

2562 / 2019
ANNUAL REPORT

Abicó

บริษัท เอบีโก้ โฮลดิ้งส์ จำกัด (มหาชน)
Abico Holdings Public Company Limited

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ABICO Holdings Public Co.,Ltd.

Annual Report 2019

Message from Company's Chairman

The year 2019 was a challenging year for the Company's operation which was hampered by the sluggish economy both domestically and internationally. This affected the confidence in customers' purchasing powers which have not yet recovered from the previous years. Despite the said situations, the Company still saw a satisfying profit. In 2019, the Abico group had the total revenue of Baht 1,246 million, an increase of 51.53 percent compared to 2018; the operating profit of Baht 114.65 million; and the net profit of Baht 57.62 million in the consolidated financial statement, an increase of 392.72 percent compared to 2018. The main business of the Company in contract manufacturing of UHT ready-to-drink milk, pasteurized fruit juice, and pasteurized milk had enjoyed a continual growth rate since 2018, and saw a growth of 61 percent in contract manufacturing business in 2019. The Company still focuses on product development and modernization of machinery that meets the acceptance criteria of clients and leading international organizations, as well as more effective ways to reduce manufacturing costs and expenses. As for the dairy farm business in 2019, the Company saw the decrease on revenue by 10 percent compared to 2018, due to natural surrounding factors. However, the Company is still confident in the dairy farm business which has the capacity to add value for the Company.

In 2020, the Abico group is still confident that the Company will be able to strengthen its business, while also develop operating plan and work process to continuously increase agility and efficiency in our operation, which will, in turn, raise the capacity for the Company and its shareholders in the future.

Finally, in the name of the Board of Directors and employees of the Abico group, we would like to express our gratitude to shareholders, business partners, clients, and financial institutions for your contribution to our operation. The Company will be determined to constantly improve and strengthen its business growth along with the social and environmental sustainability, as well as to maintain the best interests of all stakeholders.


- -Signed- -


(Mrs. Chintana Boonyarat)


Company's Chairman


Abico Holdings Public Company Limited


The Profile of the Board of the Directors

Name	Mrs. Chintana Boonyarat	
Position in the Company	Company's Chairman	
Age	68 years old	
Appointment date to director	3 November 1992	
Education	Bachelor Degree: Business Administration, Menlo University, United States of America	
Training for Director's Roles	Directors Certification Program DCP 5/2000, Thai Institute of Directors (IOD)	
Experiences	1992 - Present : Chairman, Abico Holdings Public Co., Ltd. 1999 – Present : Chairman, Malee Group Public Co., Ltd. 2016 – Present : Director, Abico Land Co.,Ltd. 2013 – 2018 : Executive Director, Central Marketing Group Co., Ltd.	
Director / Executive Director in other listed companies	Chairman - Malee Group Public Company Limited.	
Director / Executive Director in other non listed companies	Director- Abico Land Co.,Ltd.	
Shareholding Ratio	0.19%	
Relation among family within the Company	Mother of Mr. Chaichat Boonyarat	

Name	Mr. Kitti Vilaivarangkul	
Position in the Company	Managing Director, Director, Member of Nomination and Remuneration Committee	
Age	62 years old	
Appointment date to director	31 July 1999	
Education	Master Degree: Business Administration, Thammasat University. Bachelor Degree: Accounting (Second Class Honors), Ramkhamhaeng University	
Training for Director's Roles	Directors Accreditation Program DAP2005 Course, Thai Institute of Directors (IOD) Director Certification Program DCP 2010 Course, Thai Institute of Directors (IOD)	
Training in the previous year	Board Nomination and Compensation Program BNCP 2019, Thai Institute of Directors (IOD)	
Experiences	1999 - Present: Managing Director, Abico Holdings Public Co. Ltd. 2003 - Present: Executive Director, Malee Group Public Co. Ltd. 2003 - Present: Director, Malee Enterprise Co. Ltd. 1997 - Present: Director, Abico Dairy Farm Co, Ltd. 1997 - Present: Director, PPO Farm Co. Ltd. 1999 - Present: Director, Abico Land Co., Ltd.	
Director / Executive Director in other listed companies	Director - Malee Group Public Company Limited.	
Director / Executive Director in other non listed companies	Director - Abico Dairy Farm Co.,Ltd. Director - Abico Land Co.,Ltd. Director - PPO Farm Co.,Ltd. Director - Malee Enterprise Co.,Ltd.	
Shareholding Ratio	None	
Relation among family within the Company	None	

Name	Mr. Chaichat Boonyarat	
Position in the company	Director	
Age	40 years old	
Appointment date to director	29 April 2013	
Position in the company	Director	
Education	Master Degree: Business Administration, Sasin Graduate Institute of Business Administration Bachelor Degree: Electrical Engineering, Rochester Institute of Technology	
Training for Director's Roles	Directors Certification Program DCP 182/2013 Course	
Experience	2013 – Present: Director, Abico Holdings Public Co. Ltd. 2018 – Present : Director, Abico Dairy Farm Co.,Ltd. 2016 – Present: Director, Abico Land Co.,Ltd.	
Director / Executive Director in other listed companies	None	
Director / Executive Director in other non listed companies	Director - Abico Dairy Farm Co.,Ltd. Director - Abico Land Co.,Ltd.	
Shareholding Ratio	24.96%	
Relation in family within the Company	Son of Mrs. Chintana Boonyarat	

Name	Mr. Khemadhat Sukonhasingha	
Positions in the Company	Independent Director , Audit Committee Chairman, Member of Nomination and Remuneration Committee, Member of Risk Management Committee	
Age	70 years old	
Appointment date to director	14 September 2000	
Education	Honorary Doctor of Industrial Technology, King Mongkut's University of Technology North Bangkok National Defense College, National Defense Course, Joint Public and Private Sectors Bachelor Degree: Engineering (Electrical Communication), Chulalongkorn University.	
Training for Director's Roles	Director Certificate Program Course (2006), Thai Institute of Directors (IOD) Audit Committee Program Course (2006), Thai Institute of Director (IOD)	
Experiences	2000 – Present: Audit Committee Chairman and Independent Director, Nomination and Remuneration Committee and Member of Risk Management Committee; Abico Holdings Public Co., Ltd. 2005 – 2014 : Audit Committee and Independent Director, Malee Group Public Co., Ltd. Present : Advisor in Technology, Euro Asia Business Consultant Co., Ltd. Present : Committee, National Science and Technology Development Agency Present Audit Committee, Ministry of Science and Technology Present Audit Committee Chairman, King Mongkut's University of Technology Thonburi	
Director / Executive Director in other listed companies	None	
Director / Executive Director in other non listed companies	None	
Shareholding Ratio	None	
Relation in family within the Company	None	

Name	Mr. Techa Boonyachai	
Positions in the Company	Independent Director, Audit Committee, Member of Nomination and Remuneration Committee, Chairman of Risk Management Committee	
Age	61 years old	
Appointment date to director	14 November 2014	
Education	Master Degree in Business Administration (MBA), Chulalongkorn University. Bachelor Degree in Science (Chemistry-Biology), Chulalongkorn University.	
Training for Director's Roles	Director Accreditation Program (DAP140/2017)	
Training in the previous year	Risk Management Program for Corporate Leaders (RCL17/2019)	
Experiences	2014 – Present : Independent Director, Audit Committee and, Member of Nomination and Remuneration Committee and Chair of Risk Management Committee; Abico Holdings Public Co. Ltd. 2018 – Present : Vice Chairman Working Committee , JSC Regional Digital Trade Platform 2006 – Present : Vice Chairman and Director Management, The Thai National Shipper's Council (TNSC). 2006 – Present : Managing Director, Kairos Co.,Ltd. 2005 – Present : Vice Chairman, Thai Federation on Logistics.	
Director / Executive Director in other listed companies	None	
Director / Executive Director in other non listed companies	None	
Shareholding Ratio	None	
Relation in family within the Company	None	

Name Mr. Arnant Maiphum
Positions in the Company Independent Director, Audit Committee,
 Chairman Nomination and Remuneration
 Committee, Member of Risk Management Committee.



Age 72 years-old

Appointment date to director 10 May 2018

Education Master Degree in Housing Development, Chulalongkorn University.
 Master Degree in Business Administration (MBA), Kasetsart University.
 Bachelor Degree in Financial Economic,
 University of the Thai Chamber of Commerce.

Experiences

2018 – Present : Independent Director, Audit Committee, Chairman
 Nomination and Remuneration Committee and
 Member of Risk Management Committee;
 Abico Holdings Public Co. Ltd.

2011 – 2012 : Lecturer of Executive MBA, Khon Kaen University
 and Ramkhamhaeng University.

2003 – 2008 : Director, Mentoring and Director System Project
 Early – Stage SME, OSMEP, Ministry of Industry

2000 – 2003 : President, Financial Advisory for SMEs and Public,
 Ministry of Finance.

1999 – 2000 : Fund Manager, Student loan Fund. Ministry of Finance

1996 – 1999 : Managing Director, Credit Fancier LPN Co.,Ltd.

2003 – 2008 : Credit Director , UOB Bank.

**Director / Executive Director in
 other listed companies** None

**Director / Executive Director in
 other non listed companies** None

Shareholding Ratio None

**Relation in family
 within the Company** None

Company's Profile

The Company was established around mid-1992 as Khun Wanchai Chirathiwat and General Finance and Securities Public Co., Ltd. jointly bought Associated Palm Oil Co., Ltd.'s 3,305,500 shares, holding 55.09 percent of the company's Baht 60 million capital which was later increasing to Baht 500 million. The company was transformed to public company later and changed name to be Abico Holdings Public Co., Ltd. on November 3, 1992.

Since then, the Company has invested in production and distribution of palm oil, ready to drink milk, raw milk, food products businesses and invested in other investment businesses. It also increased capital from Baht 500 million to Baht 900 million and Baht 1,400 million in 1996 and 1997 respectively so as to meet the Company's objective of investment in various companies and centre company policy of long term planning and specifying direction of growth of companies within the Group.

In 2004, the Company faced financial losses to the extent of short of financial liquidity due to unfavorable economic situation. It resulted in the Company and firms which the Company has invested in facing lack of working capital. Consequently, the Company had to submit rehabilitation plan to Bankruptcy Court. And on November 29, 2012, the court instructed to nullify the rehabilitation plan because the plan was successfully achieved and on September 15, 2014, ABICO Holdings Public Co., Ltd. repayment completely made in accordance with the rehabilitation plan.

During the past 5 years, the Company's important developments were as follow:

2015

On February 9, 2015 the Company's shares to be relisted on the stock exchange. The request is pending the Stock Exchange of Thailand's.

On February 27, 2015 the Board of director approved to increased investment in Abico Land Co.,Ltd . Currently, the Company held 99.99% of total shared.

On August 13, 2015, the Board of director approved to increased investment in PPO Farm Co.,Ltd, Currently, the Company held 99.99% of total shared.

2016

ABICO Holding Public Co., Ltd, have increase investment in common stock Malee Group Public Co.,Ltd, ("Associate") from 26.20% to 26.82%

2017

Abico Holdings Public Company Limited has reversed an impairment of investment in two of its subsidiaries, based on the estimated recoverable amount of the investment which is higher than the investment cost. Hence, the Company realized a profit of 278.24 million baht after the reversion of an impairment of investment in separate financial statements, which increased the assets in the form of an investment in subsidiaries by 278.24 million baht, the same amount of the Company's investment cost in these two subsidiaries.

Abico Dairy Farm Company Limited ("subsidiary") has expanded its customer base and varieties of products, while being a leading organization in the international beverage business. Also on December 26, 2017, the subsidiary has been certified of ISO 9001:2015 standard by SGS United Kingdom Ltd.

2018

In 2018, the Company has attained three-star rating in the Corporate Governance Report of Thai Listed Companies 2018 (CG Rating) by the Thai Institute of Directors Association (IOD) for the first year.

In 2018 Abico Dairy Farm Company Limited ("subsidiary") has also been certified in Food safety System Certification (FSSC) 2200 standard, as well as SMETA SEDEX standard which is the standard regarding business code of conduct.

2019

Abico Dairy Farm Co.,Ltd. ("subsidiary") has invested in machinery to sufficiently increase production capacity according to more order quantity.

On January 28, 2019, Abico Dairy Farm Co.,Ltd. ("subsidiary") was certified in "Green Industry Level 2" by the Ministry of Industry of Thailand for its activities to reduce environmental effects as committed effectively until January 27, 2021.

Shareholding Structure

1) Top shareholders as of March 13, 2020

No.	Shareholder's name		Number of shares	Ratio (%)
1	Mr. Chaichat	Boonyarat	58,663,980	24.96
2	Miss Roongchat	Boonyarat	50,248,910	21.38
3	Mrs. Kamolchat	Jungrungruangkij	48,998,500	20.85
4	Mrs. Muthita	Ritidej	11,619,710	4.94
5	Mrs. Manunya	Techakarin	3,000,000	1.28
6	Thai NVDR Co., Ltd.		2,668,077	1.14
6	Mr. Surasak	Burapadacha	2,209,000	0.94
7.	Miss Sineenart	Panjarenworakul	2,142,860	0.91
8	Mr. Trakook	Techakarin	1,693,100	0.72
9	Mr. Sunthon	Sriprachya-anunt	1,635,000	0.70
Total			182,879,137	77.82

Number of Company's shares held by Directors as at December 31, 2019

Name		As at 31 Dec. 18	Movement	As at 31 Dec. 19
1. Mrs. Chintana	Boonyarat	0.19%	-	0.19%
2. Mr. Kittti	Vilaivarangkul	-	-	-
3. Mr. Chaichat	Boonyarat	24.96%	-	24.96%
4. Mr. Khemadhat	Sukonhasingha	-	-	-
5. Mr. Techa	Boonyachai	-	-	-
6. Mr. Arnant	Maiphum	-	-	-

Subsidiary companies and affiliated companies

Names	Companies' names		
	ADF	A-LAND	PPO FARM
1. Mr. Kittti Vilaivarangkul	1	-	2

General Information

Company's name	: Abcio Holdings Public Company Limited
Address	: 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130
Telephone No.	: 02-080-7899 Fax: 02-080-7805
Company's registration No.	: 0107535000214
Website	: www.abicgroup.com
Types of business	: investment in production to order business, dairy farm, food and property
Abbreviation	: ABICO
Authorized share capital	: Baht 235,000,000
Paid up capital	: Baht 235,000,000
Number and type of shares	: 235,000,000 shares (All shares are common shares.)
Par value	: Baht 1

Summary of information relating to subsidiary companies

Company's name	: Abico Dairy Farm Co., Ltd.
Headquarters' address	: 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, Pathum Thani Province 12130
Factory's address	: 333 Moo 5 Klangdong Sub-District, Pakchang District, NakhonRatchasima Province 30320
Telephone No.	: 02-080-7899 Fax : 02-080-7805
Company's registration No.	: 0135540004263
Types of business	: Producer and distributor of ready-to-drink milk, drinks and fruit juices
Abbreviation	: ADF
Authorized share capital	: Baht 240,000,000
Paid up capital	: Baht 240,000,000
Number and type of share	: 240,000,000 shares (All shares are common shares).
Number of shares held by Company	: 23,999,993 shares (99.99%)

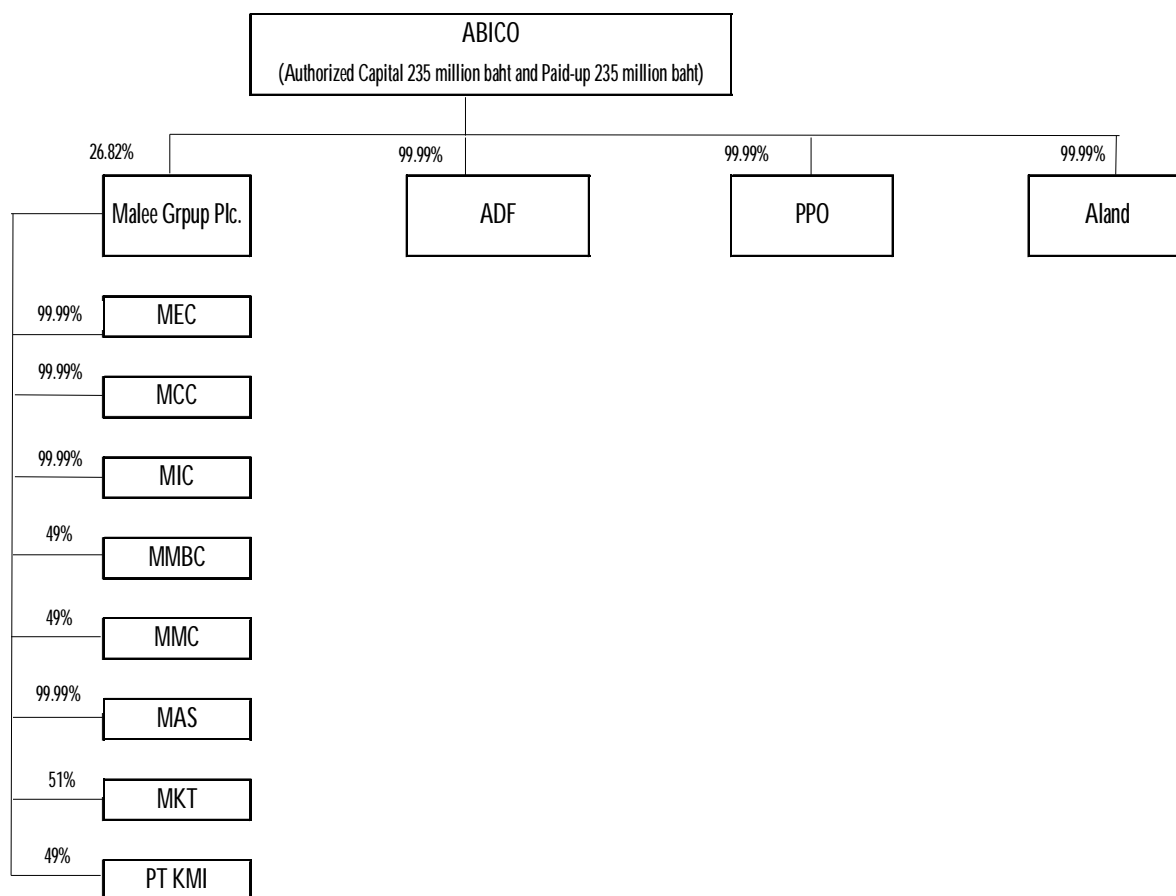
Company's name : PPO Farm Company Limited
Headquarters' address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road,
Khookhot Sub-District, LamLukka District, PathumThani
Province 12130
Farm's address : 217 Moo 1 SegA-Akas-Amnuay Road, Bansang, Bansang
Sub-District, BuengKan Province
Telephone No. : 02-080-7899 **Fax:** 02-080-7805
Company's registration No. : 0105528026309
Types of business : Agriculture and dairy farm
Abbreviation : PPO
Authorized share capital : Baht 19,250,000,000
Paid up capital : Baht 19,250,000,000
Number and type of share : 770,000 shares (All shares are common shares).
Number of shares held
by Company : 769,993 shares (99.99%)

Company's name : Abico Land Company Limited
Headquarters' address : 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road,
Khookhot Sub-District, LamLukka District,
PathumThani Province12130
Telephone No. : 02-080-7899 **Fax:** 02-080-7805
Company's registration No. : 0105537090103
Types of business : Property development for lease and building service providing
Abbreviation : ALAND
Authorized share capital : Baht 50,000,000
Paid up capital : Baht 50,000,000
Number and type of share : 5,000,000 shares (All shares are common shares).
Number of shares held
by Company : 4,999,998 shares (99.99%)

Related parties

Company's name	: Malee Group Public Company Limited
Headquarters' address	: 401/1 Moo 8, 5th Floor, Abico Building, Phaholyothin Road, Khookhot Sub-District, Lamlukka District, PathumThani Province 12130
Telephone No.	: 02-080-7899 Fax : 02-080-7804
Company's registration No.	: 0107535000073
Types of business	: Producer and distributor of canned-fruits, UHT juices, and beverage products
Abbreviation	: MALEE
Authorized share capital	: Baht 140,000,000
Paid up capital	: Baht 140,000,000
Number and type of share	: 280,000,000 shares (All shares are common shares).
Number of shares held by Company	: 75,100,000 shares (26.82%)

Shareholding Structure of the Group of Companies



Subsidiary

ABICO	ABICO Holdings Public Co.,Ltd.
ADF	ABICO Dairy Farm Co.,Ltd.
PPO Farm	PPO Farm Co.,Ltd.
A-Land	ABICO Land Co.,Ltd.

