



บริษัท ซีเฟรชอินดัสตรี จำกัด (มหาชน)

Seafresh Industry Public Company Limited

รายงานประจำปี 2559
Annual Report 2016



Sustainable Business Growth
Through Core Value Practices

Social Responsibility

Ethic & Integrity

Transparency

BOARD OF DIRECTORS



1. Mr. Narit Chia-apor

Chairman of the Board and
Chief Executive Officer



5. Dr. Kamales Santivejkul

Independent Director and
Chairman of Audit Committee



2. Mrs. Tassanee Youngmeevithya

Director and Deputy Chief
Executive Officer



6. Dr. Sorachai Bhisalbutra

Independent Director and
Member of Audit Committee



3. Mr. Chintat Chia-apor

Director and Chief Overseas
Business Officer



7. Dr. Worapong Leewattanakit

Independent Director and
Member of Audit Committee



4. Mr. Narongrit Chiarawongvanit

Director



8. Mrs. Supanee Punnasri

Independent Director

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Message from the Chairman

In 2016, Thailand continued to recover from shrimp disease problem (EMS: Early Mortality Syndrome). Shrimp production volume in Thailand increased by about 15% compared to last year, bringing Thailand back to a total shrimp production of about 300,000 tons for the first time in 4 years. However, other countries have been affected by the problem of shrimp farming, both from shrimp disease and climate change. As a result, global shrimp production has hardly increased, resulting in a 6% increase in shrimp prices in Thailand compared to last year.

In addition, the UK referendum that has voted to leave the European Union (BREXIT) has resulted in British Pound currency depreciation around 18% compared to the same period in the prior year. This is an additional affecting factor besides the withdrawal of the European Union Generalized System of Preferences (GSP) benefits for Thailand since early 2015.

As a result of the mentioned factors, the Group's sales decreased by 3%, but the gross margin improved from 13.93% to 14.36%. However, the company's gross margin declined from 15.24% to 7.63% and net profit from the consolidated financial statements decreased by approximately Baht 200 million.

Among the negative factors, however, the Company continued to focus on product quality, safety, traceability system, on time delivery, and cost controls. The Company also emphasized on supply chain management as well as strengthening relationship and cooperation with strategic partners. We believe that all of these will enable the company to run a sustainable business and gain the confidence of customers around the world. Our continued efforts have earned us The Best Sustainability Award 2016 from the Stock Exchange of Thailand which we are proud of.

For business prospects in 2017, it is expected that Thai shrimp production will continue to increase due to effective farm management system and the global economy will be stronger than 2016.

Finally, the Company would like to thank our shareholders, customers, suppliers, and all employees for always trusting and supporting our operations.



(Mr. Narit Chia-apar)
Chairman of the Board of Directors

Board of Directors and Executives

Mr. Narit Chia-apor	Chairman of the Board of Directors Chief Executive Officer
Age	58 years old
Date of appointment as Director	29 November 1982
Education	College, Malaysia
Directorship Course	DCP: Director Certification Program By Thai Institute of Director (IOD)
Professional experience	1982 - Present Seafresh Industry Public Company Limited
Positions as director/executive office in other companies	
- Subsidiary by Seafresh Industry PCL.	: 3 companies
- Listed Company	: Nil
- Non-Listed Company	: 2 companies
- Other companies with conflict of interests	: Nil
Relationship with Management	Mrs. Tassanee Youngmeevithya's spouse Mr. Chintat Chia-apar's father
Shareholding ¹	By Mr. Narit Chia-apar 23.26% By Mrs. Tassanee Youngmeevithya (Spouse) 22.91%

Mrs. Tassanee Youngmeevithya	Director
	Deputy Chief Executive Officer
	Chairman of Risk Management Committee
	Chairman of Corporate Governance Committee
	Member of Nomination and Remuneration Committee
Age	62 years old
Date of appointment as Director	29 November 1982
Education	B.S (Economics)
Directorship Course	DCP: Director Certification Program By Thai Institute of Director (IOD)
Professional experience	1982 - Present Seafresh Industry Public Company Limited
Positions as director/executive office in other companies	
	- Subsidiary by Seafresh Industry PCL. : 3 companies
	- Listed Company : Nil
	- Non-Listed Company : 2 companies
	- Other companies with conflict of interests : Nil
Relationship with Management	Mr. Narit Chia-apar's spouse Mr. Chintat Chia-apar's mother
Shareholding ¹	By Mrs. Tassanee Youngmeevithya 22.91% By Mr. Narit Chia-apar (Spouse) 23.26%

Mr. Chintat Chia-apar	Director
	Chief Overseas Business Officer
Age	32 years old
Date of appointment as Director	28 April 2015
Education	Management MSc, Brunel University, UK Finance and Investment MSc, BPP business school, UK Bachelor Degree of Arts in Economics, Srinakarinwirot University
Directorship Course	DAP: Director Accreditation Program By Thai Institute of Director (IOD)
Professional experience	2011 - Present Seafresh Industry Public Company Limited
Positions as director/executive office in other companies	
- Subsidiary by Seafresh Industry PCL.	: 4 companies
- Listed Company	: Nil
- Non-Listed Company	: 1 companies
- Other companies with conflict of interests	: Nil
Relationship with Management	Son of Mr. Narit Chia-apar and Mrs. Tassanee Youngmeevithya
Shareholding ¹	By Mr. Chintat Chia-apar 14.47% By Spouse or immature children - Nil -

Board of Directors and Executives (Cont.)

