11,877)
Non-deductible expenses	16,496	1,392	16,142	2,785
Exempt income	-	(23,063)	(55,600)	(18,000)
Additional expense deductions allowed	(6,064)	(8,578)	(5,956)	(8,578)
Total	<u>(3,664)</u>	<u>(45,254)</u>	<u>(53,912)</u>	<u>(35,670)</u>
Income tax expense (income) reported in profit or loss	<u>(76,335)</u>	<u>21,982</u>	<u>(49,909)</u>	<u>16,627</u>

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	
	2019	2018	2019	2018
Deferred tax assets				
Allowance for doubtful accounts	6,641	4,225	4,682	4,225
Allowance for diminution in value of inventories	23,889	25,236	23,299	25,190
Allowance for asset impairment	49,942	49,786	49,942	49,786
Allowance for other investments impairment	20,340	-	20,000	-
Provision for long-term employee benefits	13,062	8,451	12,404	7,932
Unrealised loss from revaluation of non-current biological assets	3,291	7,031	3,291	7,007
Unused tax loss	73,655	27,401	26,573	-
Others	5,876	5,877	5,876	5,877
Total	196,696	128,007	146,067	100,017
Deferred tax liabilities				
Surplus on revaluation of assets	4,436	4,436	4,436	4,436
Customer relationships	79,837	82,384	76,121	78,554
Trade name	59,304	59,304	37,482	37,482
Unrealised gain from revaluation of current biological assets	1,029	3,694	1,029	3,694
Others	612	1,595	-	-
Total	145,218	151,413	119,068	124,166

As at 31 December 2019, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 1.4 million (2018: None), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of such temporary differences.

Details of expiry date of unused tax loss are summarized as below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
31 December 2019	437	437	-	-
31 December 2021	3,131	3,131	-	-
31 December 2022	14,408	14,408	-	-
31 December 2023	17,008	18,196	-	-
31 December 2024	149,911	-	132,864	-
31 December 2028	463	463	-	-
31 December 2030	184,042	100,369	-	-
	369,400	137,004	132,864	-

28. Promotional privileges

The Group have 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 Group are as follows:

Details	BM Agriculture Co., Ltd.	Food City Co., Ltd.	Winthai Food Co., Ltd.
1. Certificate No.	58-2094-0-01-1-0	60-0167-1-00-1-0	61-1140-0-00-1-2
2. Promotional privileges for	Raising duck for meat	Food processing	Duck slaughterhouse and feather
3. The significant privileges are	8 years (Exemption limited to investment excluding in land and working capital)	5 years (Exemption limited to investment excluding in land and working capital)	8 years (Exemption limited to investment excluding in land and working capital)
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.	8 years (Exemption limited to investment excluding in land and working capital)	5 years (Exemption limited to investment excluding in land and working capital)	8 years (Exemption limited to investment excluding in land and working capital)
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 (Exemption limited to investment excluding in land and working capital)	5 years (Exemption limited to investment excluding 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.	8 years (Exemption limited to investment excluding in land and working capital)	5 years (Exemption limited to investment excluding in land and working capital)	8 years (Exemption limited to investment excluding in land and working capital)
4. Date of first earning operating income	26 August 2015	2 August 2017	Not yet granted income tax exemption

28. Promotional privileges (Cont.)

Details	BR Agriculture Co., Ltd.					
1. Certificate No.	60-1374-0-00-1-0	Raising breeder's duck egg	8 years (Exemption limited to investment excluding in land and working capital)	Granted	Not yet granted income tax exemption	
2. Promotional privileges for	60-1380-0-001-0	Raising breeder's duck egg	8 years (Exemption limited to investment excluding in land and working capital)	Granted	Not yet granted income tax exemption	
3. The significant privileges are	60-1381-0-00-1-0	Raising duck for meat	8 years (Exemption limited to investment excluding in land and working capital)	Granted	Not yet granted income tax exemption	
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.	1600(2)/2557	Raising breeder's duck egg	8 years (Exemption limited to investment excluding in land and working capital)	Granted	15 May 2015	
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.	2101(2)/2557	Raising duck for meat	8 years (Exemption limited to investment excluding in land and working capital)	Granted	Not yet granted income tax exemption	
3.2 Exemption from import duty on machinery as approved by the Board of Investment.	2102(2)/2557	Raising breeder's duck egg	8 years (Exemption limited to investment excluding in land and working capital)	Granted	12 October 2019	
4. Date of first earning operating income						