Group Associate

Malee Group Plc.	Malee Group Public Co., Ltd.
MEC	Malee Enterprise Co.,Ltd.
MCC	Malee Capital Co.,Ltd.
MIC	Malee International Co.,Ltd.
MMBC	Mande Malee Beverage Corporation
MMC	Mega Malee Co., Ltd.
MAS	Malee Apply Science Co.,Ltd.
MKT	Malee Kino (Thailand) Co.,Ltd.
PT KINO	PT KINO MALEE INDONESIA

Dividend Payment Policy

The Company's dividend policy at a rate not less than 30% of the profit after tax from operations according to the separate financial statements, and reserves of all types, as required by law. However, such payment must be in accordance with the cash flow, investment plans of the Company and subsidiaries, as well as necessities and circumstances in the future.

For the year 2019 the Company's ceasing of paying dividend because the separate financial statement of the Company's had net loss of Baht 3.19 million and liquidity the company's financial liquidity. Because the company still has liabilities to repay financial institutions.

Year	Net profit per Share (Baht per Share)	Dividend payout (Baht per Share)	Dividend to Net Profit (%)
2015	0.15	0.05	34.54
2016	0.18	0.075	40.57
2017	0.19	0.075	40.00
2018	0.06	-	-
2019	(0.02)	-	-

Reference Persons

- 1. Securities' Registrar**
Securities Depository Centre (Thailand) Co., Ltd.
93, 14th Floor, The Stock Exchange of Thailand Building,
Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. (02) 009-9000
- 2. Auditor**
Mr.Chaiyuth Angsuwithaya, Certified Public Accountant No. 3885
A.M.T. and Associates.
Silom Plaza, 491/27 Silom Rd.
Bangrak, Bangkok 10500
Telephone (02) 234-1676 Fax: (02) 237-2133
- 3. Regular contact financial institutions**
Kiatnakin Bank Public Co., Ltd.
209, KKP Tower, Subhumvit 21 (Asoke), Klong Toey Nua, Wattana,
Bangkok, 10110.
Telephone (02) 531-9280 Fax: (02) 531-5248
- 4. Legal advisor**
Bunchong and Vidhya Low Office Limited.
33/35, 33/39-40 Wall Street Tower Bldg. , Fl.9
Surawong Rd. Kwaeng Suriyawong, Khet Bangrak, Bangkok 10330
Telephone (02) 236-2334, (02) 233-1666 Ext. 3910-1 Fax: (02) 236-3916

***Investors can study the Company's additional information from annual form of items (56-1) or www.sec.or.th

Nature of Business

Production to order business

Types of products

Products include: UHT milk, pasteurized milk and pasteurized fruit juices.

Types of customers

Currently, the Company's production to order business produces products for many major companies in food and beverage sector.

Production

Production capacity

Production capacity of UHT, pasteurized milk, pasteurized fruit juice,

	<u>2019</u>	<u>2018</u>
Full production capacity (ton/year) (2 shifts)		
UHT milk	119,923	108,000
Pasteurized milk	22,000	22,000
Pasteurized fruit juice	16,000	16,000
Real quantity of production (ton/year) (2 shifts)		
UHT milk	67,257	51,498
Pasteurized milk	6,630	7,644
Pasteurized fruit juice	1,209	1,207
Per cent of production capacity		
UHT milk	56.10	47.70
Pasteurized milk	30.10	34.70
Pasteurized fruit juice	7.60	7.54

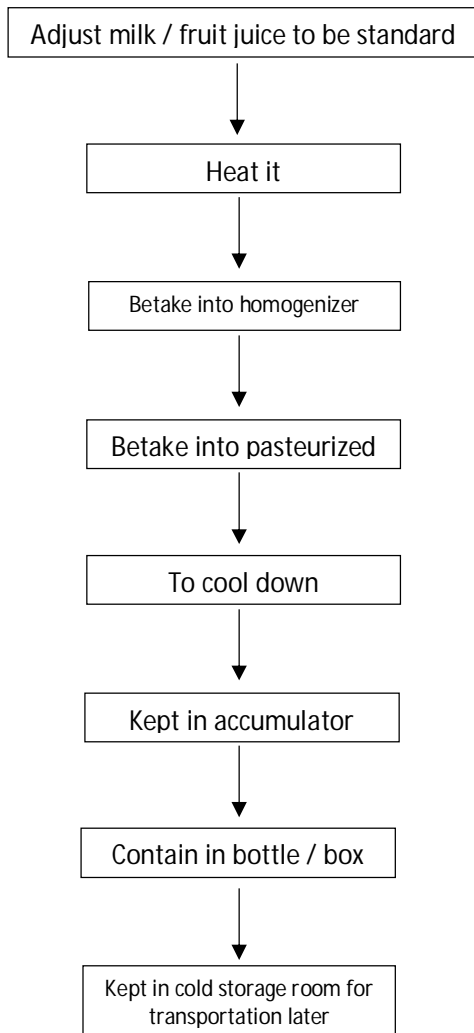
Note : Number of shifts of production are 2 shifts per day, 8 hours per shift, depending on customers' order.

Production procedures

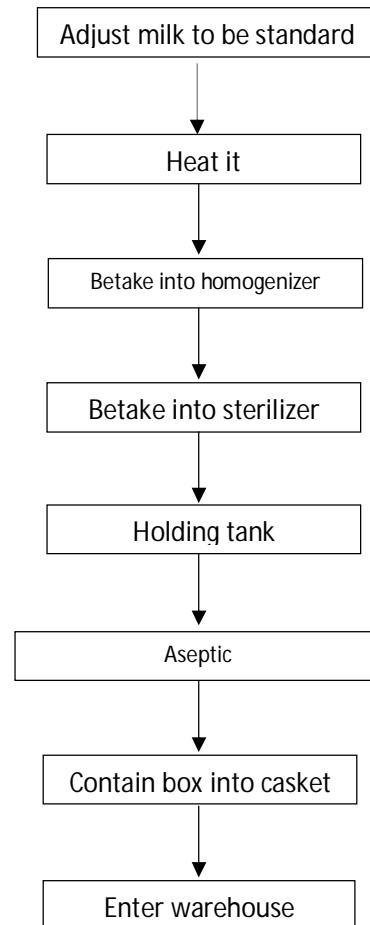
Pasteurized milk and pasteurized fruit juice must be kept in low temperature environment. Keeping period is short at about 16 and 30 days from production date (respectively). For UHT milk, the product can be kept for a long period, i.e. about 8 months, and can be kept at normal temperature.

Raw milk from farm will be under temperature control to be less than 8 degrees Celsius so as to maintain quality and freshness of the milk. After factory receives raw milk, the product will be suck up to be kept in big bucket through milk sucking hose. Entire procures are free from contacting people or outside atmosphere so as to get hygiene and standard milk. Regarding entire stages of production, starting from receiving raw milk until being finished product, quality verification is imposed on all stages. Currently, the Company invests to purchase new machinery and improve existing machineries to be modern to be prepared for production expansion. And personnel is also developed to be knowledgeable and specialized in accordance with new technology to be prepared for demand of both existing and new customers.

Production procedures of pasteurized factory



Production procedures of UHT factory



All these standard and awards we have received reflect well on our success and will be a driving force to encourage our employees to maintain standards and being passionate about work to improve their performance to achieve the higher success together.

Standard	Detail
GMP, Dairy Products Processing Plant	The Company was certified by the Department of Livestock Development of Thailand for the first time on September 16, 2014 and was renewed its certification on September 16, 2017.
HACCP, UHT Milk Products	The Company was certified by the Department of Livestock Development of Thailand for the first time on October 11, 2014 and was renewed its certification on October 10, 2017.
ISO 9001:2015	The Company was certified by SGS United Kingdom Ltd. for the first time on February 23, 2017 and was renewed its certification on December 26, 2017.
Food Safety System Certification (FSSC) 2200	The Company was certified by SGS United Kingdom Ltd. on December 18, 2018.
GMP Codex Alimentarius recommended international Code of Practice General Principle of Food Hygiene CAC/RCP 1-1969, REV.4-2003	The Company was certified by SGS United Kingdom Ltd. on December 18, 2018 and was renewed its certification on February 4, 2019
HACCP (Hazard Analysis and Critical Control Point) system and guidance for its application (Annex to CAC/RCP 1-1969 REV.4-2003)	The Company was certified by SGS United Kingdom Ltd. on December 18, 2018 and was renewed its Certification on February 4, 2019
SMETA SEDEX (Standard on code of conduct regarding labor, safety, environment-oriented practice, and transparency)	The Company was certified by SGS United Kingdom Ltd. on October 17, 2018.
Green Industry Level 2: Green Activities (Activities to reduce environmental effects as committed)	The Company was certified by the Ministry of Industry of Thailand on January 28, 2019 to January 27, 2021

Type of customers and customer target

The business of contracting manufacturing of UHT milk, pasteurized milk and fruit juices, both partial and full services, of the company is made with the customers which sell UHT milk, pasteurized milk and fruit juices and have required the company to produce the merchandises for them to sell in the markets. The target customers of the company are those who have no manufacturing base and those having low production capacity to satisfy the need of the market.

Marketing

As the company has not owned a brand for its products but it is contracted for production of the merchandises of the leading brand which is worldwide renowned and of which the quality is acceptable to the consumer goods industry, the customers have come to contact the company itself and contact with the merchandises which have no production base of their own to produce the products that the company is able to manufacture such as UHT milk, pasteurized milk and fruit juices.

2. Agriculture and dairy farm business

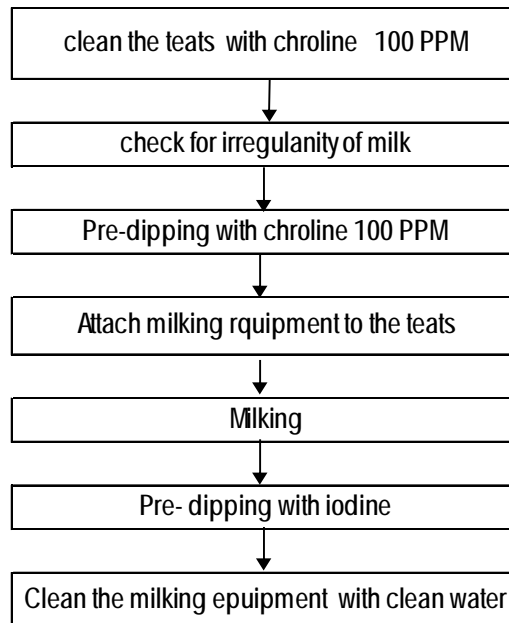
Type of products

The company has undertaken the dairy farming business to produce and sell raw milk to customers.

Production capacity

PPO is one farm located at No. 217 Moo.1 Seka-akat amnuai Rd., Sang, Seka, Bungkan with production capacity of the company is subject to the number of dairy cows while a dairy cow could produce raw milk at 16-18 kilograms per cow per day. As of 31 December 2019, there are 432 dairy cows ready for milk production. In the year 2019, the Company could produce 2,890,039 kg of raw milk.

Milking Process



Distribution and Distribution Channel

For distribution channel, the company sold its raw milk to Vanichphoom Cooperative at the price lower than the regulatory price provided because the cooperative is responsible for expenses of delivery of raw milk from sale to the selling spot.

3. Real estate development business

Type of products

The company is involved in the business of the office building rental, the 5-floor building, with space divided in accordance with the need of the customers on the rented space and the benefits earned by the company are the rental income and the service income. The term of the lease does not exceed 3 years while the rent and the service charge are collected on a monthly basis.

Production capacity

The company undertakes the office building rental business with 5-floor building for one unit and multi-purpose building for one unit and the parking space is available for 88 vehicles and the rented space (not including the common area is 5,110 square meters while the space of 4,630.32 square meters or 90.61 percent of the total space has already rented out.

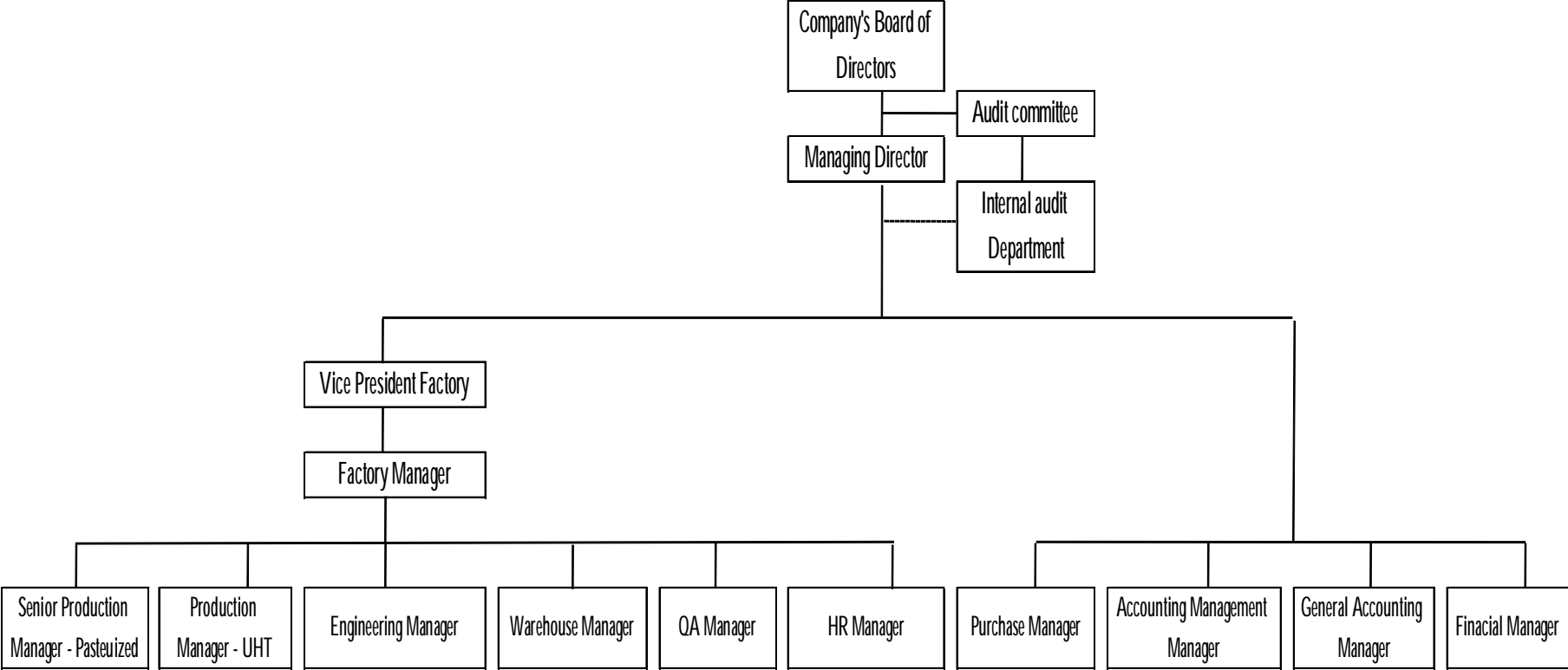
Type of customers and customer target

The customer group of the company is the companies looking for the rented space of the office to undertake the business in Rangsit area while the travelling to Bangkok is not too far.

Revenues Structure

Product	Perform by	% of shareholding by Company	2019		2018		2017	
			Million Baht	%	Million Baht	%	Million Baht	%
Producer and distributor of ready-to-drink milk, drinks and fruit juices	Abico Dairy Farm Co., Ltd.	99.99	1,129.80	93.68	700.75	89.48	507.48	89.87
Real estate development	Abico Land Co., Ltd.	99.99	18.80	1.56	18.78	2.40	13.77	2.44
Agriculture and dairy farm	PPO Farm Co., Ltd.	99.99	57.42	4.76	63.52	8.12	43.45	7.69
Total (million Baht)			1,206.02	100.00	783.05	100.00	783.05	100.00

Management Structure



Summary of Financial Data

Summary of financial statements and companies' performance

Unit : Thousand Baht	2019	2018	2017
<i>Statements of financial position</i>			
Assets	1,684,551	1,411,818	1,345,451
Liabilities	826,137	599,564	500,229
Shareholder's Equity	858,414	812,254	845,222
<i>Statements of comprehensive income</i>			
Total income	1,246,005	822,259	591,244
Gross profit	195,276	112,337	73,485
Net profit	57,618	(16,021)	99,477
Basic earnings per share	0.25	(0.07)	0.42

Important financial ratios

	2019	2018	2017
<u>Liquidity ratio</u>			
Liquidity ratio (times)	0.98	1.06	1.19
Quick Liquidity ratio (times)	0.31	0.57	0.49
Liquidity Ratio of Cash Flow (times)	0.34	0.56	0.25
Accounts Receivable Turnover ratio (times)	6.14	8.55	8.41
Average loan collection period (days)	59	42	43
Inventory Turnover ratio (times)	8.53	5.97	5.69
Average product distribution period (days)	43	60	63
Payable turnover (times)	12.08	16.10	15.94
Debt payment period (days)	30	22	23
Cash Cycle (days)	72	80	83

Important financial ratios (continue)

	2018	2017	2016
<u>Profitability ratio</u>			
Gross profit ratio (%)	16.19	14.35	13.01
Operating Profit Margin ratio (%)	9.51	7.43	3.72
Net Profit ratio (%)	4.62	(2.39)	16.83
Return on Equity (ROE) ratio (%)	6.90	(2.38)	12.35
<u>Efficiency ratio</u>			
Return on Asset ratio (ROA) (%)	3.72	(1.16)	7.66
Return on Fixed Asset (ROFA) ratio (%)	16.77	6.60	26.38
Asset Turnover ratio (times)	0.80	0.60	0.46
<u>Financial Policy ratio</u>			
Debt to Equity ratio (D/E) (times)	0.96	0.74	0.59
Interest payment capability ratio	8.24	8.58	3.70

Management's Discussion of Operating Results as of December 31, 2019

Here is the summary of the operating results for the year as of December 31, 2019, compared to the operating results for the year as of December 31, 2018. The Company and its subsidiaries saw a revenue increase of Baht 422.97 million, accounted for 54.02 percent, and a gross profit increase of Baht 82.94 million; because Abico Dairy Farm Company Limited ("subsidiary") has gained more new clients, while its existing clients have increased their orders which resulted in the increasing revenue and gross profit compared to 2018. As for the consolidated financial statement in 2019, the Company saw a net profit of Baht 57.62 million, an increase of Baht 77.30 million or 392.72 percent compared to 2018. In 2019, the Company saw an operating profit of Baht 114.65 million, and had the realization of loss sharing from investments in its associated companies amounting to Baht 57.04 million, a decrease of Baht 20.83 million or 26.75 percent compared to 2018.