Dr. Kamales Santivejkul		Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee
Age	66 years old	
Date of appointment as Director	27 July 1993	
Education	Ph.D. (Business Admin.) Oklahoma State University, USA	
Directorship Course	DCP: Director Certification Program By Thai Institute of Director (IOD)	
Professional experience		
2015 – Present	Advisor of Computer Center Faculty of Commerce and Accountancy, Chulalongkorn University	
2012 – 2015	Director of Computer Center Faculty of Commerce and Accountancy, Chulalongkorn University	
2008 - 2012	Associate Professor Department of Banking and Finance, Faculty of Commerce and Accountancy, Chulalongkorn University	
2004 - 2008	Deputy Dean & CIO, Chulalongkorn University	
1988 – 2007	Assistant Professor Department of Banking and Finance, Faculty of Commerce and Accountancy, Chulalongkorn University	
1995 - 2003	Director: Centers of Academic Resources, Chulalongkorn University	
1997 - 2000	Director: Office of Information Technology, Chulalongkorn University	
1986 - 2004	Director: Computer center, Faculty of Commerce and Accountancy, Chulalongkorn University	
Positions as director/executive office in other companies		
- Subsidiary by Seafresh Industry PCL.		: Nil
- Listed Company		: 2 company
- Non-Listed Company		: 2 companies
- Other companies with conflict of interests		: Nil
Relationship with Management	None	
Shareholding ¹	By Dr. Kamales Santivejkul By Spouse or immature children	0.22% - Nil -
Dr.Sorachai Bhisalbutra		Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee
Age	76 years old	
Date of appointment as Director	27 July 1993	
Education	Ph.D (Statistics) Oklahoma State University, USA	
Directorship Course	DAP: Director Accreditation Program By Thai Institute of Director (IOD)	
Professional experience		
2005 - 2016	Advisor to President and Vice President for Research and Academic Services, Dhurakijbundit University	
1999 - 2005	Deputy Dean-Research & development Department, Dhurakijbundit University	
1991 - 1998	Director of research center and business administration, Faculty of Commerce and Accountancy, Chulalongkorn University	
1991 - 1998	Assistant Dean of research section, Faculty of Commerce and Accountancy, Chulalongkorn University	
1995 - 1997	President of Thai Statistical Association, Statistical Association	

Board of Directors and Executives (Cont.)

Positions as director/executive office in other companies

- Subsidiary by Seafresh Industry PCL.	: Nil
- Listed Company	: Nil
- Non-Listed Company	: Nil
- Other companies with conflict of interests	: Nil

Relationship with Management	None	
Shareholding ¹	By Dr. Sorachai Bhisalbutra	0.20%
	By Spouse or immature children	0.27%

Dr. Worapong Leewattanakit

Independent Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Age	46 years old
Date of appointment as Director	28 July 2005
Education	Ph.D (Computer Science), Vienna University of Technology, Austria
Directorship Course	DAP: Director Accreditation Program By Thai Institute of Director (IOD)
Professional experience	
1996 - Present	Instructor – Faculty of Commerce and Accountancy, Chulalongkorn University
2005 - 2008	Director of Office of Information Technology, Chulalongkorn University

Positions as director/executive office in other companies

- Subsidiary by Seafresh Industry PCL.	: Nil
- Listed Company	: Nil
- Non-Listed Company	: Nil
- Other companies with conflict of interests	: Nil

Relationship with Management	None	
Shareholding ¹	By Dr. Worapong Leewattanakit	0.11%
	By Spouse or immature children	- Nil -

Mrs. Supanee Punnasri

Independent Director

Age	57 years old
Date of appointment as Director	28 April 2006
Education	Bachelor of Medical Science (Certificate of Medical) Professional experience
Directorship Course	DAP: Director Accreditation Program By Thai Institute of Director (IOD)
Professional experience	
1992 - 2012	Director: E.B. International Company Limited
1984 - 1992	Medical Doctor: Samui, Chaingrai, Chulalongkorn Hospital

Positions as director/executive office in other companies

- Subsidiary by Seafresh Industry PCL.	: Nil
- Listed Company	: Nil
- Non-Listed Company	: Nil
- Other companies with conflict of interests	: Nil

Relationship with Management	None	
Shareholding ¹	By Mrs. Supanee Punnasri	0.12%
	By Spouse or immature children	0.06%

Board of Directors and Executives (Cont.)

Mr. Narongrit Chiarawongvanit	Director	
Age	63 years old	
Date of appointment as Director	27 July 1993	
Education	College, Malaysia	
Directorship Course	DAP: Director Accreditation Program By Thai Institute of Director (IOD)	
Professional experience	1982 - Present	Seafresh Industry Public Company Limited
Positions as director/executive office in other companies		
- Subsidiary by Seafresh Industry PCL.	: Nil	
- Listed Company	: Nil	
- Non-Listed Company	: Nil	
- Other companies with conflict of interests	: Nil	
Relationship with Management	Mr. Narit Chia-apa's relative	
Shareholding ¹	By Mr. Narongrit Chiarawongvanit	0.56%
	By Spouse or immature children	0.12%
Mr. Chaisit Chuenchuwit	Chief Financial Officer	
	Member of Risk Management Committee	
	Member of Corporate Governance Committee	
	Company Secretary	
Age	38 years old	
Education	Master of Business Administration Bachelor of Business Administration Bachelor of Accounting	
Professional experience	2015 - Present	Chief Financial Officer, Seafresh Industry Public Company Limited
	2010 - Present	Company Secretary, Seafresh Industry Public Company Limited
	2006 - Present	Strategic Planning and Investment Department Manager, Seafresh Industry Public Company Limited
Relationship with Management	None	
Shareholding ¹	By Mr. Chaisit Chuenchuwit	- Nil -
	By Spouse or immature children	- Nil -
Mr. Boonlert Foongvannaluck	Chief Commercial Officer	
Age	46 years old	
Education	Bachelor of Business Administration	
Professional experience	1996 - Present	Seafresh Industry Public Company Limited
Relationship with Management	None	
Shareholding ¹	By Mr. Boonlert Foongvannaluck	0.05%
	By Spouse or immature children	- Nil -
Mr. Pairoj Yangthong	Chief Operating Officer	
Age	46 years old	
Education	Master of Business Administration	
Professional experience	1994 - Present	Seafresh Industry Public Company Limited
Shareholding ¹	0.01%	
Relationship with Management	None	
Shareholding ¹	By Mr. Pairoj Yangthong	0.01%
	By Spouse or immature children	0.004%

Board of Directors and Executives (Cont.)