The Group's operating revenues for the year ended 31 December 2019 and 2018 divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statement					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales						
Domestic sales	97,261	135,499	4,160,689	4,123,775	4,257,950	4,259,274
Export sales	-	-	3,310,339	3,877,127	3,310,339	3,877,127
Total sales	<u>97,261</u>	<u>135,499</u>	<u>7,471,028</u>	<u>8,000,902</u>	<u>7,568,289</u>	<u>8,136,401</u>

(Unit: Thousand Baht)

	Separate financial statement					
	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales						
Domestic sales	192,428	195,669	4,125,505	4,082,066	4,317,933	4,277,735
Export sales	-	-	637,024	821,991	637,024	821,991
Total sales	<u>192,428</u>	<u>195,669</u>	<u>4,762,529</u>	<u>4,904,057</u>	<u>4,954,957</u>	<u>5,099,726</u>

29. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) for the year (Thousand Baht)	(274,749)	191,297	69,923	244,858
Weighted average number of ordinary shares				
(Thousand share)	913,044	913,447	913,044	913,447
Earnings (loss) per share (Baht)	(0.30)	0.21	0.08	0.27

30. 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 Group 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 international headquarters business and international business center.

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 (loss) information regarding the Group's operating segments for the year ended 31 December 2019 and 2018.

	Thailand				Overseas				Total		Adjustments		Consolidated	
	Entity group 1		Entity group 2		Entity group 3		Entity group 4		reportable segments		and eliminations			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	4,364	4,280	-	-	2,572	2,976	632	878	7,568	8,134	-	2	7,568	8,136
Inter-segment income	888	1,147	57	96	-	-	165	186	1,110	1,429	(1,110)	(1,429)	-	-
Interest income	1	1	-	-	-	-	-	-	1	1	-	-	1	1
Other income	344	129	111	38	9	22	11	41	475	230	(441)	(186)	34	44
Total revenues	5,597	5,557	168	134	2,581	2,998	808	1,105	9,154	9,794	(1,551)	(1,613)	7,603	8,181
Cost of sales	(4,389)	(4,283)	-	-	(2,331)	(2,589)	(740)	(989)	(7,460)	(7,861)	1,091	1,307	(6,369)	(6,554)
Selling and distribution expenses	(366)	(367)	-	(1)	(118)	(122)	(44)	(85)	(528)	(575)	69	122	(459)	(453)
Administrative expenses	(387)	(443)	(37)	(28)	(78)	(77)	(34)	(39)	(536)	(587)	32	25	(504)	(562)
Depreciation and amortisation	(217)	(198)	-	-	(63)	(63)	-	-	(280)	(261)	-	-	(280)	(261)
Impairment loss of investments and goodwill	(172)	-	-	-	-	-	-	-	(172)	-	-	-	(172)	-
Total expenses	(5,531)	(5,291)	(37)	(29)	(2,590)	(2,851)	(818)	(1,113)	(8,976)	(9,284)	1,192	1,454	(7,784)	(7,830)
Profit (loss) before share of loss from investments in associate and joint venture, finance costs and income tax income (expenses)	66	266	131	105	(9)	147	(10)	(8)	178	510	(359)	(159)	(181)	351
Share of loss from investments in associate and joint ventures accounted for by the equity method	(125)	(95)	-	-	-	-	-	-	-	-	(34)	(31)	(34)	(31)
Finance costs	70	4	2	1	4	(29)	-	-	76	(24)	-	2	76	(22)
Income tax income (expenses)	-	-	-	-	4	-	-	-	4	-	-	-	4	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	11	175	133	106	(16)	106	(10)	(8)	118	379	(393)	(188)	(275)	191

(Unit: Million Baht)

Revenues of the Group 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 Group for the years ended 31 December 2019 and 2018 separately by revenue.