Total assets were Baht 1,684.55 million, which increased by Baht 298.92 million from 2018.

- Trade and other receivables increased by Baht 194.71 million, because the Company delivery more product to customers. This was consistent with the increased revenue in the contract manufacturing business of milk, drinks, and fruit juices.
- Inventories decreased by Baht 2.90 million, near that of last year.
- Investment in the associated companies decreased by Baht 44.67 million, due to the recognized share of loss in the associate companies.
- Land, buildings, and equipment increased by Baht 159.15 million, because of the investment of Baht 235.78 million in equipment and the depreciation during the year Baht 75.21 million.
- Biological assets decreased by Baht 0.30 million, due to the adjustment of fair value of the dairy cattle in the subsidiaries.
- Other assets were mostly cash and equivalent transactions to cash, deferred income tax assets and assets not used in operation.

Total liabilities were Baht 826.14 million, which increased by Baht 226.58 million from 2018.

- Bank overdrafts and short-term loan Baht 83 million, increased by Baht 73 million, from last year, because the subsidiaries withdrew more short-term loan from financial institutions for operations.
- Trade and other payables increased by Baht 105.84 million, the company's purchase of raw materials and packing materials for production to customers relative to the increase in revenues.
- Liabilities under financial lease agreements decreased by Baht 5.88 million, the Company paid Baht 38.5 million for the liabilities under financial lease agreements and increased a contract to lease machinery Baht 32.62 million.
- Long-term loan increased Baht 45.25 million, because the Company have paid Baht 92.43 million for the loan and received more loan of Baht 137.69 million.
- Other liabilities composed of deferred tax liabilities, employee benefit obligation.

Corporate Social Responsibility

The Company and subsidiary companies pay attention to corporate social responsibility, aimed at running business relating to production on order of ready to drink UHT milk, pasteurized milk and pasteurized fruit juice with target to keep customers' confidential, production good quality products and meeting international standard towards consumers, in time products' delivery to customers as well as maintaining environment from production procedures. Every employee plays part in every production process so as to create satisfaction to customers. In addition, the Company also pays attention to occupational health and safety of the organization's personnels as well as participating in development of society and community for their sustainability. In providing report of social responsibility, the Company provides it under "guidelines of responsibility to society of the business" concept by Thai Corporate Social Responsibility Institute (CSRI). The Company arranges social responsibility as follow:

1. Running business with fairness

The Company commits to and supports good corporate governance. Its internal management system put emphasis on equal, fair, efficient, and transparent working procedures and systems to create trust and confidence among shareholders, investors, stakeholders and all involved parties.

The Company and subsidiary companies encourage Executives and employees using customers' resources and assets for maximum benefits, strictly comply with terms and conditions of trade as well as avoid exploiting customers' data for personal benefit among themselves and related parties. They must also take into account quality and standard as per set by Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) so as to create confidence among customers who produce products with the Company for being supplied to consumers.

Abico Dairy Farm Co., Ltd. (subsidiary company) get a license for ISO 9001:2015 a certificate which is international standard certificate which are paid attention by worldwide business organizations. In 2018 the Company was certified in SMETA SEDEX (Standard on code of conduct regarding labor, safety, environment-oriented practice, and transparency) from SGS United Kingdom Ltd.

The Company has developed its innovations by utilizing production in machinery. For obtain quality products and to respond to the expansion of customers to be able to continue to compete with the market.

2. Anti-corruption

The Company realizes importance of running business with transparency as well as supporting and encouraging Executives and employees to refrain from demanding, presenting or giving bribe in terms of nominal money and other forms from their duty performance, and complying with related laws and regulations, and non-supporting of finished works from corruption practice.

3. Respect to Human Rights.

Human rights and labor practices in a fair and equal to the local labor force in general, whether it's wages welfare including providing training in enhancing labor skills in the workplace. As well as providing an opportunity to show the potential for the advancement of all employees.

4. Fair Treatment to Labor.

Human resource is one of the key factors for the Company to improve and create value-added production results. Thus the Company has strong determination to provide best condition for its employees through fair treatment, opportunities, and compensation, welfare and skill development programs.

Furthermore, the Company has continued to improve and promote internal working environment to ensure good life quality, including health and safety at work.

5. Responsibilities to Consumers

Abico Dairy Farm Co., Ltd. (subsidiary company) runs business of production to order of UHT milk, pasteurized milk and pasteurized fruit juice. It has procedure of quality verification procedures of raw materials and packaging in production process before end products are distributed to consumers. Verification is based on inspecting the company's internal personals by standard tools. Inspection also concentrates on state agencies and the Company's customers who hire the Company for production to order. Verification also includes attaching labels at the products with details of ingredient of products during production, benefits and consuming per unit of the products, keeping the products and expiration date. The practice is in line with principle of laws, regulations and international standard so as to create confidence for consumers towards products.

On December 18, 2019, Abico Dairy Farm Company Limited ("subsidiary") was certified in Food Safety System Certification (FSSC) 2200.

PPO Farm Co., Ltd. (subsidiary company) is dairy farm with international standard level of farm management. The company uses modern machineries to produce feed mill. Hence, it results in good, clean, quality milk with safety and hygienic standard, In addition, quality of milk was certified in terms of standard of milk production from farm and production of raw milk, by Department of Livestock Development. In addition, the company's farm was awarded honorary shield from good species animal's network, national level, since in 2014. The farm is A-level disease free dairy farm. So, consumers have been confident in quality of raw milk from the farm.

6. Environment Care

The Company pays attention to potential impact towards environment. Consequently, it constructed 6 waste water treatment. And Biological Oxygen Demand (BOD) is also checked every month by Environment and Laboratory Co., Ltd. Department of Industrial Works also inspects the Company's plants once a year. And the Company has had no record of defying regulations at all.

On January 28, 2019, Abico Dairy Farm Company Limited ("subsidiary") was certified in "Green Industry Level 2" by the Ministry of Industry of Thailand for its activities to reduce environmental effects as committed.

7. Contribution to Development of Communities and Societies

The Company has been hiring local labors in order to create employment and sustainable development of skilled labors for different communities both in contract manufacturing business and dairy farm business. This move also helps stimulating economy in those communities.

The Company is aware of the coexistence with communities and societies in terms of participating in activities together with the communities in order to create good cooperation between the communities and the Company. The activities in which the Company participated together with the community in 2019 include "Toxic Waste Exchange" with Seemamongkol Municipality for the second consecutive year; scholarships for students, children's day with communities; sponsorship of milk products for local students, foster homes, and residents; almshouse booths; continuation of traditions along with communities; etc.

Risk factor

Business running risk

Subsidiary company (Abico Dairy Farm Co., Ltd.), a major company operation of Abico Holdings Public Co., Ltd., depends mostly on our customer in contract manufacturing. Due to the fact that we don't have our own products, as well as to prevent any negative effect on our operation, we are dealing business with many different customers in order to spread the risk of depending too much on only one customer. Moreover, we have long-term contract manufacturing agreements with our customers. Regarding daily farms business, which is run by a subsidiary company and is exposed to risk of milk's prices which are under government sector's control, as a result, it should not pose any risk. In addition, consumers' behavior of milk drinking is uptrend. So, they should be positive factors towards raw milk's prices in the future. Consequently, PPO Farm Co., Ltd. (subsidiary company) does not make derivatives agreement or any other agreements to reduce risk of raw milk's prices.

Interest rate risk

The company and its subsidiary companies incur the interest rate risk because there is a loan from commercial banks and financial institutes, most of which have the floating interest rate. Thus the company and its subsidiary companies may be affected by the interest rate risk due to fluctuation in the market interest in the market in the future and that may affect the operating results of cash flow of the company and its subsidiary companies.

Risk in Fluctuation of Raw Material Price and Supply of Raw Material

As for business of production hire to order, which customers allow the company to be a major supplier of raw materials, namely, milk powder, the price of milk powder depends on fluctuation of market price, causing uncertainty in raw material price. Moreover, an order of milk powder must have quota that is able to proceed in purchase ordering. The company has requested quota of milk powder to be enough with order quota of customers. As the matter of price, if price increases, the company will be able to adjust the price with customers. As for business of dairy farms, tapioca chips have to be used as feed for dairy cattle. However, the price of tapioca chips increases. For solving this problem, the company cultivates corn by itself and uses pellets, corn cobs and corn husks replacing tapioca chips as all of them have cheaper price and nutrition value for dairy cattle similar to tapioca chips which have higher price and does not affect quantity and quality of milk.

Risk of lacking of skillful workers

As the government increases minimum wage throughout the country with workers returning to original domicile to enter into agricultural sector increasingly from supports in several projects of public sector and entering into AEC; several industrial sector, including the company has to adapt by applying more modern machine and technology for increasing and extending production; therefore, tendency in lacking of skillful workers is possible. However the company still focuses on personnel by having a procedure in recruiting new personnel and arranging training for developing skill and ability of workers specifically in performance; in addition, a plan is prepared for developing new generation personnel in order to handle the lacking of skillful workers.

Corporate governance

The Company recognizes the importance of business operation based on responsibility and integrity and hence has put its emphasis on good corporate governance and management with aim to increase its competitiveness capability, better management efficiency, and transparent / explicit business operation. The Company concentrates on sustainable growth, which will increase value of the Company in a long term for benefit of shareholders and all stakeholders. Company has determined Good Corporate Governance to directors, executives and employees to adhere to as a guideline to perform their duties. The last update of Company's Corporate Governance was on 25 February 2016.

1. Corporate governance policy

The Company has a written policy on corporate governance of which the Board of Directors' fourth meeting of 2019 has approved on November 12, 2019. The Board of directors reviews the policy and its implementation yearly, while communicates and provides training for all employees in order for them to correctly understand the policy on good corporate governance, encouraging them to implement the specified policy. The Company has adopted the Principle of Good Corporate Governance for Listed Companies 2012, stipulated by the Stock Exchange of Thailand; and the Corporate Governance Code for Listed Companies 2017, stipulated by the Securities and Exchange Commission of Thailand; as its guidelines. Details are as follows:

1.1 Rights of Shareholders

The Company places its importance on rights of shareholders, disclosure of sufficient, accurate, complete, punctual and equal information to all shareholders for reference to their future decisions. Following is the policies determined by the Board of Directors:

- 1.1.1) The Company sent invitation letter along with the meeting agenda showing objectives and reasons of the meeting and opinions of directors in order to enable shareholders study the information included at least 21 days prior to the meeting date. The Company held the Annual General Meeting of Shareholders 2019 on 11 April 2019 at 13:00 hrs. at Cafeteia Room, Abico Building, No. 401/1, PahonYothin Road, Ku Kot sub-district, Lamlukka district, Pathumthani. In case where shareholders cannot attend the meeting, they may assign any independent Director or any person to attend the meeting on their behalf by using the proxy form which is sent together with the notice to the meeting or it can be downloaded through the Company's website.
- 1.1.2) Facilitate all shareholders equally during the meeting by providing appropriate location and time of the meeting.
- 1.1.3) During the meeting, the agenda will be voted in order without changing any significant information and all shareholders have equal right to review business operation of the Company, inquire and express opinions and suggestions. The meeting will be attended by directors and related executives to answer all question raised during the meeting.
- 1.1.4) The Company provides additional channel for disseminating news on its website. The invitation letter to the meeting is uploaded at least 21 days prior to the meeting date to enable shareholders to download and acknowledge accurate and complete information of the meeting.
- 1.1.5) Directors, senior executives, certified auditor are required to attend the meeting to answer questions from shareholders.

- 1.1.6) The minutes of the meeting are recorded verbatim where all questions and comments are recorded for review and reference purpose. Then the minutes of the meeting will be disclosed in the Company's website and sent to the Stock Exchange of Thailand within 14 days from the date of the meeting.
- 1.1.7) For convenience and to prevent errors, loss or delays, the Company pays dividend (if any) by transferring it to shareholders' bank accounts.
- 1.1.8) It is the Company's policy that shareholders are allowed to propose the meeting agenda and/or questions related to the general meeting of shareholders 3 months prior to the date of the shareholders' meeting to ensure that shareholders will receive highest benefit from the meeting, to maintain the rights and interest of shareholders. The proposal or questions can be submitted through e-mail, fax to the Company Secretary. For Annual General Meeting 2019, the Company invites shareholders to propose agenda from November 9, 2018 until January 14, 2019.
- 1.1.9) Determine criteria to consider the Directors' remuneration based on duties, responsibilities and work performance which is linked to operation result and other relating factors; compare the rate and remuneration of other companies in the same industry of similar based on the survey result provided by the Thai Institute of Directors "IOD". However, the Directors' remuneration must be considered, compared and screened by the Nomination and Remuneration Committee and proposed to the Board of Directors for consideration prior to submission to the annual general meeting of shareholders.
- 1.1.10) The Company agrees to have an independent person to undertake the counting or reviewing the votes in the meeting and disclose to the meeting as well as record in the minutes of the meeting.
- 1.1.11) The Company uses ballots for voting of important agenda such as related transaction, acquisition or disposal of assets etc. for transparency and accountability in case of the conflict that may occur subsequently.

2. The Equitable Treatment of Shareholders' equity

To ensure the fair treatment among all shareholders, the Board of Directors has determined policies as following:

- 2.2.1) Send invitation letter to the meeting which includes sufficient information of all agenda to shareholders at least 21 days prior to the date of meeting in order to enable shareholders to thoroughly look through the information.
- 2.2.2) The right to vote at the meeting is according to the number of shares held by each shareholders where one share represents one vote. The Company grants the right to the shareholders who attend the meeting after the meeting has been started, to vote for the agenda which is under consideration and no resolution has been made yet, and the said person is deemed to constitute a quorum of the meeting for the said agenda and vote.
- 2.2.3) In election of directors to replace those retiring, the Company has a policy that shareholders may vote individually for a director in order to allow shareholders to select the person they want. The Company also provides adequate details of each candidate for consideration of shareholders.

- 2.2.4) The Company enables minor shareholders holding share not less than 5% of the paid-up capital for not less than 12 months, to agenda for the annual general meeting of shareholders, propose list of candidates for directors through email or fax to the Company Secretary.
- 2.2.5) Determine policy to prevent insider trading of relating persons which include directors, senior executives and staff involved with the Company's information (spouse and minor child of the said person as well), and to prohibit the said persons from disposal or acquisition of the Company's securities within 1 month before the disclosure of quarterly and yearly financial statement to the public. The Board of Directors and Management report the changes of shareholding to the Board of Directors' meeting by adding as an agenda in each quarterly meeting.
- 2.2.6) Determine policy on conflict of interest based on the concept that any decision of personnel from all levels which concerns the business operation must be for the best benefit of the Company. And it is the duties of all employees to avoid involving in financial issue and/or relationship with external party which may cause the loss of Company's benefit, conflict of interest or to obstruct work performance. It is determined that the person relating to or involving with the considered transaction must inform the Company of their relation or involvement thereof and must not participate in consideration and has no power to approve for the said transaction. For such cases, everyone must adhere to the principles and there will be no additional or special terms applied.
- 2.2.8) The Company allowed shareholders to register at least two hours in advance on the day of shareholders' meeting, and allowed independent inquiries for shareholders.
- 2.2.7) For convenience, shareholders who cannot attend the meeting in person may assign any person or at least 1 independent director to attend the meeting and vote on their behalf where name of the assigned person will be noticed in the invitation letter to the meeting.
- 2.2.8) All shareholders are treated equally regardless minor or major, Thai or foreign shareholder.
- 2.2.9) The registration of shareholders on the meeting date is via scanning barcode which shows register number of each shareholder provided in the shareholder's register and proxy form for the convenient and fast procedure. To count result of each agenda, only ballot card which show 'disagree' and 'abstain' are collected and counted to deduct from the total amount of voting shareholders. The barcode system is used to collect and verify the result of the ballot from each vote rapidly and the result can be checked after the meeting.
- 2.2.10) The Company determines to have agenda about Directors' remuneration, to clarify to shareholders for approval per annum and to clarify the numbers and types of remuneration of each directors including fixed and variable remuneration.

3. The Role of Stakeholder

The Company is aware and realizes the rights of all stakeholders whether internal stakeholder which are shareholders, staff, and external stakeholders such as customers, trading partners, creditors, competitors, state sectors and other authorities including surrounding communities. To express appreciation to stakeholder that supporting us in competition and generating profit which is considered as long term value, the Company hence, has determines policies as following:

3.3.1 Stakeholders

- 1) The Company is always aware that shareholders are an owner of the business and the Company is committed to create a long term added value for them.
- 2) Perform their duties with integrity, make any decision based on principles of the professionprudence, and fairness to both major and minor shareholders for the best interest of shareholders as a whole.
- 3) Report status of the Company, operations results, financial statements, accounting and other information which are up-to-date and important in the format that is easy to understand, consistent and accurate.
- 4) Refrain from seeking benefit for their own and other persons by using any information of the Company which has not yet been disclosed to the public or execute any procedure in the manner that may cause conflict of interest to the Company.

3.3.2 Employees

- 1) Treat employees with politeness and pay individual respect to them.
- 2) Fairly treat employees through allowing for new opportunities, compensations, appointments, transfer and skills development.
- 3) Provide fair compensation, provident fund and social welfare to employees and prioritize the welfare of employees.
- 4) Maintain safety working condition to ensure health and assets safety ofthe employees.
- 5) Make any appointments, transfers, awards and punishments with bona fide, based on knowledge, skill and qualification of each employee.
- 6) Places importance on knowledge and skill development of employees by providing equal opportunities on regular basis with aim to develop ability and lead to professional level.
- 7) Listen to opinions and suggestions based on professional knowledge of the employees.
- 8) Comply with law and regulations relating to employees strictly.

3.3.3 Customers

- 1) Provide service with politeness, enthusiasm, readiness and sincere as if they are one of the family, creating reliability and accountability image of the service.
- 2) Keep information of customers, do not use such information for their own benefit or related person illegallyor other illegal activity.
- 3) Provide customers with accurate, adequate, updated information about services of the Company without exaggerated advertising content which may misleads customers of quality or terms of services of the Company.
- 4) Provide advice on service efficiently and for the best interest of customers.

3.3.4 Business partners and/or creditors

- 1) Treats business partners and/or creditors with integrity and honesty, based on highest interest of the Company and fair mutual benefit. The Company avoids any situation that may cause conflict of interest, discusses the problems adheres to business relations.
- 2) Does not request or receive or pay for any interest which is illegal with business partners and/or creditors.