Mrs. Phongsri Nittipho	Accounting Department Manager	
Age	51 years old	
Education	Bachelor of Business Administration (Accounting)	
Professional experience	2008 - Present	Seafresh Industry Public Company Limited
Relationship with Management	None	
Shareholding ¹	By Mrs. Phongsri Nittipho	0.001%
	By Spouse or immature children	- Nil -

¹ Numbers of shares on March 14th, 2017.

1. Policy and Business Operation Overview

Seafresh Industry Public Company Limited (CFRESH) is one of the leaders in frozen shrimp products. The company is operating business more than 30 years. We distribute products to all regions of the world such as North America, Europe, Asia, Africa and Oceania. The full capacity of production is over 30,000 tons per year with modern and standardized processes. The plant is located near large sources of raw materials. We have various products as the following frozen raw shrimp, frozen cooked shrimp and value-added shrimp products. The operation complied with food safety management, modern technology and reliable traceability systems. We have been committed to continually improve quality system, so CFRESH has received several international standard certifications such as GMP, HACCP, ISO 9001, ISO 14001, ISO 50001, ISO 22000, BRC, BAP.

In 2016, the company established own shrimp farm to emphasize sustainable business growth. At present the company has expanded investment in other countries. (5 Company's subsidiaries base in England, 1 company in United States and 1 affiliated company in Belize). These companies and farm can increase intimacy between consumer and distribution channel, and also strengthen the supply chain management of the company.

1.1 Company Performance Policy in Overview Defined by Board Committee

Mission: The best shrimp company

Vision: Sustainable business growth through core value practices

Core Value:

- Social Responsibility
- Ethic & Integrity
- Transparency

Business Policy:

S-Shareholders	: Safeguard the interests of shareholders by adding value to the business under the principles of good governance
U-Ultimate Results	: Results-based management where all departments must achieve their undertaking target in accordance to the strategic plan and business plan.
C-Customers	: Satisfy the customers by producing quality products and timely delivery.
C-Corporate Risk Management	: Manage various business risks by generally accepted standards.
E-Employees	: Manage human resources with efficiency and fairness in order to enhance the good environment and quality of work life that can yield its full potential.
S-Suppliers	: Select vendors who have management capabilities, possess approach that is consistent with the company policy, and have willingness to strengthen relations and strategic cooperation to jointly maximize business benefits.
S-Society and Environment	: Conduct business with regard to social responsibility, community and strict compliance with the law and environmental regulations.

1.2 Key Changes and Development

In October 2011, CFRESH established a new subsidiary Seafresh Industry Invest Limited (“SII”) registered in England with the company hold 51 percent of the total paid-up capital. The purpose of investment is related to the production and distribution of processed food products.

In the same month, CFRESH and SII invested in Blue Earth Foods Limited (“BEF”) which provide and distribute frozen food products and located in England. CFRESH and SII hold 25% and 75% of the total paid-up capital, respectively. Furthermore, SII also purchased 3,750,000 of redeemable preference shares with par value of 1 pound.

In November 2011, SII established a new subsidiary Sea Farms Limited (“SF”) which registered in England and SII hold 100% of the total paid-up capital. The purpose of investment is food business trading and including import food product from CFRESH and other vendors. This is also for distribution in UK and European countries.

In August 2012, SII invested in Belize Aquaculture Limited (“BAL”) which is fully integrated shrimp farm in Belize. BAL has hatchery, farming, and processing factory. SII holds 50% of the total paid-up capital.

In January 2013, CFRESH invested in Manufacturing System Implementation Company Limited (“MSI”) which located in Thailand. MSI provides consulting service and designed planning in computer systems in Oracle module. CFRESH holds 100% of the total paid-up capital.

In February 2013, CFRESH and SII established a new subsidiary Sea Farms, Inc. (“SFI”). The purposes of investment are purchase and distribute frozen food products. SFI registered in the United States of America. CFRESH and SII hold 25 and 65 percent of the total paid-up capital, respectively.

In March 2013, CFRESH and SII established a new subsidiary Prochaete Innovations Limited (“PCI”), which engages in research and production of fishmeal replacement product. PCI registered in England. CFRESH and SII hold 25 and 35 percent of the total paid-up capital, respectively.

In November 2014, SII changed the company’s name to be Seafresh Group (Holdings) Limited (“SGH”).