(Unit: Million Baht)

	Thailand				Overseas				Adjustments and eliminations				Consolidated	
	Upstream revenues		Downstream revenues		International headquarters revenues and international business center		Upstream revenues		Downstream revenues		Adjustments and eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	1,776	1,925	2,588	2,355	-	-	810	890	2,394	2,964	-	2	7,568	8,136
Inter-segment revenue	222	178	666	969	57	96	-	-	165	186	(1,110)	(1,429)	-	-
Total revenues	1,998	2,103	3,254	3,324	57	96	810	890	2,559	3,150	(1,110)	(1,427)	7,568	8,136

For the years ended 31 December 2019 and 2018, the Group has no major customers with revenues that account for 10 percent or more of any entity's revenue.

31. Provident fund

The Group 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 Group 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 2019 amounting to approximately Baht 5 million (The Company only: Baht 5 million) (2018: Baht 5 million, the Company only: Baht 5 million) were recognised as expenses.

32. Dividend

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2017	Annual General Meeting of the shareholders on 25 April 2018	365.4	0.40
Final dividend for 2018	Annual General Meeting of the shareholders on 25 April 2019	100.5	0.11

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2019, the Group has capital commitments of approximately Baht 375 million (The Company only: Baht 30 million), relating new factory and slaughterhouse construction, renovate farm, old storage renovation and purchasing machine (2018: Baht 997 million, the Company only: Baht 130 million, relating to construction of a new slaughterhouse, building improvement, renovate farm, renovate slaughterhouse and purchase machine).

33.2 Operating lease commitments

The Group has entered into several lease agreements in respect of the lease of land and construction thereon, 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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Payable:				
In up to 1 year	41	33	29	30
In over 1 and up to 5 years	69	32	36	31
In over 5 years	-	1	-	1

33.3 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 2019, the Company's commitment to buy ducks in the first quarter of 2020 total approximately Baht 331 million (2018: the Company's commitment to buy ducks in the first quarter of 2019 total approximately Baht 322 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 2019, the subsidiaries' commitment to buy commercial ducks in the first quarter of 2020 amounted to approximately Euro 4 million (2018: the subsidiaries' commitment to buy commercial ducks in the first quarter of 2019 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 2019, the subsidiaries' commitments to buy parent ducks and eggs amounted to approximately Euro 3 million, covering the year 2020 (2018: the subsidiaries' commitments to buy parent ducks and eggs amounted to approximately Euro 3 million, covering the year 2019).

33.4 Guarantees

There were the following outstanding bank guarantees issued by banks on behalf of the Group.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Bank guarantees for:				
Electricity use guarantees	25	25	23	23
Poultry quota application guarantees	13	22	-	-
Other guarantees	45	47	45	47

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

33.5 Letter of Credit

As at 31 December 2019, the Group have outstanding commitments of approximately USD 1 million (The Company only: USD 1 million) under letter of credit, relating to purchasing raw material and machine (2018: EUR 3 million and USD 1 million, the Company only: USD 1 million, relating to purchasing raw material and machine).

33.6 Commitment of purchasing grandparent duck agreements

The Group 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.

34. Fair value hierarchy

As at 31 December 2019 and 2018, the Group 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 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other long-term investments				
Equity instruments	1.0	-	-	1.0
Biological assets	71.7	-	144.4	216.1
Assets for which fair value are disclosed				
Investment properties	-	-	116.2	116.2

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other long-term investments				
Equity instruments	0.3	-	-	0.3
Biological assets	93.5	-	97.0	190.5
Assets for which fair value are disclosed				
Investment properties	-	-	108.8	108.8

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	39.2	-	85.9	125.1

Assets for which fair value are disclosed

Investment properties	-	-	211.1	211.1
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(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	64.8	-	97.2	162.0

Assets for which fair value are disclosed

Investment properties	-	-	182.8	182.8
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35. Financial instruments

35.1 Financial risk management

The financial instruments of the Group, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, loans, restricted bank deposits, 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 Group are exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Group is exposed to interest rate risk relates primarily to cash at banks, bank overdrafts, short-term and long-term borrowings.