- 3) In case it is found that there is a request or accept or payment for any illegal interest, the information must be disclosed to business partners and/or creditors to seek for fair and rapid solution.
- 4) Comply with the agreed terms and conditions. Failure to do so, the Company will give advanced notice to creditors in order to find solution together.

3.3.5) Competitors

- 1) Does not violate the confidential or acknowledge trading secret of competitors with unfaithful method.
- 2) Follow the fair competition rules.
- 3) Refrain from seeking information, trading secret of competitors through dishonest or inappropriate method.
- 4) Does not damage reputation of competitors by accusing in negative way.

3.3.6) Society and communities

The Company has a policy to conduct business which returns positive interest to economy, society and adhere to good citizen of the nation, comply with laws and applicable regulations strictly, engage in parts that will support and improve quality of society and community. In addition, the Company has set out policies to return profits to society by allocating a certain budget to support social activities that will generate advantages to society, community and create opportunities for environment.

3.3.7) Oversee the safety and health of employees

The Company places an importance of maintaining working environment to ensure safety to lives and assets of employees regularly. Strictly adhering to labor law, the Company provide such as proper and correct arrangement of building, locations and equipment of working, necessary medical care. All employees are required to wear protective equipment whenever they work on the construction site. Furthermore, employees from all levels are encouraged to recognize the value and importance of exercise and take it as a habit. The Company provides health care program to its employees such as annual health check up etc.

Personnel

Number of Personnel as at December 31, 2019	379 employees
Employee Remuneration in 2019	139.55 Million Baht

The Number of Training for Employees

The Board of Directors and executives see the importance in development of human resource. In 2018, the Company has provided training as follows:

Director Training for the year

Name Director	Program
1. Mr. Kitti Vilaivarangkul	Board Nomination and Compensation Program (BNCP2019)
2. Mr. Techa Boonyachai	Risk Management Program for Corporate Leaders (RCL17/2019)

Management term and Employees Training

	Hour/Person/Annual
Executives Training Hours	40 Hours
Employees Training Hours	10 Hours

Injury Frequency Rate (IFR) as at December 2019 is 0.88

IFR stands for Injury Frequency Rate = (Total number of injuries that cause absence from work * 1,000,000)

3.3.8) Environment

The Company has a policy to support different activities in connection with quality, hygiene and environment, including maintaining safe working condition to ensure health and assets safety of the employees. The Company also recognizes the importance of education and training for employees regarding environment and effective use of environment such as reduce the volume of garbage by reusing paper, file holders, campaign to switch off the lights during lunch break or switch off the lights which are not in use, taking stairs instead of lift, maintenance and improvement of equipment to be available for work to ensure the safety and create good working conditions. All these are contributed to the efficient development of employees as a whole.

3.3.9) Intellectual Property

The Company has set a clear policy not to undertake any action that will violate the intellectual property whether copyright, patents or trade mark, trading secret and other intellectual property as stipulated by law, for example, using licensed programs, where software is examined and installed by Information Technology Department to prevent using any illegal copies.

3.3.10) Respect to law and human rights

- 1) Protest against any action that violates human right in any circumstances.
- 2) Respect and treat all stakeholders with fairness based on the pride of human rights, without discrimination of races, origins, sex, color, religion, physical condition, family background including to support the monitor of requirement concerning human rights within the Company.
- 3) Protest against any action that is aimed to seek benefit from human trafficking, use of child labor under the age as stipulated by law.
- 4) Support, respect and protect human rights by examining and control Company's business with external party that may be conducted in a way that supports and encourage violation of human rights. Refrain from any action that violates right of employees which is protected under the law.

3.3.11) Anti-Corruption and Corruption

The Board of Directors has determined the anti-corruption policy as follows.

- 1) The management structure is properly balanced between purchasing, accounting, finance and internal audit department to prevent abuse of power or other illegal activity.
- 2) Provide training to employees about the policy and practice of anti-corruption of the Company.
- 3) Support and coordinate with public and private authorities and controlling agency including all parts of Thai societies with intention to reduce the corruption and improve the development of the country.
- 4) Directors, executives and employees are not allowed to accept any kinds of corruption, directly or indirectly such as receiving gifts, giving gifts, presents, banquet, donation and any interest to themselves from the person who making business with the Company. The Company provides channel to stakeholders for direct message passing, suggestions and/or complaints regarding the corruption or any action that is not in compliance to the Company's criteria to the Board of Directors to the following address.

Company Secretary
 ABICO HOLDINGS PUBLIC COMPANY LIMITED
 401/1, Moo 8, Abico Building, Pahon Yothin road, Ku Kot,
 Lam Luk Ka, Pathum Thani 12130

The complaints will be considered and proceeded as appropriate case by case without disclosing whistleblower, and the complaint details will be kept confidential under policy to protect whistleblower as well.

4. Disclosure and transparency

The Company recognizes the importance of accurate, complete and transparent disclosure of financial information and general information under the criteria set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand including important information which affects securities price of the Company and decision among investors and stakeholders.

The Company also prioritizes the importance of financial report as to clarify the financial status and actual operation result of the Company, based on correct accounting standard, completeness, punctuality and adequacy under the generally accepted accounting standards.

The Company discloses the information about each directors, roles and duties of the Board of Directors and committee as well as remuneration of directors and senior executives in the Annual Report (Form 56-2) and Annual Statement (Form 56-1).

2. Board of Director

List of directors		Title
1.	Mrs.Chintana Boonyarat	Chairman of Director
2.	Mr.Kitti Vilaivarangkul	Managing director / director / Member of Nomination and Remuneration Committee
3.	Mr.Chaichat Boonyarat	Director
4.	Mr.Khemadhat Sukonhasingha	Independent director / Chairman of Audit committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee
5.	Mr.Techa Boonyachai	Independent director / Audit committee / Member of Nomination and Remuneration Committee / Chairman of Risk Management Committee
6.	Mr. Arnant Maiphum	Independent director / Audit committee / Chairman or Nomination and Remuneration Committee / Member of Risk Management Committee

The directors authorized to put their signature on behalf of the company consist of:

1. Mrs.Chintana Boonyarat Chairman of Director
2. Mr.Kitti Vilaivarangkul Managing director
3. Mr.Chaichat Boonyarat Director

Two directors out of four directors are required to put their signature together and affixed with the seal of the company.

Board of Directors

Criteria for consideration and selection the directors

Qualifications of directors

The person to undertake directorship shall have the following qualifications.

1. A person with flawless background
2. Have vision and is able to foresee the overall business image.
3. A person with positive character, morality and appropriate manner
4. A person with efficient communication skill
5. A person with systematic business analysis and decision making
6. A person who realizes and understand finance, commerce or industry and have experience of business management

Criteria for selection of directors

1. Must be a person who possesses the qualifications as aforesaid.
2. The Board must have various skills which is beneficial to determining direction and control the Company's operation.

Terms of the Board of Directors

At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeded, the similar amount to one third of the directors to resign during the first year. The resigning directors may be re-elected.

A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by Public Company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

Selection Process of New Directors

On February 26, 2019, the Board of Directors has appointed the Nomination and Remuneration Committee to select new director(s) by considering qualifications, experience, suitability and the ability to work as a director. The nomination of new director must be in accordance with the Public Company Act.

Scope of duties of Directors

- 1) Roles, duties and responsibilities of the Board of Directors. The Board of Directors is responsible to perform accordingly to the Company's objectives, Articles of Association and resolution of the meeting and shareholders with integrity and honestly, prudence and aim to safeguard the interest of shareholders and stakeholders in long and short term to ensure that the Company's operation are driven into the direction that will generate maximum benefit to shareholders and stakeholders. The Board shall supervise to have vision, mission, strategy, target, policy and annual budget in which the Board will jointly review and express opinion every year to create understand on overall business image prior to approval and monitor to ensure the management will be consistent to the plan by adhering to the guideline of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 2) Meeting of the Board of Directors. Meeting of the Board of Directors is an essential duty where the directors must attend regularly to acknowledge and make decision on the Company's business operation. Annually, the Meeting of the Board of Directors shall be held at least 4 times. The meeting agenda is set in advance and special meeting may be held in case of urgent matter. At least 2 out of 3 of total directors shall constitute a quorum. The senior executives may attend the meeting in order to provide information that could be useful and to acknowledge the the policy. It is the Company's policy that non-executive directors and the person that is not a member of Executive Committee attend the meeting together at least

once a year to discuss about the topic of interest without attendance of Management. All Executive Committee are allowed to propose the matters to add as an agenda in the Board of Directors' meeting and to express their opinion independently. Then the Company Secretary will bring the proposed matters into meeting agenda and prepare invitation letter to the meeting accordingly. A majority vote in the meeting determines a resolution with each member of the Board having one vote. Board Members that may have conflicts of interest on a particular issue must leave the room during discussion and does not have the right to vote on the particular issue. After the meeting, the Company Secretary shall prepare the minutes of the meeting and send to Chairman of the Board to certify the accuracy and submit to the meeting for certification in the next meeting. Directors may suggest correction on the minutes of the meeting. The certified minutes of the meeting is kept as a confidential in electric format for convenient of access and reference.

- 3) Orientation of new directors. To perform their duties, the directors shall acknowledge Company's nature of business. For this reason, the Company conducted an orientation session for a new director so that he learned about the Company and business overview, got access to corporate information which is useful and crucial to responsibilities including guideline to the good corporate governance. The Company Secretary shall coordinate to have to orientation session.
- 4) Policy on limitation of the number of listed company and number of term of office of Directors Director is advised not to become director in more than five other listed companies without any exception. At present, the Company's Directors hold directorship in less than 5 listed companies. The company also has a policy prohibiting the MD to be hold director position in other companies which conduct the same or similar business to the Company's except associates and/or subsidiaries and/or affiliated company to ensure that the person will not cause conflict of interest.
- 5) Succession plan the Company realizes the necessity and importance of the succession plan and hence has prepared the succession plan for major executive positions by selecting the candidates, providing ongoing training its human resource to meet position requirements, to ensure that the Company will have a person with knowledge and suitable skill for the succession.

Definition of Independent Directors

Definition of Independent Directors of the Company is equal to the requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

1. Holding not more than 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, for the purpose of calculation, the number of shares held by the related person of each member of the Audit Committee shall also be included.
2. Neither being a director who takes part or used to take part in management, nor being or used to be an employee, staff, an advisor who receives regular salary, nor the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless such director has resigned from such position for at least two years.
3. Not being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including being the spouse of the children of the executives, major shareholders, controlling persons or the persons who will be nominated as the executive or controlling person of the Company or subsidiaries.
4. Neither having, nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of independent judgment as a member of the Audit Committee. Moreover, a member of the Audit Committee must neither being, nor used to be a key shareholder or controlling person of the entities having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders,

or the controlling persons of the Company, unless such director has resigned from such position for at least two years.

5. Neither being, nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, nor being a key shareholder, controlling person or partner of the audit office having the auditor providing auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, as a member, unless such director has resigned from such position for at least two years.
6. Neither being, nor used to be a provider of any professional services including the legal advisory or financial advisory services that received fees in the amount of more than Baht Two million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, nor being shareholder, the controlling person, or partner of such professional services provider, unless such director has resigned from such position for at least two years.
7. Not being a director who has been appointed as a representative of the Company, major shareholders or shareholders relating to major shareholders.
8. Neither operating the business having the same nature which significantly competes with the business of Company or its subsidiaries, nor being a significant partner or a director who involves in the management, nor being an employee, staff, a member, and a consultant who receives regular salary, or holds more than 1 percent of the total number of shares with the voting rights of a company that operates the business having the same nature and significantly competes with the businesses of the Company or its subsidiaries.
9. Having no other conditions that may obstruct the independent expression of comment on the Company's operation.

Criteria for the selection of independent directors

- 1) The person must have the qualifications of directors, as defined.
- 2) A director who can independently express opinion based on their own discretion, with morality adhering to organizational interest, but not the specific interest of major shareholders or minor shareholders or himself.
- 3) Is qualified as stated by the Stock Exchange of Thailand and adhering to the good practices as following.
 - Hold not more than 1% of the voting shares of the Company, its subsidiaries, associates or the person that may have conflict of interest (include the relating person as per Section 258 of the Stock Exchange law).
 - Never or not holding position of director with duty involving management, employee, staff, advisor who receives monthly salary or controlling party of the Company, subsidiary, joint-venture, joint-venture or the person that may have conflict of interest and not having the benefit or interest for at least 2 years.
 - Not having business relation, benefit or interest, directly or indirectly in terms of finance or management of the Company's subsidiary, affiliate company or the person that may have conflict of interest that may impede the independence.
 - Not being a close relative with executives, major shareholders of the Company, subsidiary, affiliated companies or the person that may have conflict and is not appointed as a representative to safeguard the interest of directors, major shareholders.
 - Not disclose any relationship that may stop the independence to the Board of Directors.

Duties of Chairman of the Board of Directors

1. The Chairman shall be responsible as the leader of the Board of Directors in monitoring and supervising the administration of the Executive Committee and other sub-committees in order to achieve the objectives as planned.
2. The Chairman shall a meeting of the Board of Directors and shareholders' meeting, as well as having a role in defining regulations and agendas with the Managing Director.

3. The Chairman shall be a chairman at the Board of Directors' meeting. In the case of equal votes for two parties, the Chairman of the Board of Directors shall have an additional vote as a deciding vote.
4. The Chairman shall be a chairman at the shareholders' meeting and play a role in controlling the meeting to be effective and in accordance with the Company's regulations. Support and provide opportunities for shareholders to freely express their opinions.
5. The Chairman shall have a role to supervise the implementation of policies and strategic operational guidelines of the management, as well as providing advice and supporting the business operations of the management but does not participate in the routine management of the Company.

Meeting of the Board of Directors

Each year, the Management prepares schedule of the Board of Director's meeting and sub-committee in advance and sends to the Board of Directors and sub-committees. The meeting agenda is sent to the board 7 day prior to the meeting date so that board members may have sufficient time to study all pertinent information.

Number of Attendance of Meeting in 2019 (Time)

Name of Director	Board of Director Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Annual General Meeting of Shareholders
1. Mrs. Chintana Boonyarat	4/4	-	-	1/1
2. Mr.Kitti Vilaiavrangkul	4/4	-	-	1/1
3. Mr.Chatchai Boonyarat*	4/4	-	-	1/1
4. Mr.Khemadhat Sukonhasingha	4/4	4/4	2/2	1/1
5. Mr.Techa Boonyachai	4/4	4/4	2/2	1/1
6. Mr.Arnant Maiphum**	4/4	4/4	2/2	1/1

In 2019, all directors participated in the meetings in full quorum, accounted for 100 percent of all the meetings taken place in 2019.

Position of executive committee on more than 2 listed companies.

None of the board member hold director position in more than 2 listed companies.

Audit Committee

The Audit Committee is comprised of 3 Independent Directors of the Company. The committee members have the required knowledge and experience. The audit committee is responsible for review financial statement is accurate and adequate and the suitability and effectiveness of the internal control and internal audit are as follows:

1. Mr.Khemadhat Sukonhasingha Chairman of the Audit Committee
2. Mr.Techa Boonyachai Audit Committee
3. Mr.Arnant Maiphum Audit Committee

Audit Committee who has accounting knowledge is Mr.Khemadhat Sukonhasingha.

Scope of duties of the Audit Committee

- 1) Review quarterly financial statement and annual financial statement together with the Company's auditor and related executives, as to propose to the Board; Oversee Company's financial report to ensure the accountability, adequacy and reliability.
- 2) Review the Company's compliance with the law on securities and exchange, the regulations of The Stock Exchange of Thailand.
- 3) Consider to disclose the information or the connected transaction or transaction that may have conflict of interest.
- 4) Oversee to ensure that the Company's internal control is adequate and efficient.
- 5) Select/appoint/remove /propose remuneration for auditor.
- 6) Review the adequacy of internal control system and monitor the significant risk management regularly.
- 7) Consider the independence of internal audit unit, approve the appointment/transfer/dismissal of the head of internal audit unit.

The Nomination and Remuneration Committee

The Company has the Nomination and Remuneration Committee 4 persons are as follows:

1. Mr. Arnant Maiphum Chairman of the Nomination and Remuneration Committee
2. Mr. Khemadhat Sukonhasingha Member of the Nomination and Remuneration Committee
3. Mr. Techa Boonyachai Member of the Nomination and Remuneration Committee
4. Mr. Kittti Vilaivarangkul Member of the Nomination and Remuneration Committee

Chairman of the Nomination and Remuneration Committee is an independent director of the Company and most of the members of the Nomination Remuneration Committee consists of independent directors (three out four or 75%), which is based on the principles of good governance and ASEAN CG.

Scope of duties of the Nomination and Remuneration Committee.

1. Select and screen the qualified person to undertake director position, to the Board of Directors to propose to.
2. Consider, select and screen the qualified person to undertake managing director position and propose to the Board of Directors for approval.
3. Suggestion criteria for determining remuneration for managerial executive of the Company.
4. Consider the Directors' remuneration and propose to the Board for approval in the shareholder's meeting.
5. Initial issuance of warrants for directors and employees and propose to the Board of Directors and shareholders and the SEC for approval.
6. Review the approved warrants of directors and employees to ensure the compliance to project objective.

Nomination of Directors

Selection of the Company's directors must be approved by the shareholders' meeting. The candidates must be qualified and does not have the prohibited characteristics as stipulated by law. The Board of Directors shall contains at lease five (5) persons being selected under criteria and methods as follows.

- 1) One share represents one vote.
- 2) The voting for director may be cast for individual or for several directors as considered by the meeting of shareholders. Election may be of individuals or of groups, as the shareholders' meeting deems appropriate. A shareholder may not divide his/her votes among several individuals or groups.
- 3) Person(s) receiving the maximum number of votes in the respective order will be appointed as director(s) for the number of directors to be selected or appointed on that occasion. Where persons selected in the next sequence receive equal votes which exceed the number of director(s) to be selected or appointed on that occasion, the decisive vote shall be cast by the chairman of that meeting.

At the Annual General Meeting of Shareholders, one-third (1/3) of all directors shall resign by rotation. In case the number of resigned directors cannot be proceeded, the similar amount to one third of the directors to resign during the first year. The resigning directors may be re-elected.

A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by Public Company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

Selection Process of New Directors

The Nomination and Remuneration Committee to select new director(s) by considering qualifications, experience, suitability and the ability to work as a director. The nomination of new director must be in accordance with the Public Company Act.

Risk Management Committee

The Company has the Risk Management Committee 3 persons are as follows:

- | | | | |
|----|---------------|---------------|---|
| 1. | Mr. Techa | Boonyachai | Chairman of the Risk Management Committee |
| 2. | Mr. Khemadhat | Sukonhasingha | Member of the Risk Management Committee |
| 3. | Mr. Arnant | Maiphum | Member of the Risk Management Committee |

Scope of duties and responsibilities of the Risk Management Committee

1. Assist the Board of Directors in management by formulating strategy and measures of risk management.
2. Review risks relating to the Company's business, set out the acceptable risk and effective risk control.
3. Coordinate with the Management in reviewing strategy, format and work procedures that will mitigate the significant risks of the Company.
4. Review the Management's report of the proceeded work to supervise and control risks of the company.
5. Perform any duties as assigned by the Board of Directors and by approval of Risk Management Committee.