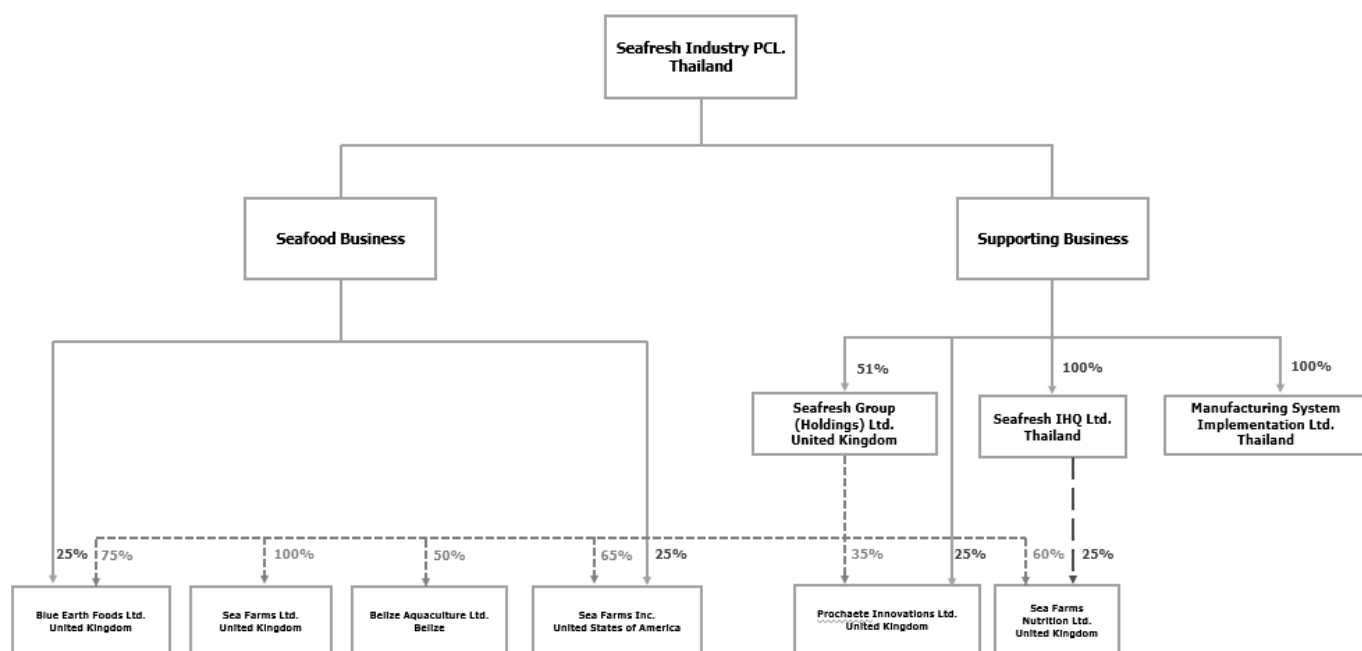
In August 2015, CFRESH established a new subsidiary as Seafresh IHQ Limited (“SIHQ”) which the company held 100 percent of the total shares. SIHQ principally engaged in managerial services, technical, support services and financial management services to companies in the Group.

In January 2016, SIHQ has increased authorized share capital for 890 million THB that make authorized share capital moved from 10 million THB into 900 million THB.

In the midyear of 2016, CFRESH commenced shrimp farming which complies with requirements and International standard for producing high quality shrimp to meet the high-end customers.

In September 2016, the group established a new subsidiary Sea Farms Nutrition Limited (“SFN”) which engages in produce and sells animals feed and nutrition. SFN registered in England. SGH and SIHQ hold 60 and 25 percent of the total paid-up capital, respectively.

1.3 Shareholding Group's Structure



Name list and percentage of shareholding by business partner

1. Temchu Limited and Mr. David Hall hold 49% of SGH
2. Mike & David's Fish Company holds 10% of SFI
3. Blue Aqua Consultancy Limited and Valemare Limited hold 40% of PCI
4. The Estate of Sir Barry M. Bowen and Bowen & Bowen Limited hold 50% of BAL which All business partners are not related parties with the company
5. Valemare Limited holds 15% of SFN

1.4 Relationship with Business Group of Major Shareholders

Company and subsidiaries have relationship neither rely on nor complete with other businesses in major shareholder group business significantly.

2. Core Business

Revenue Structure

Revenue Structure ⁽¹⁾	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Frozen raw shrimp ⁽²⁾	1,801	24	1,293	16	1,416	17
Frozen cooked shrimp ⁽²⁾	980	13	1,265	16	584	7
Value added shrimp ⁽³⁾	4,005	53	4,490	57	5,654	67
Other seafood products ⁽⁴⁾	787	10	754	10	722	8
Other Sales and Service ⁽⁵⁾	13	0	15	0	14	0
Other Incomes	32	0	72	1	85	1
Total ⁽⁶⁾	7,618	100	7,889	100	8,475	100

Note: ⁽¹⁾ All revenue already deducted related transaction

⁽²⁾ Operated by CFRESH, SF, SFI

⁽³⁾ Operated by CFRESH, BEF, SFI

⁽⁴⁾ Operated by CFRESH, BEF, SF, PCI, SFN

⁽⁵⁾ Operated by MSI, SIHQ

⁽⁶⁾ Total revenue excluded gains and losses on exchange rate

2.1 Products

There are four groups of products of Seafresh Industry Public Company Limited and subsidiaries. The first group is frozen raw shrimp product. The second group is frozen cooked shrimp product. The third group is value added shrimp product such as breaded shrimp, tempura shrimp and sushi shrimp. And the last group is other seafood product as raw seafood, ready to eat seafood. Most of products export to overseas under company trademark such as Seafresh, Sea Angel, Phoenix, Thai Chia, Go Go, Ultra, and trademarks under customers' brand.

1) Promotional Privileges

1.1) Promotional privileges by the Board of Investment

The Company has been granted various promotional privileges by the Board of Investment under the Investment Promotion Act. B.E. 2520. Details of the promotion certificates are as follows:

Certificate No.	Certificate's date	The promoted business	Date of first earning operating income
1498/2543	23 August 2000	The manufacture of frozen seafood, and frozen processed and semi-processed seafood products.	7 July 2003
1739(3)/2550	4 June 2007	The manufacture of frozen processed or semi-processed products.	1 July 2011
1740(2)/2550	20 June 2007	The manufacture of frozen seafood products.	1 July 2011
1070(2)/2557	9 January 2014	The manufacture of frozen seafood products.	No revenue in the present
1075(3)/2557	10 January 2014	The manufacture of semi-processed product and frozen product	No revenue in the present

Subject to certain imposed conditions, the privileges granted under the Company's promotion certificates include the following:

- a) Permission to own land in order to carry on the promoted activities, as deemed appropriate by the Board of Investment.
- b) Exemption from import duty on machinery imported for use in production, as approved by the Board.
- c) Exemption from corporate income tax on net profit for a period of eight years commencing as from the date of first earning income from the promoted operation. (Exemption certificate no. 1740(2)/2550 and 1070(2)/2557 not exceed 100 percent of investment).
- d) Exemption from income tax on dividends paid from the profit of the promoted operation, for a period of eight years.
- e) Permission to deduct costs of installation or construction of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.
- f) Exemption of income tax on profits rate of fifty percent of the normal rate for a period of five years from the date of the expiration that tax-exempt under section c) (Only exemption of certificate no. 1498/2543).