As at 31 December 2019 and 2018, 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		Effective interest rate (% per annum)			
	Within 1 year		Over 5 years		interest rate		bearing		Total				
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Financial assets													
Cash and cash equivalents	-	-	-	-	-	208	524	15	10	223	534	0.13 - 1.50	0.13 - 1.50
Trade and other receivables	-	-	-	-	-	-	-	630	675	630	675	-	-
Short-term loans to related party	1	1	-	-	-	-	-	-	-	1	1	2.00	2.00
Long-term loans to related company	4	7	-	-	-	-	-	-	-	4	7	2.00	2.00
Long-term loans to other companies	7	-	-	7	-	-	-	-	-	7	7	2.00	2.00
Restricted bank deposits	-	-	-	-	-	5	-	-	-	5	-	0.50	-
Other long-term investments	-	-	-	-	-	-	-	1	-	1	-	-	-
Other investments	-	-	-	-	-	-	-	10	112	10	112	-	-
	12	8	-	7	-	213	524	656	797	881	1,322		
Financial liabilities													
Bank overdrafts and short-term loans													
from financial institutions	2,413	2,114	-	-	-	336	290	-	-	2,749	2,404	0.66 - 1.98	0.66 - 2.05
Trade and other payables	-	-	-	-	-	-	-	492	499	492	499	-	-
Short-term loans from related person	-	-	-	-	-	-	-	-	4	-	4	-	-
Long-term loans	37	51	138	68	49	2,709	2,297	-	-	2,933	2,443	1.35 - 5.10	1.35 - 4.00
Long-term loans from related person													
and party	-	-	-	41	-	-	-	13	-	13	41	-	2.00
Deposit for agro credit sales	-	-	-	-	-	-	-	21	25	21	25	-	-
	2,450	2,165	138	109	49	3,045	2,587	526	528	6,208	5,416		

	Separate financial statements										(Unit: Million Baht)		
	Fixed interest rates				Floating		Non-interest		Total			Effective interest rate	
	within 1 year		1- 5 year		interest rate		bearing						
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		2019	2018
	(% per annum)												
Financial assets													
Cash and cash equivalents	-	-	-	-	69	307	7	9	76	316	0.13 - 1.50	0.13 - 1.50	
Trade and other receivables	-	-	-	-	-	-	669	514	669	514	-	-	
Investment in subsidiaries	-	-	-	-	-	-	2,919	2,129	2,919	2,129	-	-	
Other investments	-	-	-	-	-	-	5	105	5	105	-	-	
	-	-	-	-	69	307	3,600	2,757	3,669	3,064			
Financial liabilities													
Bank overdrafts and short-term loans													
from financial institutions	2,330	1,967	-	-	-	-	-	-	2,330	1,967	0.66 - 1.98	0.66 - 2.05	
Trade and other payables	-	-	-	-	-	-	286	685	286	685	-	-	
Long-term loans	-	-	-	-	2,572	2,131	-	-	2,572	2,131	3.20 - 4.00	3.65 - 4.00	
Long-term from related person													
and party	-	-	-	41	-	-	-	-	-	41	-	2.00	
Deposit for agro credit sales	-	-	-	-	-	-	21	25	21	25	-	-	
	2,330	1,967	-	41	2,572	2,131	307	710	5,209	4,849			

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 21 to the financial statements.

Foreign currency risk

The Group is 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 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	2019	2018	2019	2018	2019	2018	2019	2018
USD	2	3	1	1	-	3	1	12
EUR	9	10	28	25	-	-	-	-
JPY	-	-	2	-	-	-	-	-
GBP	-	1	-	-	-	-	-	-

Foreign currency	Average exchange rate	
	2019	2018
USD	30.15	32.45
EUR	33.73	37.13
JPY	0.28	0.29
GBP	39.52	41.07

Foreign exchange contracts outstanding are as summarised below.

As at 31 December 2019					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual Maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	1	1	30.18 - 30.30	30.11 - 30.31	January - March 2020

As at 31 December 2018

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual Maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
USD	-	2	-	32.51 - 32.99	January - April 2019

35.2 Fair values of financial statements

Since the majority of the financial instruments of the Group 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 21 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.