Company Secretary

At the Board of Directors' meeting no.2/2015 on May 11, 2015, the Board reached a resolution to appoint Mr. Chalee Thiraworakul as the Company Secretary. The Securities and Exchange Act. Vol. 4 B.E. 2551 Section 89/15 stipulated that the Board of Directors shall appoint a qualified and experienced person to serve as the Secretary who is responsible for Company's operation on behalf of the Company or the Board of Directors. The Company has appointed a person with appropriate qualifications and experience to serve as the Company Secretary by determining qualifications and responsibilities as follows:

Education and Qualifications

- Hold a bachelor's degree at minimum
- Have knowledge in laws relating to the Company and SEC.
- Have excellent communication and human relations skills
- Have knowledge about corporate governance

Scope of Duties

1. Be a consultant and secretary of the Board of Directors and sub-committees.
2. Liaise between the Board of Directors, executives, shareholders and regulating authorities.
3. Keep and maintain the following documents:
 - Directors' register
 - Notice to the Board of Directors' meeting, minutes of the Board of Directors' meeting, and annual report of the Company.
 - Invitation letter to the shareholders' meeting and minutes of the shareholders' meeting
4. Keep the report of stakeholders as provided by directors of executives.
5. Conduct any other tasks as notified by the Capital Markets Advisory Committee.
6. Supervise the disclosure of information and report to ensure the compliance to applicable law and regulations and the good corporate governance.

Supervision of subsidiary companies and associated companies' performance

Nomination and right exercising appointing persons to be directors in subsidiary companies and associated companies is performed by management. The Company specifies regulation of such nomination and right exercising must obtain approval from the Company's Board of Directors as well. Persons appointed to be directors in subsidiary companies and associated companies have duty to perform for maximum profits of those subsidiary companies and associated companies (not of the Company). And the Company stipulates that the appointed persons must obtain approval from the Company's Board of Directors before they can cast vote or exercise right of important issues which are the same levels as those having to obtain approval from the Company's Board of Directors, if the issues are carried out by the Company. Appointment of directors to be representatives of such subsidiary companies and associated companies is in accordance with shareholding ratio of the Company in those subsidiary companies and associated companies.

Moreover, in case of subsidiary company, the Company stipulates regulation the persons who are appointed by those subsidiary companies must monitor and ensure that those subsidiary companies must correctly have regulation regarding connected transaction, acquiring or selling assets, or making any other important items of the subsidiary companies, and adopt the same regulation in connection with information disclosure and making such items as the Company's regulation. The directors must also supervise the subsidiary companies ensuring that they have data and information collection and account recording accountable for being able to be verified by the Company. And the subsidiary companies must punctually provide financial statements.

Supervision of inside information

The Company allows its Directors and Executives submitting reports of securities trading to prevent exploiting the Company's information in a manner of inside information so as to prevent adopting inside information practice of securities trading for his own benefit. They are also notified about personal responsibility as well as punishment clause for his acknowledgement.

Company's Committee Remuneration for the year 2019

Name of Director	Board of Director Meeting	Audit Committee Meeting	Risk Management Committee Meeting
1. Mrs.Chintana Boonyarat	160,000	-	-
2. Mr.Kitti Vilaivarangkul	80,000	-	-
3. Mr.Chaichat Boonyarat	80,000	-	-
4. Mr.Khemadhat Sukonhasingha	80,000	210,000	40,000
5. Mr.Techa Boonyachai	80,000	130,000	20,000
6. Mr.Arnant Maiphum	80,000	105,000	20,000
Total	560,000	445,000	80,000

5.2 Overall remuneration of twelve directors for the year 2019 is 12,991,160 baht.

5.3 Employee remuneration: The Company's remuneration policy is to compensate its employees with appropriateness and fairness, taking account of knowledge, capability, and performance of each employee based on their duties, while conforming to the average of the industry. The Company also considers appropriateness for the business expansion and the Company's growth. Currently, the Company pays different remunerations to employees in forms of salary, bonus, contribution to provident fund, group life insurance premium, overtime pay, and other compensations such as travel expense and work-related telephone charge. The remuneration will be linked with employee performance evaluation on every level in form of Key Performance Indicators (KPIs).

Auditors' Remuneration

Remuneration of Auditor 2018 compared to the 2017 is detailed below:

Remuneration of The Company' Auditor	2018	2017
- Audit Fee	1,810,000.00	1,730,000.00
- Others Fee	-	-

Note : Excluding other compensations such as vehicles, transportation, accommodation etc.

The Company's auditor is an dependent person having no relation or conflict of interest with the Company.

Related Parties Transactions

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market price or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company	Relationship
Abico Land Co., Ltd.	Subsidiary
Abico Dairy Farm Co., Ltd	Subsidiary
PPO Farm Co., Ltd.	Subsidiary
Malee Group Plc.	Associate
Malee Enterprise Co., Ltd.	Indirect shareholding
Malee Capital Company Limited (formerly the name of Agri Sol Company Limited)	Indirect shareholding
Icon Foods LLC	Indirect shareholding
Malee International Company Limited (formerly the name of Malee Harvest Company Limited)	Indirect shareholding
Malee Apply Science Co.,Ltd.	Indirect shareholding
Mega Malee Co., Ltd.	Indirect shareholding
MONDE MALEE BEVERAGE CORPORATION (Registered in Philippine)	Indirect shareholding
PT KINO MALEE INDONESIA (Registered in Indonesia)	Indirect shareholding
Malee Kino (Thailand) Co.,Ltd.	Indirect shareholding
Long Quan Safe Food JSC (Joint ventures)	Indirect shareholding
Tan Quang Minh Manufacture and Trading Company Limited (Registered in Vietnam)	Indirect shareholding

Pricing Policy

- Revenues from building rental and service are according to mutually agreed prices.
- Revenues from production service are according to cost plus profit.
- Revenues from the sale of raw milk are according to cost plus profit.
- Other revenue is according to cost plus profit.
- Short-term loans from subsidiaries bear the interest rate at 5.25%-6.75% per annum.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENT

The Board of Directors is responsible for the financial statement of Abico Holdings Public Co., Ltd. and the financial information as appeared in the Annual Report. The Company's Financial Statements have been prepared under generally accepted accounting principles and standards, under and adhered to appropriate accounting policies with prudence and rationality.

All material information has been sufficiently disclosed in the notes to financial statements. The Board of Directors has run and maintained appropriate risk management with use of internal control system to ensure accurate and comprehensive financial records on a daily basis in accordance with the applicable law and regulations. In relation to above, the Board of Directors has appointed the Audit Committee, which consists of non-executive director and independent directors, to oversee and review the financial statements to ensure the reliability and accuracy. The Audit Committee has expressed an opinion regarding aforementioned matters in the report of the Audit Committee included in the annual report.

The Board of Directors has an opinion that internal control system of Abico Holdings Public Company Limited has been effective what allowed assurance that the financial statements for the year ended 31 December 2019 of which is reviewed by the Company's auditor under generally accepted accounting standards, are reliable and are in accordance with generally accepted accounting principles, complying with all relevant and applicable rules and regulations.



.....
(Mr. Chaichat Boonyarat)

Director



.....
(Mr. Kitti Vilaivarangkul)

Director

AUDIT COMMITTEE REPORT

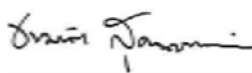
The Audit Committee of Abico Holdings Public Company Limited is composed of 3 independent directors who are independent and qualified as the Stock Exchange of Thailand's requirements. Mr. Khemadhat Sukonhasingha serves as Chairman of the Audit Committee, while Mr. Techa Boonyachai and Mr. Arnant Maiphum serve as members of the Audit Committee.

In 2019, the Audit Committee to perform its duties and responsibilities in compliance with the regulations of the Stock Exchange of Thailand and as assigned by the Board Directors, The significant could be summarized as follow:

- 1) Reviewed the quarterly financial statements and the audited financial statements for the year 2019 with the external auditor the Company's management to present to the Board of Director, and found that financial information is conformed to generally accepted accounting principles as sufficient and credible disclosures of significant matters.
- 2) Considered and approved internal audit plan. Also supported and encouraged internal auditors to perform internal audit activities according to meet an international standard. It found that the appropriate and effective internal control system were in place. No significant weaknesses were found.
- 3) Review risk management system reducing all risk form operation, instructive a special lecture of risk management for the integration in sustainability.
- 4) In compliance with the regulations of the Stock Exchange of Thailand and other relevant laws, and found that the Company complied with such regulations and laws.
- 5) Review connected transactions or transactions or transitions that may lead to conflict of interest, and found that the Company accurately and adequately disclosed in compliance with the regulations of the Stock Exchange of Thailand.
- 6) Considered the Company's auditor and audit fee, and proposed to the Board of Directors.

The Audit Committee has concluded that for the year 2018, the Company's finance statement is accurate in the respects of the generally accepted accounting principles with adequate disclosure of complete and trustworthy information. The Company has in place appropriate and efficient internal control and internal audit systems. The Company abides by relevant laws and regulations.

On behalf of the Audit Committee



(Mr. Khemadhat Sukonhasingha)

Chairman of the Audit Committee

February 25, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Abico Holdings Public Company Limited

Opinion

I have audited the consolidated financial statements of Abico Holdings Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Abico Holdings Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as of December 31, 2019, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Abico Holdings Public Company Limited and its subsidiaries and of Abico Holdings Public Company Limited as of December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Investment in associate (the consolidated and separate financial statements)

As describe in Note 3.5 and 8 to the financial statement, investment in associate is stated at cost less allowance for impairment (if any) in the separate financial statement and is stated under the equity method in the consolidated financial statements. The investment is identified to be quantitatively significant due to the Company's main business is related to investment, therefore, dividend income from the investment in associate is recognized in the separate and share of profit(loss) from the investment in associate is recognized in consolidated financial statements in significant amount. Therefore, I have identified that the significant matter that requires special attention in the audit is recognition its portion of investment in associate under equity method and dividend income.

My audit procedure on such matter

I performed my audit work with the component auditors of the associate and verified the calculation and record of share of profit(loss) from the investment in associate including recognition of the dividend income. And I verified increase and decrease in the investment occurred during the year, and the amount of share balance. Additionally, I considered the adequacy of information disclosure that related to the investment in associate.

Other Matter

The consolidated financial statements of Abico Holdings Public Company Limited and its subsidiaries for the year ended December 31, 2018, presented herein for comparison, which I audited in accordance with Standards on Auditing and expressed qualified opinion that except for the possible effects to the consolidated financial statements due to I was unable to perform alternative procedures to determine the impact to the financial statements of an associated company for the year ended December 31, 2018, used for equity method accounting on investment in associated company in the consolidated financial statements as stated thereon my audit report dated February 26, 2019. Accordingly, in the 1st and 3rd quarter of year 2019, the associated company has adjusted the consolidated financial statements for the year ended December 31, 2018 thus the Group has adjusted for equity method accounting on investment in associated company in its consolidated financial statements based on the adjusted information of the associated company as described in Note 9 to the financial statements. I audited such adjustments in the financial statements of the associated company and found that they are appropriated and proper. Thus my opinion on the consolidated financial statements is changed to the unqualified opinion.

Other Information

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

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

(Chaiyuth Angsuwithaya)
Certified Public Accountant
Registration No. 3885

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 25, 2020

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		<u>ASSETS</u>				
		Baht				
		Consolidated financial statements		Separate financial statements		
		As at December 31,		As at December 31,		
Note		2019	2018	2019	2018	
			(Restated)			
CURRENT ASSETS						
	Cash and cash equivalents	6	17,063,079.79	22,671,292.41	437,816.71	3,428,671.31
	Trade and other receivables - net	5 and 7	315,217,609.54	120,510,128.59	76,125.95	159,070.87
	Short - term loans to related companies	5	-	-	600,000.00	16,200,000.00
	Inventories - net	8	116,976,462.11	119,884,783.39	-	-
	TOTAL CURRENT ASSETS		449,257,151.44	263,066,204.39	1,113,942.66	19,787,742.18
NON - CURRENT ASSETS						
	Investment in associate	9	286,203,600.51	330,866,252.20	451,650,915.00	451,650,915.00
	Investments in subsidiaries - net	10	-	-	278,240,868.75	278,240,868.75
	Other long - term investments - net	11	-	-	-	-
	Property, plant and equipment - net	12 and 18	871,716,863.59	712,571,278.44	918.91	2,357.78
	Biological assets - diary cow - net	13	45,970,000.00	46,272,000.00	-	-
	Intangible assets - net	14	14,238,154.01	15,103,226.93	-	-
	Deferred tax assets	20	6,992,918.41	8,042,944.09	-	-
	Other non-current assets					
	- Withholding tax deducted at source		7,522,616.81	7,030,434.30	-	-
	- Others		2,649,784.32	2,676,451.09	1,198,733.45	1,225,400.09
	TOTAL NON - CURRENT ASSETS		1,235,293,937.65	1,122,562,587.05	731,091,436.11	731,119,541.62
	TOTAL ASSETS		1,684,551,089.09	1,385,628,791.44	732,205,378.77	750,907,283.80

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
Note		2019	2018 (Restated)	2019	2018
CURRENT LIABILITIES					
	Bank overdrafts and short-term loan from financial institutions	15	83,000,000.00	10,000,000.00	-
	Trade and other payables	5 and 16	210,540,900.75	104,696,808.28	632,327.58
	Current portion of liabilities under financial lease agreements	17	39,379,145.11	39,865,070.66	-
	Current portion of long - term loans	18 and 27	118,757,181.05	83,272,119.25	16,760,992.25
	Short-term loan from other parties	5	-	-	1,200,000.00
	Corporate income tax payable		7,397,141.62	3,598,240.89	-
	TOTAL CURRENT LIABILITIES		459,074,368.53	241,432,239.08	18,593,319.83
NON - CURRENT LIABILITIES					
	Liabilities under financial lease agreements - net	17	74,493,121.46	79,883,861.12	-
	Long - term loan - net	18 and 27	192,047,798.95	182,276,586.67	15,728,068.60
	Deferred tax liabilities	20	64,462,857.65	60,613,474.58	-
	Employee benefit obligation - net	19	27,948,481.69	27,247,422.14	-
	Other non-current liabilities	5	8,110,800.00	8,110,800.00	-
	TOTAL NON - CURRENT LIABILITIES		367,063,059.75	358,132,144.51	15,728,068.60
	TOTAL LIABILITIES		826,137,428.28	599,564,383.59	34,321,388.43

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
งบแสดงฐานะการเงิน (ต่อ)
AS AT DECEMBER 31, 2019

หนี้สินและส่วนของผู้ถือหุ้น

		Baht			
		งบการเงินรวม		งบการเงินเฉพาะกิจการ	
		Consolidated financial statements		Separate financial statements	
หมายเหตุ		As at December 31,		As at December 31,	
		2019	2018 (Restated)	2019	2018
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
	235,000,000 ordinary shares of Baht 1.00 each	235,000,000.00	235,000,000.00	235,000,000.00	235,000,000.00
Issued and fully paid - up share capital					
	235,000,000 ordinary shares of Baht 1.00 each	235,000,000.00	235,000,000.00	235,000,000.00	235,000,000.00
	Treasury shares surplus in associated company	1,490,669.98	1,490,669.98	-	-
	Treasury shares in associated company 9	(31,110,553.50)	-	-	-
Retained earnings (deficit)					
Appropriated					
	- legal reserve 21	23,500,000.00	23,500,000.00	23,500,000.00	23,500,000.00
	- Treasury shares reserve in associated company 9	31,110,553.50	-	-	-
	Unappropriated	355,446,822.17	292,906,423.75	439,383,990.34	443,297,007.35
	Other components of equity	242,976,168.66	233,167,314.12	-	-
	Total equity of parent Company's shareholders	858,413,660.81	786,064,407.85	697,883,990.34	701,797,007.35
	Non-controlling interests	-	-	-	-
	TOTAL SHAREHOLDERS' EQUITY	858,413,660.81	786,064,407.85	697,883,990.34	701,797,007.35
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,684,551,089.09	1,385,628,791.44	732,205,378.77	750,907,283.80

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht

Note	Equity of parent Company's shareholders											Other components of shareholders equity		
	Retained earnings (deficit)						Other comprehensive income (loss)					Total Shareholders' Equity of the Company	Non-controlling interests	Total Shareholders' Equity
	Treasury shares		Treasury shares in associated company	Appropriated			Asset revaluation surplus of subsidiaries	Asset revaluation surplus in associated company	Actuarial loss on defined employee benefit plans	Exchange differences on translating financial statement in associated company	Total other components of equity			
	Issued and fully paid - up share capital	surplus in associated company		Legal reserve	Treasury shares reserve	Unappropriated								
Ending balance as at December 31, 2018	235,000,000.00	1,490,669.98	(31,110,553.50)	23,500,000.00	31,110,553.50	319,096,216.22	184,882,012.66	51,601,940.92	-	(3,316,639.46)	233,167,314.12	812,254,200.32	-	812,254,200.32
Cumulative effect of correcting the prior period errors of the associate	9	-	-	-	-	(26,189,792.47)	-	-	-	-	-	(26,189,792.47)	-	(26,189,792.47)
Balances as at January 1, 2019	235,000,000.00	1,490,669.98	(31,110,553.50)	23,500,000.00	31,110,553.50	292,906,423.75	184,882,012.66	51,601,940.92	-	(3,316,639.46)	233,167,314.12	786,064,407.85	-	786,064,407.85
Cumulative effects of changes in accounting policies due to the adoption of new financial report standard of subsidiaries	4	-	-	-	-	2,357,991.18	-	-	-	-	-	2,357,991.18	-	2,357,991.18
Cumulative effects of changes in accounting policies due to the adoption of new financial report standard of associate	9	-	-	-	-	2,564,698.70	-	-	-	-	-	2,564,698.70	-	2,564,698.70
Balances as at January 1, 2019 (after adjustment)	235,000,000.00	1,490,669.98	(31,110,553.50)	23,500,000.00	31,110,553.50	297,829,113.63	184,882,012.66	51,601,940.92	-	(3,316,639.46)	233,167,314.12	790,987,097.73	-	790,987,097.73
Total comprehensive income (loss) for the year	-	-	-	-	-	57,617,708.54	-	14,110,017.60	-	(4,301,163.06)	9,808,854.54	67,426,563.08	-	67,426,563.08
Ending balance as at December 31, 2019	235,000,000.00	1,490,669.98	(31,110,553.50)	23,500,000.00	31,110,553.50	355,446,822.17	184,882,012.66	65,711,958.52	-	(7,617,802.52)	242,976,168.66	858,413,660.81	-	858,413,660.81
Balances as at January 1, 2018	235,000,000.00	1,490,669.98	-	23,500,000.00	-	384,526,541.57	150,582,893.78	51,601,940.92	-	(1,479,947.18)	200,704,887.52	845,222,099.07	-	845,222,099.07
Transferred to retained earnings (deficit)	-	-	-	-	-	(679,417.55)	-	-	679,417.55	-	679,417.55	-	-	-
Treasury shares in associated company	9	-	(31,110,553.50)	-	-	-	-	-	-	-	-	(31,110,553.50)	-	(31,110,553.50)
Treasury shares reserve in associated company	9	-	-	-	31,110,553.50	(31,110,553.50)	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	(19,683,364.88)	34,299,118.88	-	(679,417.55)	(1,836,692.28)	31,783,009.05	12,099,644.17	-	12,099,644.17
Dividend paid	22	-	-	-	-	(17,619,775.27)	-	-	-	-	-	(17,619,775.27)	-	(17,619,775.27)
Cumulative effect of correcting the prior period errors of the associate	9	-	-	-	-	(26,189,792.47)	-	-	-	-	-	(22,527,006.62)	-	(22,527,006.62)
Ending balance as at December 31, 2018	235,000,000.00	1,490,669.98	(31,110,553.50)	23,500,000.00	31,110,553.50	289,243,637.90	184,882,012.66	51,601,940.92	-	(3,316,639.46)	233,167,314.12	786,064,407.85	-	786,064,407.85