1.2) Other tax incentives

Seafresh IHQ Limited gained approval from the Revenue Department for the establishment of an international headquarters (IHQ)

Duration of tax incentives : 15 accounting periods beginning from January 1st, 2016

Tax incentives details are as follow:

1. The following income will be qualified for a corporate income tax exemption:
 - 1.1 Fees from providing management, technical, supporting or treasury services to its overseas associated enterprises or branch offices in overseas.
 - 1.2 Royalties from its overseas associated enterprises.
 - 1.3 Dividends received from its overseas associated enterprises.
 - 1.4 Capital gains from the sale of shares of its overseas associated enterprises. The only transferred shares estimated price that higher than investment.
 - 1.5 Sale income out-out transactions and fees earned from providing services relevant to the international trade business to its overseas.
2. Corporate income tax reduction for international headquarters from 20% of net profit to 10% of net profit (total fees must not exceeding income tax exemption in certification no. 1.1 and 1.2) as the following income:
 - 2.1 Fees from providing management, technical, supporting or treasury services to its associated enterprises in Thailand.
 - 2.2 Royalties from its associated enterprises in Thailand.
3. Specific business tax exemption to international headquarters for lending to any company in the group for only in case of treasury services.
4. A reduced and flat 15% personal income tax rate will be available to the expatriate employees of the international headquarters.
5. Corporate income tax exemption for a company or partnership that was established in accordance with international law and do not do any business in Thailand for the following incomes:
 - 5.1 Dividends paid from the IHQ for only the CIT exemption profits of IHQ, according to 1.
 - 5.2 Interest income from IHQ in case of only treasury center service activities.

1.3) Other Rights

Patent, concession, copyright, and other benefits

- nil -

2) Business Restriction

- nil -

2.2 Marketing and Competition

1) Marketing Strategy

1. Seafresh's factory is based in Chumphon. The location is near a lot of good quality shrimp farms, so the company can supply large quantities and high quality materials through the year and save cost of transportation.

2. The Company's major export markets are European Union, Japan, USA, Canada, Australia, and others. The Company's policy is diversify exports to each country in the right proportions for reduce the risk of dependence on a single market.

3. The Company's strategy to retain customers with on-time delivery and honesty to clients. The Company increases customer satisfaction by meet the agreement and focus on quality of products and great services.

4. The company focuses on shrimp products which make company expertise in shrimp. Moreover, the company also focuses on developing products resources with high quality and includes skill workers with expertise in the shrimp business. Therefore, the company can run operations smoothly and efficiently.

5. The Company has a policy to keep raw materials in right quantities and reasonable prices to solve the material shortages which caused from the outbreak in shrimp, weathering problems, quantity cultivate, etc. Furthermore the company and subsidiaries have estimated the allowance of decline value of inventory. The allowance determined by the turnover of inventory types.

6. The company focus on sustainable business with suppliers and environmental friendly.

7. In accordance with the company business core value which emphasizes sustainable business growth, the company establish own shrimp farm for the purpose of expand business to comprehensive supply chain. This farm is master farm which certified high standard and meet customer requirements. Furthermore, the farm can be a role model to shrimp farmer of developing their farm.

2) Marketing Policy

Company's policy is to produce high quality and high standards with advanced technology and high performance in order to maximize customers' satisfaction. In 2016, the company got 94% Satisfaction score from the customer's satisfaction survey.

We have system to monitor product quality at every step to ensure products are certified by the world-class quality as follows:

- **Good Manufacturing Practice (GMP)** from Department of Fisheries, and "Bureau Veritas Certification", is a standard of hygienic management in production and food safety, which uses to ensure that products are consistently produced, control according to quality standards and covers the fundamentals of production management.
- **Hazard Analysis Critical Control Point (HACCP)** from Department of Fisheries, and "Bureau Veritas Certification", is standard of food safety management for preventative approach to food safety and focus in production and distribution of food. It's the most significant aspects of quality and safety.
- **Q Mark** from Department of Fisheries is certificate that the company has a quality system and product meets standard of Q-Mark.
- **ISO9001** from "Bureau Veritas Certification" is a quality management standard utilize for establish, upgrade, and certify organization's process-based quality management system.
- **FSSCS 22000** from "Bureau Veritas Certification" is a complete certification scheme for Food Safety Management Systems FSSC22000 is a combination of two well-established standards: ISO 22000 and PAS 220 which there are 2 standards about food safety for food manufacturers.

- **BAP Standard** from Global Aquaculture Alliance is a certification system that combines site inspections with sanitary controls, therapeutic controls and traceability in seafood products by a standard retailer of USA.
- **Global Standard for Food Safety (BRC) Standard** from “Bureau Veritas Certification” is the standards that guarantee the standardization of quality, safety and operational criteria and ensure that manufactures fulfill their legal obligations and provide protection for the end consumer in United Kingdom and European Union country.
- **IFS Food Standard** from “Bureau Veritas Certification” is a quality and safety standard published by the union of German supermarket chains and it has been adopted by the French retailer equivalent. This standard certify about food safety and food quality.
- **Halal Standard** from The Central Islamic Council of Thailand is the integration process system from beginning to end of the "chain of production". Halal is complied with Islamic law and gets great hygienic food products with nutritional value.
- **ISO/IEC 17025** from “Bureau of Laboratory Quality Standards”, Ministry of Public Health is the Accreditation of Laboratory system.

Customer Type

Customers are divided to 4 categories.

- Importer: import for distribute to wholesalers and restaurants.
- Wholesaler: import for sell to retailers and restaurants.
- Retailer: import for sell to the chain stores.
- Reprocessor: import for raw or cooked shrimp to make new process or change new packaging.