35.3 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 2019	97,039	97,161
Increase due to purchase/raise	29,509	988
Decrease due to sales/harvest	(7,495)	(7,495)
Net gain (loss) recognised into profit or loss	25,322	(4,776)
Balance as of 31 December 2019	<u>144,375</u>	<u>85,878</u>

Key assumptions used in the valuation are summarised below.

Financial assets	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Biological assets	Discounted future cash flows using weighted average cost of capital.	Weighted average cost of capital.	4.10%	1% increase (1% decrease) in the weighted average cost of capital would result in Baht 0.08 - 0.63 million decrease (Baht 0.09 - 0.64 million increase) in fair value.

36. Capital management

The primary objective of the capital management of the Group is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 1.56:1 (2018: 1.24:1) and the Company's was 1.20:1 (2018: 1.11:1).

37. Events after the reporting period

The events after the reporting period are below.

1. A subsidiary invested in North Star Food Company Limited, with a registered capital of Baht 1 million (10,000 ordinary shares of Baht 100 each) which initially called up Baht 50 per share, or a total of Baht 0.50 million. The subsidiary's interest in that company is 60 percent. The company registered its incorporation with the Ministry of Commerce on 16 January 2020.

2. On 29 January 2020, the Company's Board of Directors Meeting passed a resolution to approve a subsidiary disposing of all investments in Asia Pacific International Trading Joint Stock Company to a non-related person in the amount of VND 2,200 million or approximately Baht 3.7 million.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.

Management’s Discussion and Analysis

Business Overview

For the year ended 31 December 2019

	For the year ended		
	31 December 2019	31 December 2018	Change
	Million Baht	Million Baht	%
Sales	7,568	8,136	(7)
Cost of sales	(6,602)	(6,774)	(3)
Gross profit	966	1,362	(29)
% Gross profit	13%	17%	
Other income	35	44	(20)
Selling and administrative expenses	(1,008)	(1,056)	(5)
Impairment loss of investment in associate and other investments	(102)	-	(100)
Impairment loss of goodwill	(72)	-	(100)
Profit (loss) before share of loss from investments in associates and joint ventures, finance costs and income tax income (expenses)	(181)	350	(152)
Share of loss from investments in associates	-	(1)	(100)
Share of loss from investments in joint ventures	(33)	(30)	11
Profit (loss) before finance costs and income tax income (expenses)	(214)	319	(167)
Finance costs	(140)	(106)	33
Income tax income (expenses)	76	(22)	(447)
Profit (loss) for the year	(278)	191	(246)
Attributable to non-controlling interests of subsidiaries	3	-	100
Net profit (loss) for the year attributable to equity holders of the Company	(275)	191	(244)
EBITDA	151	658	(77)

The Group’s consolidated total sales for 2019 were decreased from 2018. This was driven by the lower export sales in both Thailand and the Netherlands, the lower sales of feed in Thailand, the effect of sale promotions in order to reduce inventory and the change in demand of products, as well as the negative foreign exchange impact due to the appreciation of the Thai Baht. These factors had also led to lower gross profit.

Other income for 2019 was lower than 2018 because the Group gained profits on the sale of partial shareholdings in a subsidiary in Hong Kong and the sale of an investment in an associate in the Netherlands in 2018.

Selling and administrative expenses for 2019 were decreased from 2018 since there was an one-off expense in relation to lawsuit incurred in 2018.

After consideration of performance in the recent years and the current economic environment, the Group prudently provided for impairment losses on investments of Baht 102 million and on goodwill of Baht 72 million.

The increase in finance costs for 2019 was due to an increase in loans from financial institutions for continuously improving operations at the Bangphli factory to meet the EU requirements and investing in a new factory in Srakaew.

Financial position

	As at		
	31 December 2019	31 December 2018	Change
	Million Baht	Million Baht	%
Total current assets	2,498	2,998	(17)
Total non-current assets	8,196	7,353	12
Total assets	10,694	10,351	3
Total current liabilities	3,998	3,527	13
Total non-current liabilities	2,520	2,203	14
Total liabilities	6,518	5,730	14
Total shareholders' equity	4,176	4,621	(10)
Total liabilities and shareholders' equity	10,694	10,351	3

In 2019 total assets and total liabilities of the Group were increased due to continuously improving operations at the Bangphli factory to meet the EU requirements and investing in a new factory in Srakaew. While total shareholders’ equity was decreased from the dividend paid and the net loss in 2019.