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Baht				
Note	Issued and fully paid - up share capital	Retained earnings (deficit)		Total shareholder's equity
		Appropriated - Legal reserve	Unappropriated	
Balances as at January 1, 2019	235,000,000.00	23,500,000.00	443,297,007.35	701,797,007.35
Total comprehensive income (loss) for the year	-	-	(3,913,017.01)	(3,913,017.01)
Ending balance as at December 31, 2019	235,000,000.00	23,500,000.00	439,383,990.34	697,883,990.34
Balances as at January 1, 2018	235,000,000.00	23,500,000.00	446,394,169.38	704,894,169.38
Total comprehensive income (loss) for the year	-	-	14,522,613.24	14,522,613.24
Dividend paid	-	-	(17,619,775.27)	(17,619,775.27)
22				
Ending balance as at December 31, 2018	235,000,000.00	23,500,000.00	443,297,007.35	701,797,007.35

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
Note		2019	2018	2019	2018
			(Restated)		
	REVENUES				
	Revenues from sales and services	5	1,187,220,951.61	764,275,424.85	-
	Revenues from building rental and service	5	18,802,060.08	18,775,208.66	-
	Dividend income	9	-	-	18,775,000.00
	Total Revenues		1,206,023,011.69	783,050,633.51	-
	COST OF SALES AND SERVICES	5	(1,010,746,770.26)	(670,713,956.28)	-
	Gross profit		195,276,241.43	112,336,677.23	18,775,000.00
	Other incomes				
	- Gain from change in fair value less estimated point-of-sale cost of dairy cow		10,644,500.00	9,840,000.00	-
	- Commission income		24,362,714.20	23,241,613.77	-
	- Other service income	5	1,755,863.11	4,776,145.39	-
	- Gain on sales of assets		1,218,320.19	384,454.84	-
	- Gain on exchange rate		944,403.28	-	-
	- Others	5	1,055,904.56	966,134.22	435,553.70
	Total other incomes		39,981,705.34	39,208,348.22	435,553.70
	EXPENSES				
	Selling expenses		4,211,853.08	-	-
	Administrative expenses	5	49,630,189.78	45,961,820.01	1,473,936.94
	Management compensation		14,101,160.00	14,313,190.00	1,110,000.00
	Loss from sales of biological asset - dairy cow		5,233,735.00	3,536,390.00	-
	Finance costs	5	20,128,040.07	16,197,733.40	1,764,633.77
	Total Expenses		93,304,977.93	80,009,133.41	4,348,570.71
	SHARE OF PROFIT (LOSS) OF ASSOCIATE	9	(57,036,205.04)	(77,864,190.35)	-
	PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		84,916,763.80	(6,328,298.31)	(3,913,017.01)
	TAX EXPENSES (INCOME)	20	27,299,055.26	13,355,066.57	-
	PROFIT (LOSS) FOR THE YEARS		57,617,708.54	(19,683,364.88)	(3,913,017.01)
	PROFIT (LOSS) FOR THE YEARS ATTRIBUTABLE TO :				
	EQUITY HOLDERS OF THE PARENT		57,617,708.54	(19,683,364.88)	(3,913,017.01)
	NON - CONTROLLING INTERESTS		-	-	-
			57,617,708.54	(19,683,364.88)	(3,913,017.01)
	BASIC EARNINGS (LOSS) PER SHARE (BAHT)				
	Profit (loss) attributable to equity holders of the parent		0.25	(0.08)	(0.02)
	The weighted average number of ordinary shares (shares)		235,000,000	235,000,000	235,000,000

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
Note		2019	2018	2019	2018
	PROFIT (LOSS) FOR THE YEARS	57,617,708.54	(19,683,364.88)	(3,913,017.01)	14,522,613.24
	OTHER COMPREHENSIVE INCOME (LOSS):				
	Items that will not be reclassified subsequently to profit or loss :				
	- Actuarial gains (losses) on				
	defined employee benefit plans of subsidiaries	19	-	380,800.00	-
	- Share of actuarial gains (losses) on				
	defined employee benefit plans of associate		-	(1,230,071.95)	-
	- Revaluation surplus of subsidiaries company	10	-	42,873,898.61	-
	- Revaluation surplus of associate	9	14,110,017.60	-	-
	- Deferred tax relating to other components of equity	20	-	(8,404,925.33)	-
	Total items that will not be reclassified				
	subsequently to profit or loss	14,110,017.60	33,619,701.33	-	-
	Items that may be reclassified subsequent to profit or loss				
	- Exchange differences on translating financial statement in associate	9	(4,301,163.06)	(1,836,692.28)	-
	- Deferred tax relating to other components of equity		-	-	-
	Total items that may be reclassified				
	subsequently to profit or loss	(4,301,163.06)	(1,836,692.28)	-	-
	OTHER COMPREHENSIVE INCOME (LOSS)				
	FOR THE YEARS - NET OF INCOME TAX	9,808,854.54	31,783,009.05	-	-
	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS	67,426,563.08	12,099,644.17	(3,913,017.01)	14,522,613.24
	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS				
	ATTRIBUTABLE TO:				
	EQUITY HOLDERS OF THE PARENT	67,426,563.08	12,099,644.17	(3,913,017.01)	14,522,613.24
	NON - CONTROLLING INTERESTS	-	-	-	-
		67,426,563.08	12,099,644.17	(3,913,017.01)	14,522,613.24

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the year ended December 31,		For the year ended December 31,	
	2019	2018	2019	2018
		(Restated)		
Cash Flows from Operating Activities				
Profit before income tax	84,916,763.80	(6,328,298.31)	(3,913,017.01)	14,522,613.24
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortisation	76,399,622.00	57,941,459.67	1,438.87	3,788.07
Allowance for stock obsolescence	(4,144,473.52)	7,805,099.08	-	-
Gain from change in fair value less estimated				
Point-of-Sale cost of dairy cow	(10,644,500.00)	(9,840,000.00)	-	-
Loss from sales and disposal of biological assets - dairy cow	5,233,735.00	3,536,390.00	-	-
Share of profit of associated company	57,036,205.04	77,864,190.35	-	-
Gain on sales of assets	(1,218,320.19)	(384,454.84)	-	-
Dividend income	-	-	-	(18,775,000.00)
Employee benefit obligation	1,356,721.52	9,326,345.42	-	-
Finance cost	20,128,040.07	16,197,733.40	1,764,633.77	2,415,857.42
Profit (loss) from operating activities before changes in operating assets and liabilities	229,063,793.72	156,118,464.77	(2,146,944.37)	(1,832,741.27)
Operating assets (increase) decrease				
Trade and other receivables	(174,340,845.24)	(27,806,235.91)	88,039.22	64,199.97
Inventories	(10,361,257.64)	(22,860,444.56)	-	-
Other non-current assets	26,666.64	119,192.41	26,666.64	26,666.64
Changes in operating liabilities increase (decrease)				
Trade and other payables	98,650,150.62	22,444,468.38	67,563.14	(114,723.63)
Withholding tax refund	-	6,228,698.90	-	-
Withholding tax paid	(497,276.79)	-	(5,094.30)	-
Payment for employee benefit obligations	(655,661.97)	-	-	-
Income tax paid	(19,190,243.57)	(12,211,887.20)	-	-
Net cash flows from (used in) operating activities	122,695,325.77	122,032,256.79	(1,969,769.67)	(1,856,598.29)

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
		For the year ended December 31,		For the year ended December 31,	
Note		2019	2018	2019	2018
			(Restated)		
	Cash flows from (used in) investing activities				
	(Increase) decrease in short-term loans to related companies	-	-	15,600,000.00	9,300,000.00
	Proceeds from sale of biological assets - dairy cow	5,712,765.00	4,316,110.00	-	-
	Proceeds from sale of fixed assets	2,652,070.34	75,715,070.85	-	-
	Dividend received	-	18,775,000.00	-	18,775,000.00
	Increase in plants and equipments	(195,965,279.94)	(163,598,277.14)	-	-
	Increase in intangible assets	(329,345.42)	(146,200.00)	-	-
	Net cash provided by (used in) investing activities	(187,929,790.02)	(64,938,296.29)	15,600,000.00	28,075,000.00
	Cash Flows from Financing Activities				
	Increase (decrease) in short-term loans				
	from financial institutions	73,000,000.00	-	-	-
	Increase (decrease) in short-term loans				
	from related parties	-	-	1,200,000.00	-
	Increase (decrease) long - term loan	45,256,274.08	(127,123.19)	(16,056,451.16)	(15,404,142.58)
	Cash paid to liabilities under finance lease agreement	(34,741,482.38)	(16,483,860.58)	-	-
	Cash paid for guarantee deposit under finance lease				
	agreement (purchase option equivalent)	(3,760,500.00)	(7,964,338.00)	-	-
	Cash paid to finance cost	(20,128,040.07)	(16,197,733.40)	(1,764,633.77)	(2,415,857.42)
	Dividend paid	-	(17,619,775.27)	-	(17,619,775.27)
	Net cash (provided by) used in financing activities	59,626,251.63	(58,392,830.44)	(16,621,084.93)	(35,439,775.27)
	Net increase (decrease) in cash and cash equivalents	(5,608,212.62)	(1,298,869.94)	(2,990,854.60)	(9,221,373.56)
	Cash and cash equivalents at the beginning of the year	22,671,292.41	23,970,162.35	3,428,671.31	12,650,044.87
	Cash and cash equivalents at the end of the year	17,063,079.79	22,671,292.41	437,816.71	3,428,671.31
	Supplemental disclosures of cash flows information				
	1) Non-cash transaction				
	- Liabilities under financial lease agreements				
	from purchase of fixed assets	32,625,317.17	79,614,927.44	-	-
	- Other payable from purchase of fixed assets	7,193,941.85	-	-	-

The accompanying notes to financial statements are an integral part of these financial statements.

ABICO HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

Abico Holdings Public Company Limited (“the Company”) registered on November 3, 1992, as juristic person under the Limited Public Company Act with the Ministry of Commerce. The registered office of the Company is located at 401/1, Moo 8, Abico Building, 5th Floor, Phaholyothin Road, Khookot Sub-district, Lamlookka District, Pathumthani. The Company’s main business is related to investment. Its subsidiary companies’ main businesses are production and distribution of ready-to-drink milk, office space for rent and dairy farming.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis for preparation of financial statements

These financial statements have been prepared in accordance with financial reporting standards and guidelines promulgated by the Federation of Accounting profession.

These financial statements are presented in Thai Baht, which is the functional currency of the Company and its subsidiaries.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict of difference in understanding, the financial statements in Thai language shall prevail.

2.2 Adoption of new financial reporting standards

(A) Financial reporting standards which are effective for the current year

During the year, the Group adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2019. Adoption of the above standards in the current period do not have material effect on the financial statement, except for the 1st time of adoption of TFRS 15 Revenue from Contracts with Customers supersedes TAS 11 (revised 2017) Construction Contracts, TAS 18 (revised 2017) Revenue together with related interpretation which affecting the financial statement as described in Note 4 to the financial statements.

(B) Financial reporting standards which are not effective for the current year

The Federation of Accounting Professions has issued the new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2020 as follows:

Accounting Standard

TAS 1 Presentation of Financial Statements

TAS 2 Inventories

TAS 7 Statement of Cash Flows

TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Accounting Standard

- TAS 10 Events after the Reporting Period
- TAS 12 Income Taxes
- TAS 16 Property, Plant and Equipment
- TAS 19 Employee Benefits
- TAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 The Effects of Changes in Foreign Exchange Rates
- TAS 23 Borrowing Costs
- TAS 24 Related Party Disclosures
- TAS 26 Accounting and Reporting by Retirement Benefit Plans
- TAS 27 Separate Financial Statements
- TAS 28 Investments in Associates and Joint Ventures
- TAS 29 Financial Reporting in Hyperinflationary Economies
- TAS 32 Financial Instruments: Presentation
- TAS 33 Earnings per Share
- TAS 34 Interim Financial Reporting
- TAS 36 Impairment of Assets
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets
- TAS 38 Intangible Assets
- TAS 40 Investment Property
- TAS 41 Agriculture

Financial Reporting Standard

- TFRS 1 First - time Adoption of International Financial Reporting Standards
- TFRS 2 Share - based Payment
- TFRS 3 Business Combinations
- TFRS 4 Insurance Contract
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 8 Operating Segments
- TFRS 9 Financial Instruments
- TFRS 10 Consolidated Financial Statements
- TFRS 11 Joint Arrangements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement
- TFRS 15 Revenue from Contracts with Customers
- TFRS 16 Leases

Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 17 Distributions of Non - Cash Assets to Owners
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- TFRIC 21 Levies
- TFRIC 22 Foreign Currency Transactions and Advance Consideration
- TFRIC 23 Uncertainty over Income Tax Treatments

The management of the Company has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statement year beginning on or after January 1, 2020 as follows:

- 1) TAS 1, TAS 2, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 19, TAS 21, TAS 23, TAS 24, TAS 27, TAS 28, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40, TAS 41 and TFRS 8, TFRS 10, TFRS 13 and TFRS 15 will not have material impact on the financial statements when they are applied.
- 2) The management of the Group is currently evaluating the impact of TAS 32, TFRS 7, TFRS 9, TFRS 16, TFRIC 16 and TFRIC 19 to the financial statements when they are adopted.
- 3) The other TAS, TFRS, TSIC and TFRIC which have not been stated in No.1) and 2) are not relevant to the Group business, therefore they do not have impact on the financial statement when they are applied.

2.3 Basis of consolidation

- 2.3.1 These consolidated financial statements include the financial statements of Abico Holdings Public Company Limited and its subsidiaries (“the Group” and “the Company and its subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2018.
- 2.3.2 The financial statements of associated company is translated into Thai Baht at the average closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of “Exchange differences on translating financial statement in associated company” in other components of equity.
- 2.3.3 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses recognition

Revenues from sale are recognized as revenue at the point in time when control of goods is transferred to the customer, generally by delivery of the goods, except for revenue from sale related to “Contract for special product” which are recognized as revenue by reference of the stage of completion.

Building rental and service revenues are recognized according to the accrual basis under the rates stipulated in the rental and service agreements.

Other incomes are recognised base on accrual basis.

Expenses are recognised base on accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cheque in hand, cash at bank and all highly liquid investments and not subject to withdrawal restrictions.

3.3 Trade and other receivables

Trade receivables 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 base on collection experiences and analysis of the debtor aging.

3.4 Inventories

Inventories are value at the lower of cost and net realisable value.

Finished goods is valued at the lower of standard cost (which approximates actual cost by First-in, First-out method)

Raw materials, packing materials, medicine, chemical, medical supplies, spare parts and factory supplies are state at cost (weighted average method).

Raw materials, packing materials, spare parts and factory supplies are charged to production costs whenever consumed.

Allowance for stock obsolescence is set up for old, obsolete, slow - moving or deteriorated inventories.

3.5 Investments

Investments in associate, subsidiaries and other long-term investment are accounted for in the separate financial statements under the cost method less allowance for impairment loss on the investments, if any.

Investment in associate and other long-term investment in the consolidated financial statements are stated using the equity method and cost method less allowance for impairment loss on the investments, if any respectively.

3.6 Property, plant and equipment

Measurement of land, plant and equipment

Land is stated at revalued amount. The others except land are stated at cost less accumulated depreciation and impairment loss (if any).

Recognition method of land on revaluation cost

Land is initially recorded at cost and subsequently revalued by an independent appraiser to its fair value. Revaluations are to be made regularly every five years to ensure that the carrying amount does not differ materially from the fair value at the statements of financial position date.

The differences arising from land revaluation are dealt in the financial statements as follows:

- When the carrying amount of land is increased as a result of the revaluation, such increase is credited directly to equity under “Revaluation surplus”. However, a revaluation increase will be recognized as income only to the extent that it reverses a revaluation decrease of the same land previously recognized as an expense.
- When the carrying amount of land is decreased as a result of the revaluation, such decrease is recognized as an expense. However, a revaluation decrease will be charged directly against the related “Revaluation surplus” if the decrease does not exceed any credit balance existing in the revaluation surplus in respect of that land. If not, the excess will be recognized as an expense in the statements of income.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

	<u>Years</u>
Land improvements	5
Buildings and construction	3 - 40
Machinery and equipment	3 - 20
Furniture and Office equipment	5 - 10
Vehicles	5

No depreciation is provided for land and construction in progress.

3.7 Intangible assets

Intangible assets are stated at cost net of accumulated amortization. Amortization is calculated on the straight-line method over a period as follow:

	<u>Years</u>
Computer software	10
Leasehold right	20

3.8 Biological Asset – Dairy Cows

Biological assets - dairy cows are measured at their fair value less estimated costs-to-sell. The fair value of a dairy cow is determined on the market values of livestock of similar age, breed, and genetic merit as appraised by an independent appraiser. Milk is initially recorded at its fair value less estimated costs-to-sell at the time of milking. The fair value of milk is determined based on the market values in the local area.

3.9 Related party transactions

Related parties comprise enterprises and individuals 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 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 Company's operations.

3.10 Borrowing cost

Borrowing costs comprise interest and other costs associated with the borrowings. Borrowing costs incurred on qualifying assets are capitalized as a cost of the qualifying property until all the activities necessary to prepare the property for its intended use are substantially completed. When funds are specifically borrowed for the construction or the production of asset, the amount of borrowing costs capitalized is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings. When funds are borrowed for general purpose, the Group multiplies the capitalization rate by the capital expenditure in allocating borrowing costs to costs of assets.

All other borrowing costs are expensed in the period they incurred.

3.11 Finance lease agreement

Leases of property, plant and 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 property or 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 the statements of income over the lease period. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset acquired under finance lease shall be fully depreciated over the shorter of the useful life of the asset or the lease term.

Gain on sale and leaseback shall be amortized by the straight-line method over the lease term.

3.12 Operating Lease

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

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

3.13 Provisions

Provisions are recognised when the Company 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.

3.14 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statements of income. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

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 lower of its recoverable amount (if determinable) and the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

3.15 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law are recognized as expenses in the income statement along the service period of employees. The Company and its subsidiaries' post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiaries recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

The Company and its subsidiaries recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Past service costs are recognized in the income statement when the Company and its subsidiaries' plan amendment or curtailment occurs, or recognition in related restructuring costs or termination benefits.