Distribution and Distribute Channel

Most of Seafresh Industry Public Company Limited and its subsidiaries’ products are sold abroad under company trademark and customers’ trademark. The company deals directly with the customers who are the main retailers in each market. The company serves more than 100 clients who spread across the globe.

Sales proportion value group by specific regions of Seafresh Industry Public Company Limited included its subsidiaries.

Description	2016 (%)	2015 (%)	2014 (%)
1. European Union	72	74	78
2. Asia	12	12	13
3. U.S.A. and Canada	15	13	7
4. Australia, New Zealand and other	1	1	2
Total	100	100	100

The company has some subsidiaries based in United Kingdom, so the sales portion in EU Market is quite high when compared with the other markets. However, the origins of products sold in the EU market have come from many regions. In 2016, the portion of Thai products sold to EU was only 17% of total sales revenues. It has reduced the risk in case that EU announced any trade policies to boycott any products from Thailand.

Competition

In 2016, the variable weather conditions such as floods, drought including Early Mortality Syndrome (EMS) crisis effect to world shrimp production from main producer countries are stable which leading to world shrimp were raised up from last year.

At the same time, Thai shrimp farming has recovered its performance since last year. Especially, it has gained ability to control Early Mortality Syndrome (EMS) and gained success in better quality shrimp breed. As the result, Thailand shrimp production increased about 300,000 tons, which is increased about 15% from last year. However, Thai shrimp price did not lower because of price linkage from global market which increasing as mentioned above.

Overall, Thailand's shrimp export was raised up from last year, in term of quantity, which had most of proportion in North America, Japan, Vietnam, and Canada.

Export during the year 2016.

Japan Market

Japan's import volume from Worldwide increased about 4.5%, when compared with the previous year. The value added shrimp products were our main products which exported to Japan. Their volumes were increased in the same direction with total Japanese import. The situation showed that the company has ability to retain market share of this product group even Japan's market had high competitive circumstances in their market.

Europe Market

Due to economic issues in EU, quantity of overall imported shrimp by EU28 has increased by 1.6% when compared to previous year. For Thailand, after EU cut Thailand's GSP Privileges, custom duty of importing processed frozen shrimp has increased from 7% to be 20% since early 2013, and the rate of raw frozen shrimp has increased from 4.2% to be 12% since early 2014. This action made Thai exporters lost advantages in competition to GSP or EU's FTA contract owner countries. Furthermore, EU gave the yellow card to Thailand in case of IUU Fishing. Therefore, EU import value from Thailand declined from the previous year by 4%.

However, for the case of IUU Fishing in Thailand, Thai Government emphasized of this situation and has already started solving the problems seriously. The action made Thailand has continuously gained improved image from EU and combines with the company's policy that complies with customers' conditions for 10 years such as Non-illegal labor in all supply chain. Moreover, customers already have adapted their behaviors to cutting in GSP Privileges, which made value of the company's export to EU, in 2016, was approximately close to last year. The company had market base of subsidiaries in England, which made group's overall can retain its market proportion of major customers in EU.

In June 2016, United Kingdom had casted up the vote for Brexit, which had the resolution that United Kingdom would have left from EU. The event made depreciation in Pound Sterling and Euro. Product price highly increased when compared with other countries. However, the company's subsidiaries in England have settled this situation by customizing their strategy as focusing in changing trade transaction from Pound Sterling into USD. This made reducing in exchange rate's fluctuation risk.

For 2016, the company exported to EU about 5.7%, increasing from last year, which came from its subsidiaries' market base in England, and preserved its market proportion in EU.

North America Market

The US Department of Commerce announced the review of antidumping rate in the final results for importing frozen shrimp during February 1, 2014, to March 31, 2015, which give Thailand's rate at 1.36% from 1.1% at previous year. The US State Department has upgraded Thailand from a Tier 3 ranking into Tier 2 watchlist on its 2016 Trafficking in Persons (TIP) Report. According to Trafficking Victims Protection Act of 2000 or "TVPA" has started to have confidence in Thai fishery products imported to North America; even the antidumping policy still goes on.

For 2016, US imported shrimp from world market about 4.6% increasing from last year, while the company's export to US in 2016 was 31% higher from last year. The cause was various sale channels from

its subsidiaries in US. Plus, the company gained new customers from high quality and up to order product in reasonable price.

In 2016, Overall export from company to Japan and EU market was approximately close to past year. The company still gained growth in North America market including expanded its market and vary sale to new markets as ASEAN, China, Hongkong, Taiwan, South Korea, and Russia.

2.3 Product and Service Management

Production

Seafresh Industry Public Company Limited (CFRESH) has a plant in Chumphon province and Blue Earth Foods Limited which a subsidiary has a plant located in England. The total capacity for the major products in 2014-2016 as follows:

Full capacity and actual capacity (include subsidiary)

Capacity (Ton)	2016	2015	2014
Full capacity	30,000	30,000	30,000
Actual capacity	13,653	13,328	14,394
Chilled and frozen seafood products			
Capacity utilization (%)	45.51	44.43	47.98
Increase (Decrease) production rate (%)	2.44	(7.41)	(2.67)

Production policy depends on company's sales target which is estimated every year.

Raw Material and Suppliers

The origins of products of the company and its subsidiaries have come from many countries such as countries in America and Asia regions. However, the portion of origin from Thailand has been 40% of total raw material.

Regarding Thai shrimp products, raw material more than 98% come from Thailand such as Vannamei, Black Tiger shrimp etc. Source of raw shrimp from farms covers areas in Chumphon, Surat Thani, Ranong, Prachuap Khiri Khan. All raw materials are purchased from domestic suppliers. The Company will purchase raw materials from almost 400 shrimp farmers

In 2016, the company established its owned shrimp farm for the purpose of expanding business to comprehensive supply chain. This farm is the prototype farm which certified high standard and meet customer requirements.