Financial Ratios

	As at / For the year ended	
	31 December 2019	31 December 2018
Liquidity Ratios		
Current Ratio (times)	0.63	0.85
Quick Ratio (times)	0.21	0.34
Activity Ratios		
Account Receivable Turnover (times)	11.60	11.00
Average Collection Period (days)	31	33
Fixed Asset Turnover (times)	1.69	2.22
Account Payable Turnover (times)	13.33	13.78
Average Payment Period (days)	27	26
Cash Cycle (days)	96	89
Inventory Turnover (times)	3.96	4.46
Average Sale (Inventory) Period (days)	92	82
Total Assets Turnover (times)	0.72	0.84
Leverage Ratios		
Debt / Equity Ratio (times)	1.56	1.24
Interest Coverage Ratio (times)	(1.53)	3.02
Profitability Ratios		
Gross Profit Margin (%)	13%	17%
Net Profit Margin (%)	(4%)	2%
Return on Assets or ROA (%)	(2%)	3%
Return on Equity or ROE (%)	(6%)	4%

The Group's liquidity ratios worsened due to a decrease in the current assets, which were cash and cash equivalents, as well as trade receivables.

The inventory turnover period worsened due to a decrease in our export sales after the EU ban on the exports of our duck meat in 2018. In consequence, our cash cycle also worsened to 96 days.

The interest coverage ratio was worsened due to a lower level of earnings before finance costs and income tax expenses, as well as an increase in finance costs arising from additional loans in 2019.

Factors affecting the Group's performance in the future

The continuing EU ban on the export of duck meat have not been lifted. This has had a negative impact on our export sales. We have continuously improved operations at the Bangphli factory to meet the EU requirements. An audit conducted by the EU inspectors and the Department of Livestock Development in early 2020 went well. We hope that the Group may resume export sales to the EU in the second half of 2020.

In the meantime, we are constructing a new factory in Srakaew. The new factory will be ready for a test run in the first quarter of 2020 and will operate in the second quarter of 2020. We expect to achieve economies of scale once we are able to leverage production capacity of the two factories.

We have faced various business issues mainly driven by the recession and aggravated by the widespread of COVID-19. We are addressing these critical issues by looking for new products, new markets and new channels of distribution. We intend to return the Group to profitability with sustainability.

We have endeavoured to create new income streams from new overseas markets in China and Philippines as well as Middle East. We will coordinate marketing activities with our subsidiary in the Netherlands, Duck-To Holding B.V., to provide a wider product offering to our customers.

Over the past years, there has been a rapid increase in our costs. A cost reduction exercise is currently being undertaken in all areas of the business. Reduction in costs can have a direct impact on our profitability.

We are consequently confident that our business will be sustainable in the long term as we have a solid business platform and a good value proposition.

Corporate Information

Company Name : Bangkok Ranch Public Company Limited
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Bangphli Yai, Banphli, Samutprakan 10540, Thailand
Tel. +66 (2) 175 7200, Fax. +66 (2) 175 7222
Website : www.bangkokranch.com

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	100,000,000 Baht (Divided into 20,000,000 ordinary shares with par value of 10 Baht, 50% paid-up)
BM Agriculture Co., Ltd.	Raising Duck for Meat Business	48.00	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.	Food Manufacturing	99.97	800,000,000 Baht (Divided into 8,000,000 ordinary shares with par value of 100 Baht)
BR Investment (Hong Kong) Company Limited	Holding Business	100.00	1,660,000 HK Dollars (Divided into 1,660,000 ordinary shares with par value of 1 HK Dollars, 100% 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	85,000,000 Baht (Divided into 1,000,000 ordinary shares with par value of 100 Baht, 85% paid-up)
Win Thai Food Co.,Ltd.	Slaughterhouse	99.99	1,000,000,000 Baht (Divided into 10,000,000 ordinary shares with par value at 100 Baht)

Registrar : Thailand Securities Depository Company Limited
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The Capital Law Office Ltd.
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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”.



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