3.16 Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax are recognized in the statement of income except to the extent that they relate to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.17 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities dominated in foreign currencies outstanding at the statements of financial position date are translated into Baht at the exchange rates ruling on the statements of financial position date.

Gains and losses on exchange are included in determining earnings.

3.18 Using of Accounting Estimation

The preparation of financial statements in conformity with generally accepted accounting principles in Thailand requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual realizations may differ from those estimates.

3.19 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 apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3- inputs are unobservable inputs for the asset or liability

3.20 Basic Earnings per share

Basic earnings per share is determined by dividing profit (loss) attributable to equity holders of the parent for the year by the weighted average number of ordinary shares outstanding.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

During the year, the subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognized as an adjustment to retained earnings as of January 1, 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

	Thousand Baht
	Consolidated Financial Statements
Impact on retained earnings as at 1 January 2019	
Unbilled revenue	20,362
Costs to obtain contracts	(17,414)
Related tax expenses	(590)
Total	2,358

The amounts of adjustments affecting the statements of financial position as of December 31, 2019 and the statements of income for the year ended December 31, 2019 are summarized below:

	Baht		
	As of December 31, 2019		
	Consolidated Financial Statements		
	Previous accounting policy	Increase (decrease)	IFRS 15
Statement of financial position			
Assets			
Trade receivables	221,474,922.99	69,410,776.67	290,885,699.66
Inventories	179,751,834.95	(62,775,372.84)	116,976,462.11
Liabilities			
Deferred tax liabilities	63,135,776.88	1,327,080.77	64,462,857.65
Shareholders' equity			
Retained earnings (deficit)	350,138,499.11	5,308,323.06	355,446,822.17
Baht			
For the year ended December 31, 2019			
Consolidated Financial Statements			
	Previous accounting policy	Increase (decrease)	IFRS 15
Statement of income			
Revenue from sales and services	1,156,973,776.43	49,049,235.26	1,206,023,011.69
Cost of sales and services	965,385,449.86	45,361,320.40	1,010,746,770.26
Profit (loss) before income tax expenses	81,228,848.94	3,687,914.86	84,916,763.80
Tax expenses (income)	26,561,472.29	737,582.97	27,299,055.26
Profit (loss) for the year	54,667,376.65	2,950,331.89	57,617,708.54
Basic earnings (loss) per share			
Profit attributable to equity holders			
of the parent	0.237	0.013	0.250

The nature of these adjustments are revenue from sale related to “Contract for special product” are recognized as revenue and expenses by reference of the stage of completion, formerly by delivery of goods.

5. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market price or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company	Relationship
Abico Land Co., Ltd.	Subsidiary
Abico Dairy Farm Co., Ltd	Subsidiary
PPO Farm Co., Ltd.	Subsidiary
Malee Group Plc.	Associate
Malee Enterprise Co., Ltd.	Indirect shareholding
Malee Capital Company Limited (formerly the name of Agri Sol Company Limited)	Indirect shareholding
Icon Foods LLC	Indirect shareholding
Malee International Company Limited (formerly the name of Malee Harvest Company Limited)	Indirect shareholding
Malee Apply Science Co.,Ltd.	Indirect shareholding
Mega Malee Co., Ltd.	Indirect shareholding
MONDE MALEE BEVERAGE CORPORATION (Registered in Philippine)	Indirect shareholding
PT KINO MALEE INDONESIA (Registered in Indonesia)	Indirect shareholding
Malee Kino (Thailand) Co.,Ltd.	Indirect shareholding
Long Quan Safe Food JSC (Joint ventures)	Indirect shareholding
Tan Quang Minh Manufacture and Trading Company Limited (Registered in Vietnam)	Indirect shareholding

Significant transactions with the related parties for the year ended December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Revenues from rental and service				
Malee Group Plc.	17,899,288.40	18,739,208.66	-	-
Malee Enterprise Co.,Ltd.	36,000.00	36,000.00	-	-
Total	17,935,288.40	18,775,208.66	-	-
Revenue from raw milk				
Malee Group Plc.	23,547,445.07	27,437,690.73	-	-
Income from production engagement				
Malee Group Plc.	105,065,472.34	94,971,114.61	-	-

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Income from other engagement				
Malee Group Plc.	245,500.00	2,405,448.91	-	-
Malee Enterprise Co.,Ltd.	-	135,400.00	-	-
Total	245,500.00	2,540,848.91	-	-
Interest income				
Abico Dairy Farm Co.,Ltd.	-	-	348,513.69	1,049,439.04
Abico Land Co.,Ltd.	-	-	80,015.74	150,552.74
Total	-	-	428,529.43	1,199,991.78
Cost of purchase raw material				
Malee Group Plc.	1,648,991.96	2,665,361.65	-	-
Administrative expenses				
Malee Group Plc.	1,530,254.81	1,450,804.34	-	-
Finance cost				
Abico Dairy Farm Co.,Ltd.	-	-	1,048.93	-

Pricing Policy

- Revenues from building rental and service are pursuant to mutually agreed prices.
- Revenues from production service are pursuant to cost plus profit.
- Revenues from the sale of raw milk are pursuant to cost plus profit.
- Other revenue is pursuant to cost plus profit.

Significant balances with related parties as at December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
<u>Trade and other receivables</u>				
Trade receivables				
Malee Group Plc.	17,405,354.11	9,397,129.76	-	-
Malee Enterprise Co.,Ltd.	16,910.00	29,857.00	-	-
Total	17,422,264.11	9,426,986.76	-	-
Other receivables				
Malee Group Plc.	99,510.00	414,148.70	-	-
Malee Enterprise Co.,Ltd.	30,986.50	-	-	-
Total	130,496.50	414,148.70	-	-
Deposit receivables				
Abico Land Co.,Ltd.	-	-	47,100.00	47,100.00

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Accrued income				
Malee Group Plc.	4,390,230.97	2,213,249.28	-	-
Accrued interest				
Abico Land Co.,Ltd.	-	-	3,193.15	11,391.78
Abico Dairy Farm Co.,Ltd.	-	-	-	65,675.34
Total	-	-	3,193.15	77,067.12
Total Trade and other receivables	21,942,991.58	12,024,043.02	50,293.15	124,167.12
<u>Trade and other payables</u>				
Trade payables				
Malee Group Plc.	436,727.14	801,181.77	-	-
Accrued expenses				
Malee Group Plc.	166,160.60	3,126,666.63	-	-
Total Trade and other payables	602,887.74	3,927,848.40	-	-
Deposit payable				
Malee Group Plc.	8,110,800.00	8,110,800.00	-	-

	Baht			
	Separate Financial Statements			Balance as at December 31, 2019
	Balance as at December 31, 2018	Increase	Decrease	
Short-term loan to subsidiaries				
Abico Land Co.,Ltd.	2,400,000.00	100,000.00	(1,900,000.00)	600,000.00
Abico Dairy Farm Co.,Ltd.	13,800,000.00	-	(13,800,000.00)	-
Total	16,200,000.00	100,000.00	(15,700,000.00)	600,000.00
Short-term loan from subsidiaries				
Abico Dairy Farm Co.,Ltd.	-	1,200,000.00	-	1,200,000.00

Short-term loan to subsidiaries bears the interest rate of 5.25% per annum.

Short-term loan from subsidiaries bears the interest rate of 5.25% per annum.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Petty cash	167,000.00	167,000.00	2,000.00	2,000.00
Cash at banks - current accounts	5,105,887.79	11,208,557.20	238,987.71	357,507.83
Cash at banks - saving accounts	11,790,192.00	11,295,735.21	196,829.00	3,069,163.48
Total	17,063,079.79	22,671,292.41	437,816.71	3,428,671.31

7. TRADE AND OTHER RECEIVABLES - NET

Trade and others receivables - net as at December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade receivables	273,463,435.55	92,650,802.14	-	-
Trade receivables - related parties	17,422,264.11	9,426,986.76	-	-
<u>Less</u> Allowance for doubtful account	-	-	-	-
Trade receivables - net	290,885,699.66	102,077,788.90	-	-
Prepaid expenses	2,157,085.13	2,462,989.09	-	-
Accrued income	19,629,257.96	13,931,289.88	-	-
Others	2,545,566.79	2,038,060.72	76,125.95	159,070.87
Total others receivables	24,331,909.88	18,432,339.69	76,125.95	159,070.87
Trade and others receivables - net	315,217,609.54	120,510,128.59	76,125.95	159,070.87

As at December 31, 2019 and 2018, the Group has outstanding balance of accounts receivable classified by age as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Not yet due	227,604,858.58	76,687,414.36	-	-
Overdue				
Up to 3 months	62,984,874.38	25,390,374.54	-	-
3 - 6 months	295,966.70	-	-	-
Total	290,885,699.66	102,077,788.90	-	-
<u>Less</u> : Allowance for doubtful	-	-	-	-
Trade receivables - net	290,885,699.66	102,077,788.90	-	-

8. INVENTORIES

Inventories - net as at December 31, 2018 and 2017 consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Raw and packing material	93,465,711.12	78,233,544.27	-	-
Work in process	6,123,302.07	4,381,426.92	-	-
Finished goods	389,055.22	17,753,837.53	-	-
Foods	2,827,882.94	4,742,567.85	-	-
Medicine, chemical and medical supplies	827,798.20	727,015.62	-	-
Supplies and spare parts	17,003,338.12	16,244,207.75	-	-
Raw material in-transit	-	5,607,282.53	-	-
Total	120,637,087.67	127,689,882.47	-	-
<u>Less</u> allowance for stock obsolescence	(3,660,625.56)	(7,805,099.08)	-	-
Inventories - net	116,976,462.11	119,884,783.39	-	-

The change in allowance for stock obsolescence of inventories for the year ended December 31, 2019 is as follow :

	Baht
Ending balance as of December 31, 2018	(7,805,099.08)
(Increased) Decreased during the year	4,144,473.52
Ending balance as of December 31, 2019	(3,660,625.56)

9. INVESTMENT IN ASSOCIATE

Investment in an associate stated at the equity method in the consolidated financial statements as at December 31, 2019 and 2018 consisted of:

Company's name	Baht							
	Percentage of investment (%)		Paid-up share capital (Million Baht)		Equity Method		Cost Method	
					Consolidated		Separate	
	2019	2018	2019	2018	2019	2018	2019	2018
<u>Associated company</u>						(Restated)		
Malee Group Plc.	27.21	27.21	140.00	140.00	286,203,600.51	330,866,252.20	451,650,915.00	451,650,915.00

As at December 31, 2019 and 2018, the investment in Malee Group Public Co., Ltd. had a fair market value amount of Baht 488.15 million and Baht 600.80 million, respectively.

Investment in associated company as at December 31, 2018, has been restated as follows

	Baht
	Consolidated
	Financial Statements
Investment in associated company as at December 31, 2018 - before adjustment	357,056,044.67
Cumulative effect of correcting the prior period errors	(26,189,792.47)
Investment in associated company as at December 31, 2018 - after adjustment	330,866,252.20

The movements for year ended December 31, 2019 and 2018 for the investment in the associate, which is recorded under the equity method, are as follows:

	Baht	
	Consolidated Financial Statements	
	2019	2018
Balance as at January 1,	330,866,252.20	483,963,752.50
Dividend income	-	(18,775,000.00)
Treasury shares in associated company	-	(31,110,553.50)
Revaluation surplus	14,110,017.60	-
Exchange differences on translating financial statement	(4,301,163.06)	(1,836,692.28)
Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard	2,564,698.81	-
Share of actuarial gains (losses) on defined employee benefit plans	-	(984,057.55)
Share of profit (loss) of associate under equity method	(57,036,205.04)	(100,391,196.97)
As at December 31,	286,203,600.51	330,866,252.20

The financial statements of Malee Group Public Co., Ltd. for the year ended December 31, 2019 and 2018, were audited by the auditor, respectively.

On February 23, 2018, the Board of Directors of the associate had finally purchased back 4,000,000 ordinary shares in total of Baht 114.34 million as they have approved since August 10, 2017 for financial management purpose.

At the Annual General Meeting of Shareholders held on April 27, 2018 of Malee Group Public Company Limited (associated company), the shareholders had approved the dividend payment of Baht 0.55 per share and it has been paid on May 25, 2018.

10. INVESTMENT IN SUBSIDIARIES

Investment in subsidiary companies stated at using the cost method in the separate financial statements as at December 31, 2019 and 2018, consisted of:

Company's name	Baht									
	Separate Financial Statements									
	Percentage of investment (%)		Paid-up share capital		Cost Method		Impairment of investment		Net book value	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Abico Land Co.,Ltd.	99.99	99.99	50.00	200.00	120,065,280.00	120,065,280.00	(120,065,280.00)	(120,065,280.00)	-	-
Abico Dairy Farm Co.,Ltd.	99.99	99.99	240.00	240.00	239,999,930.00	239,999,930.00	-	-	239,999,930.00	239,999,930.00
PPO Farm Co.,Ltd.	99.99	99.99	19.25	19.25	38,240,938.75	38,240,938.75	-	-	38,240,938.75	38,240,938.75
Total					398,306,148.75	398,306,148.75	(120,065,280.00)	(120,065,280.00)	278,240,868.75	278,240,868.75

The Company's has pledges 72,555 shares in PPO Farm Co., Ltd at the cost value of Baht 1.81 million as collateral with the creditor under restructuring according to the Company's rehabilitation plan.

Currently, the Company is in the process of transferring back ownership of the PPO Farm Co., Ltd.'s share certificates in since the Company repaid all the outstanding liabilities under the rehabilitation plan to the creditor.

11. OTHER LONG-TERM INVESTMENTS - NET

As at December 31, 2019 and 2018, other long-term investments - net consisted of:

	Baht	
	Consolidated Financial Statements / Separate Financial Statements	
	2019	2018
General investment		
Equity share	59,970,345.60	59,970,345.60
Allowance for impairment loss on general investment	(59,970,345.60)	(59,970,345.60)
Other long-term investments - net	-	-

The Company had invested in Puerto Azul Land Inc. (PALI) which engaged in the real estate and property development industry in the Philippines. However, the business operation of PALI ended and was unable to contract with the concerned person. The Company had fully provided allowance for impairment loss on general investment. Currently, the management of the Company is under taking an appropriate action.

12. PROPERTY, PLANT AND EQUIPMENT - NET

As at December 31, 2019 and 2018, property, plant and equipment - net consisted of:

		Baht							
		Consolidated financial statements							
		Land	Land improvement	Building and construction	Machinery and equipment	Furniture and office equipment	Vehicle	Asset/construction in progress	Total
Cost									
As at December 31, 2018		46,996,984.16	3,100,000.00	292,473,945.37	623,164,391.29	37,822,888.33	19,748,224.18	41,751,154.02	1,065,057,587.35
	Acquisition	-	-	13,359,548.77	179,112,117.29	9,429,203.22	5,951,789.71	27,931,879.97	235,784,538.96
	Disposal/Write-off	-	-	-	(56,972,840.07)	(154,251.13)	(3,331,018.00)	-	(60,458,109.20)
	Transfer in/(out)	-	-	2,445,000.00	29,567,948.90	9,738,205.12	-	(41,751,154.02)	-
As at December 31, 2019		46,996,984.16	3,100,000.00	308,278,494.14	774,871,617.41	56,836,045.54	22,368,995.89	27,931,879.97	1,240,384,017.11
Accumulated depreciation									
As at December 31, 2018		-	(3,099,965.00)	(183,965,290.71)	(358,895,551.86)	(24,393,478.01)	(13,234,539.17)	-	(583,588,824.75)
	Depreciation for the year	-	-	(6,137,497.47)	(59,093,372.58)	(7,239,585.47)	(2,734,748.14)	-	(75,205,203.66)
	Disposal/Write-off	-	-	-	55,559,518.61	133,822.44	3,331,018.00	-	59,024,359.05
	Transfer in/(out)	-	-	-	1,204,918.31	(1,204,918.31)	-	-	-
As at December 31, 2019		-	(3,099,965.00)	(190,102,788.18)	(361,224,487.52)	(32,704,159.35)	(12,638,269.31)	-	(599,769,669.36)
Net book value									
As at December 31, 2018		46,996,984.16	35.00	108,508,654.66	264,268,839.43	13,429,410.32	6,513,685.01	41,751,154.02	481,468,762.60
As at December 31, 2019		46,996,984.16	35.00	118,175,705.96	413,647,129.89	24,131,886.19	9,730,726.58	27,931,879.97	640,614,347.75
Incremental amount									
As at December 31, 2018		231,102,515.84	-	-	-	-	-	-	231,102,515.84
	Increase	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
As at December 31, 2019		231,102,515.84	-	-	-	-	-	-	231,102,515.84
Revaluation basis asset - net									
As at December 31, 2018		278,099,500.00	35.00	108,508,654.66	264,268,839.43	13,429,410.32	6,513,685.01	41,751,154.02	712,571,278.44
As at December 31, 2019		278,099,500.00	35.00	118,175,705.96	413,647,129.89	24,131,886.19	9,730,726.58	27,931,879.97	871,716,863.59

	Separate Financial Statements
	Furniture and office equipment
Cost	
As at December 31, 2018	266,158.22
Acquisition	-
Disposal/Write-off	-
As at December 31, 2019	266,158.22
Accumulated depreciation	
As at December 31, 2018	(263,800.44)
Depreciation for the year	(1,438.87)
Disposal/Write-off	-
As at December 31, 2019	(265,239.31)
Net book value	
As at December 31, 2018	2,357.78
As at December 31, 2019	918.91

As at December 31, 2018, land of subsidiary was revalued by an independent appraiser on January 9, 2019 which is used as a basis for determining the fair value of land. The valuation method is based on market value. The fair value measurement for biological assets have been categorized as level 1 (Level 1 - Quoted (unadjusted) market value in active market for identical assets or liabilities).

During the second quarter of the year 2018, the subsidiary entered into a financial lease agreement for machinery amounting to Baht 90.62 million. However, during the third quarter, that lease agreement is on the process of detail changing with the contractor resulting the contract is a temporarily invalid. During that period, the subsidiary has adjusted it to normal purchase of fixed asset transaction. Until the fourth quarter, the lease agreement has been finalized so it has been changed to sale and leaseback agreement and the subsidiary recorded deferred gain from sale and leaseback agreement amounted to Baht 4.16 million.

As at December 31, 2019 and 2018, in the consolidated financial statements, fixed assets at a book value of Baht 215.07 million and Baht 222.08 million, respectively and in the separate financial statements of Baht 0.26 million were fully depreciated but still in use.

As at December 31, 2019 and 2018, in the consolidated financial statements, vehicles and machines under liabilities under financial lease agreements had a net book value of Baht 148.76 million and Baht 132.13 million, respectively.