Raw materials purchase from suppliers, more than 30 percent of all order value.

- Nil -

Average Raw material price (Vannamei) per kilogram, 2016

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Price/Baht	190	206	197	170	174	195	197	202	200	198	206	215

Raw Material Problem

For 2016, Thailand has recovered from Early Mortality Syndrome (EMS), which made production amount of shrimp product in Thailand increasing by 15% from previous year especially in large farm. The increasing of shrimp production cause to shrimp farmers have more confident to shrimp farming. Moreover, government and private sector were coordinating to resolved EMS which leading to successive of shrimp farming.

Environment Impact

Company's production processes do not have any environmental impact and comply with environmental management system ISO14001. The resource management involves with resource efficiency resource management, sustainable energy utilize, waste management from the production and distribute in a form of debris. Regarding the pollution from production process, the company has a system for monitoring performance and installation wastewater treatment system under industry office control. The processes are followed with legal and compliance management system and continuous improvement. The company spent costs for wastewater treatment in year 2015-2016 are 288,102 Baht and 237,019 Baht respectively.

3. Risk Factors

The Company recognizes the importance of risk from various factors that may arise at any time, whether under or beyond the Company's expectation and control. Such risk may affect the goals and objectives of the business both in the short and long term. Therefore, the Company has set up the Risk Management Committee since 2011 to oversee that all relevant parties undertake appropriate and adequate risk management in accordance with international guidelines and to continuously improve the risk management process and efficiency.

In 2016, there are still significant risks to the company as well as to Thai entrepreneurs in the same industry as last year. The Company has summarized the risks based on various factors including risk management as follows:

3.1 Strategic Risk

1) Market Competition

Shrimp has been recognized as a popular product among all seafood. Demand for shrimp consumption has steadily grown along with the expansion of the city and the number of consumers with improved income. This industry, therefore, attracts entrepreneurs throughout the supply chain both domestically and internationally to gain a share in one of the top-grossing markets of seafood business. There is no doubt that marketing competition in all aspects, whether it is product, service, price or distribution channel, etc. is a challenging risk that the Company pays great attention to.

Risk Management

The Company manages above risk by:

- Creates and maintains customer and stakeholder confidence in the Company's production process, food safety management, environmental management, labor practices, and traceability system, which are certified according to international standards such as HACCP (Hazard Analysis Critical Control Point), GMP, BRC Global Standard, BAP (Best Aquaculture Practices), IFS (International Featured Standard), Q Mark, Halal, ISO9001:2015, FSSC22000, ISO/IEC17025, ISO 14001, ISO50001, OHSAS 18001 and CSR-DIW, etc.
- Flexibility to meet the requirements of each partner that are diverse in both the product and service.
- Create unique product identities that are distinctly different from those products in the market, especially the quality and freshness.
- Strengthen business relationship between customers and company.
- Continuously improve production processes to increase production efficiency and control a competitive product costs.
- Diversify the investment abroad, which allows the Company to distribute more products through its distribution channels.
- Invest in a prototype shrimp farm that complies with international standards and regulations to produce high quality shrimp that meet the requirements of the upper tier market.

2) Overseas investment

Since 2011, the Company has expanded its business by investing in the import, reprocessing, distribution of frozen shrimp and seafood products in the United Kingdom and the United States which are large markets that focused on quality and product standards. In addition, it has invested in shrimp farming in Belize, located in the Central American coast, which is a suitable location for high quality shrimp culture. Overall, such overseas investments provide satisfactory returns. However, foreign

investment contains risks from diverse factors such as political, legal or foreign economic conditions that are subject to change over time.

Risk management

The Company manages above risk by:

- Appointment of directors to oversee operations of subsidiaries and set up subcommittees to closely review the operations of companies in the group. In the past year, subcommittee meetings were held at least once a month.
- Retain leading consultants to review and provide strategic and operational advice.
- Create information systems and enterprise planning systems to interconnect the Company and its subsidiaries abroad, enabling immediate access and review of information.
- Assign staff members from various departments to work in overseas companies on both temporary and regular basis.
- Hold a meeting between senior executives of the Company and its subsidiaries approximately once a month, including joint planning in terms of annual plans, expansion or additional investment.

3.2 Operational Risk

1) Fluctuation of raw material price and quantity

In 2016, shrimp farming in Thailand as a whole has continued to recover from previous years as a result of improved farm development and shrimp farming processes that are more effective. However, the overall yield is still lower than the level that can be produced prior to the outbreak of EMS disease (Early Mortality Syndrome) in 2012.

Although domestic shrimp production has increased in 2016, average shrimp prices have increased over the same period in the prior year, especially small shrimp. This is because major Asian producing countries, such as India, Indonesia, Vietnam and China, face the challenges of pandemics, bad weather and natural disasters.

Risk Management

The Company manages above risk by:

- Reserve raw materials for production in appropriate quantities and prices.
- Staff teams can access and purchase raw materials directly from farmers in dispersed areas.
- Maintain a good relationship with farmers.
- Extend investment in shrimp farm business continuously as a source of high quality raw materials.
- The subsidiaries help distributing raw material purchased from other countries, such as those imported from countries in the Americas and Asia. The proportion of raw materials from these countries accounts for 60% of total raw material value.
- The subsidiaries sell other seafood products in addition to shrimp, currently accounting for 10% of total revenue.

2) Geographical concentration of customers

Most of the Company's and subsidiaries' customers or around 72% are still EU customers. As a result, the company's operations may be affected by the change of events due to the economic and political risk factors of the European Union. The results of the referendum for the UK to leave the European Community, for instance, have affected the exchange rate and trade measures that will follow.

Risk Management

The Company manages such risks as follows:

- Expand sales from only Thailand to other countries outside the European Union. The Company's sales in the year 2016 increased by 8%. The export from Thailand to the European Union of the Company in 2016 is close to that of the year 2015.
- Follow up on the trade information of the importing country closely. Study the potential impact on the company to prepare for timely preventive action.