13. BIOLOGICAL ASSETS - DAIRY COW - NET

Biological assets - dairy cows - net as at December 31, 2019 and 2018, consisted of:

	Baht	
	Consolidated Financial Statements	
	2019	2018
Beginning balance	46,272,000.00	44,284,500.00
Increased from born	2,454,000.00	2,403,000.00
Gain from the change of the fair value		
less the estimated point-of-sale costs		
- Resulted from the physical changes	8,768,500.00	7,042,000.00
- Resulted from the price changes	(578,000.00)	395,000.00
Decreased from sales	(10,131,500.00)	(7,074,500.00)
Decreased from death	(815,000.00)	(778,000.00)
Ending balance	45,970,000.00	46,272,000.00

The physical amount of biological assets - dairy cows as at December 31, 2019 and 2018 is as follows:

	Unit	
	Consolidated Financial Statements	
	2019	2018
Beginning balance	1,243	1,152
Increased from born	518	536
Decreased from sales	(516)	(429)
Decreased from death	(19)	(16)
Ending balance	1,226	1,243

As at December 31, 2019 and 2018, biological assets were revalued by an independent appraiser on January 17, 2020 and January 9, 2019, which is used as a basis for determining the fair value of biological asset for the year 2019 and 2018, respectively. The valuation method is based on market value. The fair value measurement for biological assets have been categorized as level 1 (Level 1 - Quoted (unadjusted) market value in active market for identical assets or liabilities).

14. INTANGIBLE ASSETS - NET

As at December 31, 2019 and 2018, intangible assets - net consisted of:

	Baht		
	Consolidated Financial Statements		
	Leasehold	Computer program	Total
Cost			
As at December 31, 2018	13,178,274.86	5,117,036.19	18,295,311.05
Acquisition	-	329,345.42	329,345.42
As at December 31, 2019	13,178,274.86	5,446,381.61	18,624,656.47
Accumulated amortization			
As at December 31, 2018	(2,118,141.33)	(1,073,942.79)	(3,192,084.12)
Amortization for the year	(653,801.04)	(540,617.30)	(1,194,418.34)
As at December 31, 2019	(2,771,942.37)	(1,614,560.09)	(4,386,502.46)
Net book value			
As at December 31, 2018	11,060,133.53	4,043,093.40	15,103,226.93
As at December 31, 2019	10,406,332.49	3,831,821.52	14,238,154.01

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

As at December 31, 2019 and 2018, bank overdrafts and short-term loans from financial institutions consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Promissory note	83,000,000.00	10,000,000.00	-	-

As at December 31, 2019 and 2018, promissory notes of the Group has interest at the special rate agreed upon. These loans are under a long-term financial support agreement with a local financial institution (note 18).

16. TRADE AND OTHER PAYABLES

As at December 31, 2019 and 2018, trade and other payables consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade payables - Domestic	117,729,746.26	23,405,601.70	-	-
Trade payables - related companies	436,727.14	801,181.77	-	-
Trade payables - Oversea	10,421,141.99	14,518,628.39	-	-
Total trade payables	128,587,615.39	38,725,411.86	-	-
Other payables from purchase				
Of fixed assets	13,467,079.00	6,273,137.15	-	-
Accrued expenses	30,029,097.46	30,432,788.79	601,988.00	559,853.07
Deposit for packing material	7,998,468.90	5,702,726.86	-	-
Revenue department payable	4,354,783.57	2,533,524.66	30,339.58	4,911.37
Other payables	26,103,856.43	21,029,218.96	-	-
Total other payables	81,953,285.36	65,971,396.42	632,327.58	564,764.44
Total trade and other payables	210,540,900.75	104,696,808.28	632,327.58	564,764.44

17. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, 2019 and 2018, consisted of:

	Note	Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
Liabilities under					
financial lease agreement		131,884,349.34	134,522,737.03	-	-
<u>Less</u> deferred interest		(9,569,999.32)	(10,924,469.44)	-	-
<u>Less</u> guarantee deposit under					
finance lease agreement					
(purchase option equivalent)		(11,724,838.00)	(7,964,338.00)	-	-
<u>Add</u> deferred gain from sale					
and leaseback agreement	12	3,282,754.55	4,115,002.19	-	-
		113,872,266.57	119,748,931.78	-	-
<u>Less</u> Current portion		(39,379,145.11)	(39,865,070.66)	-	-
Liabilities under financial lease - net		74,493,121.46	79,883,861.12	-	-

As at December 31, 2019 and 2018 the subsidiaries have committed to pay the lease under the financial lease agreements as follows:

Consolidated Financial Statements (Baht)				
December 31, 2019				
	Principal	Deferred gain from sale and leaseback	Deferred Interest	Net
1 - 5 years	77,696,428.77	2,450,506.92	(5,653,814.23)	74,493,121.46

Consolidated Financial Statements (Baht)				
December 31, 2018				
	Principal	Deferred gain from sale and leaseback	Deferred Interest	Net
1 - 5 years	82,062,105.32	4,115,002.19	(6,293,246.39)	79,883,861.12

18. LONG-TERM LOAN – NET

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Long-term loan	310,804,980.00	265,548,705.92	32,489,060.85	48,545,512.01
Less Current portion	(118,757,181.05)	(83,272,119.25)	(16,760,992.25)	(16,063,273.82)
Long-term loan - net	192,047,798.95	182,276,586.67	15,728,068.60	32,482,238.19

On November 29, 2016, The Company had entered into a long-term financial support agreement with a local financial institution in the amount of Baht 80 million. The interest rate is at the special rate agreed upon. The Company agreed to make 60 monthly repayments as follow

- 1th - 59th Both principal and interest are repayable (first repayment in December 2016)
- 60th Final repayment

The Company have been pledged share in associate totaling 2,000,000 shares as collateral of this loan.

Abico Dairy Farm Co., Ltd. had entered into four long-term financial support agreement with a local financial institution with the special interest rate agreed upon. The subsidiary agreed to make monthly repayments as follow

1st agreement (on September 21, 2016 in the amount of Baht 222.20 million)

- 1st - 6th Only accrued interest is repayable
- 7th - 59th Both principal and interest are repayable (first repayment in April 2017)
- 60th Final repayment

2nd agreement (on November 30, 2017 in the amount of Baht 25.00 million)

- 1st - 8th Only accrued interest is repayable
- 9th - 59th Both principal and interest are repayable (first repayment in July 2018)

3rd agreement (on April 24, 2018 in the amount of Baht 80.00 million)

- 1st - 12th Only accrued interest is repayable
- 13th - 59th Both principal and interest are repayable (first repayment in May 2019)
- 60th Final repayment

4th agreement (on December 21, 2018 in the amount of Baht 116.00 million)

- 1st - 7th Only accrued interest is repayable
- 8th - 59th Both principal and interest are repayable (first repayment in August 2019)
- 60th Final repayment

This loan is guaranteed by the Company and secured by the mortgage of the subsidiary's land plus construction and machines.

19. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the present value of employee benefit obligations and expenses recognized in statement of profit or loss and other comprehensive income for the year ended December 31, 2019 and 2018 are as follows:

	Baht	
	Consolidated Financial Statements	
	2019	2018
Employee benefit obligations as at beginning,	27,247,422.14	18,301,876.72
Employee benefit expenses in the statement of profit or loss and other comprehensive income:		
Current service cost and interest	4,061,366.03	3,208,774.00
Past service cost	-	6,117,571.42
Employee benefit paid for the year	(3,360,306.48)	-
Actuarial (gain) loss on defined employee benefit plans recognized in other comprehensive income	-	(380,800.00)
Employee benefit obligations as at ending,	27,948,481.69	27,247,422.14

Expenses recognized in the income statement for the year ended December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Current service costs	3,349,780.03	2,713,537.00	-	-
Past service cost	-	6,117,571.42	-	-
Interest cost	711,586.00	495,237.00	-	-
Total	4,061,366.03	9,326,345.42	-	-

Total actuarial losses (gains) recognized in the other comprehensive income in Consolidated financial statements for the year ended December 31, 2018 is gain amounted of Baht 0.38 million.

Principal actuarial assumptions as at December 31, 2019 and 2018 are as follows:

	Percent	
	Consolidated Financial Statements	
	December 31, 2019	December 31, 2018
Discount rate	2.50 - 2.80	2.50 - 2.80
Salary increase rate	3.00 - 7.00	3.00 - 7.00
Employee turnover rate	0 - 45*	0 - 45*
Mortality rate	TMO2017**	TMO2017**

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of December 31, 2019 as follows:

- If the discount rate increases (decreases) by 1%, the employee benefit obligation in Consolidated financial statements would decrease Baht 2.26 million (increase Baht 2.57 million)
- If the salary increase rate increases (decreases) by 1%, the employee benefit obligation in Consolidated financial statements would increase Baht 2.88 million (decrease Baht 2.57 million)
- If the employee turnover rate increases (decreases) by 10%, the employee benefit obligation in Consolidated financial statements would decrease Baht 0.93 million (increase Baht 1.02 million)

In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statements of financial position.

As at December 31, 2018, the subsidiaries have amended its post-employment benefits plan to conform with Labour Protection Act which the main point is to increase the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. The subsidiaries have recorded the effect of the change by recognizing post service cost as expenses immediately in the 4th quarter income statement of the year 2018 amounted to Baht 6.12 million.

20. DEFERRED TAX ASSETS (LIABILITIES) / TAX EXPENSE (TAX INCOME)

Tax expense for the year ended December 31, 2019 and 2018, consisted of:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Current tax expense	22,987,907.68	15,340,223.11	-	-
Deferred tax expenses (income) of temporary differences	4,311,147.58	(1,985,156.54)	-	-
Tax expense reported in comprehensive income statement	27,299,055.26	13,355,066.57	-	-

Income tax relating to each component of other comprehensive income for year ended December 31, 2019 and 2018, consisted of :

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Deferred tax expenses (income) relating to:				
Asset revaluation surplus				
On subsidiaries	-	8,574,779.72	-	-
Actuarial gain loss on defined employee benefit plans	-	(169,854.39)	-	-
Deferred tax expenses (income) reported in other comprehensive income	-	8,404,925.33	-	-

Deferred tax expenses related to cumulative effect of correcting the prior period error which adjusted with retained earnings in consolidated financial statements as at January 1, 2019, amounted to Baht 0.59 million.

Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2019 and 2018, as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	84,916,763.80	12,446,701.69	(3,913,017.01)	14,522,613.24
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	16,983,352.76	2,489,340.34	(782,603.40)	2,904,522.65
Tax effect of :				
- Tax exempted revenue	(2,128,900.00)	(5,723,000.00)	-	(3,755,000.00)
- Non - deductible expenses	2,669,869.84	2,304,781.54	5,333.33	13,062.17
- Added deductible expenses	(2,409,778.41)	(2,520,945.80)	-	-
- Effect from deferred tax adjustment	-	394,637.24	-	-
- Share of (profit) loss of associate	11,407,241.00	15,572,838.07	-	-
- Current year losses which no deferred tax assets was recognised	777,270.07	837,415.18	777,270.07	837,415.18
Tax expense reported in income statement	27,299,055.26	13,355,066.57	-	-

The components of deferred tax assets and liabilities as at December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Deferred tax assets				
Depreciation	13,309.42	13,679.53	-	-
Employee benefit obligation	5,590,932.97	5,449,484.43	-	-
Allowance for stock obsolescence	732,125.11	1,756,779.70	-	-
Deferred gain from sale and Leaseback agreement	656,550.91	823,000.43	-	-
Total	6,992,918.41	8,042,944.09	-	-
Deferred tax liabilities				
Depreciation	16,915,273.70	14,392,971.40	-	-
Revaluation surplus	46,220,503.18	46,220,503.18	-	-
Effect of changes in accounting policies	1,327,080.77	-	-	-
Total	64,462,857.65	60,613,474.58	-	-

21. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as a legal reserve of at least 5% of net income for the year until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

22. DIVIDENDS

The Annual Meeting of Shareholders for the year 2018, held on April 27, 2018, passed a resolution approving the dividend payment, based on the operation results of the year 2017, of Baht 0.075 per share totaling of Baht 17.62 million.

23. PROVIDENT FUND

The subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3.0 percent of their basic salaries, and by the subsidiaries at the same rate, and will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by Thanachart Asset Management Company Limited.

The subsidiaries contributed to the fund for the year ended December 31, 2019 and 2018 as follows:

	Baht			
	Consolidated Financial Statements		Separated Financial Statements	
	2019	2018	2019	2018
Provident fund contribution	1,137,477.00	1,336,936.00	-	-

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2019 and 2018 were as follows:

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Changes in inventories of finished goods				
decrease (increase)	(2,908,321.28)	(4,044,987.83)	-	-
Raw material and consumables used	640,158,687.65	330,273,914.27	-	-
Employee expenses	139,553,058.40	115,299,242.84	-	-
Management compensation	14,101,160.00	14,313,190.00	1,110,000.00	1,065,000.00
Depreciation and Amortization	76,399,622.00	57,941,459.67	1,438.87	3,788.07
Rental and utility expenses	58,610,337.67	51,609,372.89	-	-
Repair and maintenance	78,224,683.64	68,050,320.11	-	-

25. SEGMENTATION INFORMATION

Segment information is presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, other income, selling expenses, administrative expenses and finance costs.

The Group's business segment information and reconciliation of reportable segment profit or loss for the year ended December 31, 2019 and 2018 were as follows:

Baht

Consolidated Financial Statements

For the year ended December 31, 2019

	Investment	Producer and Distributor of Ready to drink milk, drinks and fruit juice	Office for rent	Agriculture And dairy farm	Total	Eliminate	Total
Revenues from sales and services	-	1,129,799,887.86	-	57,421,063.75	1,187,220,951.61	-	1,187,220,951.61
Revenues from building rental and service	-	-	22,076,051.54	-	22,076,051.54	(3,273,991.46)	18,802,060.08
Total Revenues	-	1,129,799,887.86	22,076,051.54	57,421,063.75	1,209,297,003.15	(3,273,991.46)	1,206,023,011.69
Gross profit (loss)	-	188,189,849.59	11,261,165.65	(1,725,081.42)	195,829,677.79	(2,449,692.39)	195,276,241.43
Other income							39,981,705.34
Selling expenses							(4,211,853.08)
Administrative expenses							(49,630,189.78)
Management compensation							(14,101,160.00)
Loss from sales of biological asset - dairy cow							(5,233,735.00)
Finance costs							(20,128,040.07)
Share of profit (loss) of associate							(57,036,205.04)
Tax expense							(27,299,055.26)
Profit (loss) for the year							57,617,708.54
Fixed assets	918.91	865,217,122.88	221,690.89	6,277,130.91	871,716,863.59	-	871,716,863.59

Baht

Consolidated Financial Statements

For the year ended December 31, 2018

	Investment	Producer and Distributor of Ready to drink milk, drinks and fruit juice	Office for rent	Agriculture And dairy farm	Total	Eliminate	Total
Revenues from sales and services	-	700,749,774.40	-	63,525,650.45	764,275,424.85	-	764,275,424.85
Revenues from building rental and service	-	-	22,035,078.47	-	22,035,078.47	(3,259,869.81)	18,775,208.66
Total Revenues	-	700,749,774.40	22,035,078.47	63,525,650.45	786,310,503.32	(3,259,869.81)	783,050,633.51
Gross profit (loss)	-	100,118,445.45	11,285,216.83	3,368,585.69	114,772,247.97	(2,435,570.74)	112,336,677.23
Other income							39,208,348.22
Administrative expenses							(45,961,820.01)
Management compensation							(14,313,190.00)
Loss from sales of biological asset - dairy cow							(3,536,390.00)
Finance costs							(16,197,733.40)
Share of profit (loss) of associate							(77,864,190.35)
Tax expense							(13,355,066.57)
Profit (loss) for the year							(19,683,364.88)
Fixed assets	2,357.78	706,690,513.61	211,498.84	5,666,908.21	712,571,278.44	-	712,571,278.44

Information about major customers

For the year ended December 31, 2019 and 2018, the Company and its subsidiaries' revenues from four customers and three customers, respectively, from producer and distributor of ready to drink milk, drinks and fruit juice and Office for rent amounted to Baht 1,050.86 million and Baht 657.38 million, respectively.

26. CONTRACTS

26.1 Abico Land Co., Ltd. (a subsidiary company) extends the land lease contract for a plot of land where the Company's buildings and constructions are situated for a lease period of 10 years (contract ends on November 30, 2025) on December 1, 2015 with monthly rent of Baht 0.47 million. The subsidiary also agreed to pay for the leasehold right of Baht 7.60 million. Then, on October 7, 2016, the subsidiary has extended the lease again for 10 more years (contract ends on November 30, 2035) with monthly rent of Baht 0.65 million and pay additional for the leasehold right of Baht 4.50 million.

26.2 Abico Dairy Farm Co., Ltd. (a subsidiary company) is obligated under contract as follows:

1. a machinery rental agreement with another company. The subsidiary company will receive a commission from using the packing material of the company in order to supply packing services for the subsidiary company's customers. According to the terms of the agreement, the commission amounts have been calculated based on the percentage of the packing material used as defined in the agreement.
2. office rental and office service agreements with a related company which the duration is 3 years commencing from April 1, 2017 to March 31, 2020, with a rental fee of Baht 0.95 million per annum and a service fee of Baht 1.90 million per annum.
3. office equipment rental agreement with an associate which the duration is 3 years commencing from September 1, 2017 to August 31, 2020, with a rental fee of Baht 1.20 million per annum.

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019 and 2018, Abico Dairy Farm Co., Ltd. (a subsidiary company) has contingent liabilities in form of a bank guarantee for the Provincial Electricity Authority of Baht 4.64 million and Baht 4.08 million, respectively, under long-term financial support agreement (Note 18).

28. DISCLOSURES OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have no policy to undertake any financial derivatives for the purpose of speculation or trading.

The Company and subsidiaries are exposed to the risks of the fluctuation in the interest rates, foreign exchange rates and the credit risks as follows:

Risk from Interest

The Company and subsidiaries have interest rate risk because of loans obtained from commercial banks and financial institutions, defaulted liabilities according to the debt restructuring agreement, debts according to the rehabilitation plan, long-term loans and long-term loans due to related companies where the majority bear the floating interest rates. The Company and subsidiaries are therefore subjected to risk in relation to interest rates which may fluctuate with future market rates in that they may affect the operating results and cash flows of the Company and subsidiaries.

Risk from Exchange Rates

The Company and subsidiaries have no business transactions in foreign currencies. As such, is no such risk arises from exchange rate fluctuation.

As at December 31, 2019 and 2018, the Company had foreign exchange rate risk of financial liabilities denominated in foreign currencies as follows:

	Currency	Million Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Trade and other payables	US Dollar	10.42	14.52	-	-

Risk from Credit Provision

The Company is exposed to risk on credit provision relating to trade receivable, loans due from subsidiary company and related company.

Abico Dairy Farm Co., Ltd. (a subsidiary), relies solely on a few customers, which is the Company's risk which the Company is under the process to seek few customers in order to mitigate risk of dependency on limited customer to the Company's operation.

Fair Values

The financial assets and liabilities possess book values which are comparable to market values as these financial instruments will be due in the short-term and the long-term loans bear interest rates comparable to market circumstances. As a result, these financial assets and liabilities reflect their fair values.

29. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2019, the Group and the Company's debt-to-equity ratio were 0.96 : 1 and 0.05 : 1 respectively (December 31, 2018: 0.76 : 1 and 0.07 : 1 respectively).

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 25, 2020.