3.3 Financial Risk

1) Fluctuation of currency exchange rate

The Company's main income is mostly in foreign currency from export to overseas including its subsidiaries, mainly in foreign countries. Therefore, fluctuation of foreign exchange rate is a risk that will affect the income when converted into Thai Baht.

Risk Management

The Company manages above risk by:

- Set up a foreign exchange sub-committee to review the guidelines and actions taken to reduce the risk impact and diversify the risk from foreign exchange rate changes.
- Follow up information closely. The Company uses financial instruments such as derivatives to hedge foreign exchange risk appropriately at each period.
- Natural hedge is used by borrowing money in foreign currency to balance the exchange rate, thus reducing the impact of exchange rate risk and also reducing the cost of risk management.

2) Fluctuation of interest rate

The Company has a floating interest rate loan, which puts the Company at risk from interest rate fluctuations in the market. This will affect the Company's operating results and cash flow.

Risk Management

The Company manages above risk by:

- Follow up money market movements and market interest rates trend to manage the risks from interest rate changes.
- For floating rate loans, derivative financial instruments, such as interest rate swaps, are used to manage significant borrowing transactions in order to provide the Company with reasonable financial costs in accordance with the relevant market conditions.

3.4 Compliance Risk

1) Food safety regulation compliance

The importing countries of the company's products have strict food safety regulations. These regulations are often reviewed and updated regularly to protect consumers from potentially life-threatening hazards from consumption of foods that are not processed and verified in accordance with the standard. The Company has confidence in its continuous compliance with relevant laws and regulations.

Risk Management

The Company manages above risk by:

- Develop management systems in the areas of production process, food quality and standards, labor, environment, and traceability. The Company has been certified by various internationally accepted standards in the industry, such as HACCP (Hazard Analysis Critical Control Point), GMP, BRC Global Standard, ISO9001:2015, FSSC22000,

ISO/IEC17025, ISO 14001, ISO50001, BAP (Best Aquaculture Practices) Standard, OHSAS 18001, IFS (International Featured Standard), Q Mark, Halal Standard, CSR-DIW, etc.

2) Trade Measures of Importing Countries

Almost all of the company's frozen shrimp products are shipped to foreign countries. Impacts on the Company's operations from various trade measures of importing countries such as Illegal, Unreported, and Unregulated measure (IUU), revocation of Generalized System of Preferences (GSP), issues related to child labor and forced labor, the US anti-dumping measure, etc. are then inevitable

Risk Management

The Company manages above risk by:

- Closely assess trade information of importing countries and identify possible impacts in order to prepare necessary response actions in time.
- Expand customer network and overseas investment across multiple countries in order to reduce dependency risk on any particular market.
- Fully comply with Thai labor standard regulations. Obtain certification of compliance with TLS 8001-2553 (Thai Labor Standard), the highest complete level, from The Ministry of Labor as well as OHSAS 18001 (Standard for occupational health and safety management systems). Receive a certification for outstanding national establishment in occupational health, safety, and environment in the work place.
- Require all suppliers and contractors in the supply chain not to employ child labor under the age of 18 years old, assign pregnant employees to dangerous work, use forced labor, or use involuntary labor

3.5 Shareholders' Investment Risk

Chia-apar group and related parties hold 66.68 percent of company's total paid up shares. This enables an almost absolute control of shareholders' vote with an exception of at least 3 out of 4 voting in shareholders' meeting as required by law. Therefore, minority shareholders will be unable to gather enough votes to counterbalance the majority shareholders' proposals.

Risk Management

The company requires all important decisions to receive an approval from the Board of Directors. Not less than half of the members of the Board of Directors are independent directors who do not have a material relationship with the majority shareholders. Therefore, independent directors are able to act as an effective counterbalance to majority shareholders for the benefit of minority shareholders.

4. General Information and Other Important Information

4.1 General Information

Name of company	Seafresh Industry Public Company Limited or CFRESH
Register No	0107537000751
Head Office & Factory	402 Moo 8, Chumphon-Paknam Road, Paknam, Muang, Chumphon 86120, Thailand Telephone: +66 7752 1321-3 Fax: +66 7752 1007
Branch Office	152/25 Chartered Square Bldg., 31 st fl., North Sathon Rd., Silom, Bangrak, Bangkok 10500, Thailand Telephone: +66 2637 8888 Fax: +66 2637 8801
Home Page	www.seafresh.com
E-mail	seafresh@seafresh.com
Type of business	Manufacturing and Distributing Frozen Raw Shrimp, Frozen Cooked Shrimp, and Frozen Value-added Shrimp
Issued and paid-up share capital	463,549,600 shares of common stock, Par value: 1 baht per share

4.2 Subsidiary/Associated Company which holding by CFRESH exceed 10%

1. Seafresh Group (Holdings) Limited

Head Office & Factory	Atlantic House, Oxleasow Road, East Moons Moat, Redditch, Worcestershire United Kingdom B98 0RE Telephone: +44 1527 460 460 Fax: +44 1527 460 461
Type of business	Investment in Manufacturing and Distributing Processed Food Products Business
Issued and paid-up share capital	20,000 shares of common stock, Par value: 0.50 pound per share
Percentage of shares holding by CFRESH	51%

2. Blue Earth Foods Limited

Head Office & Factory	Ocean House, Oxleasow Road, East Moons Moat, Redditch, Worcestershire United Kingdom B98 0RE Telephone: +44 1527 519 900 Fax: +44 1527 519 901
Type of business	Manufacturing and Distributing Frozen Food Products
Issued and paid-up share capital	30,000 shares of common stock, Par value: 0.10 pound per share
Percentage of shares holding by CFRESH	63.25% (CFRESH holds 25% and Seafresh Group (Holdings) Limited holds 75%)

3. Sea Farms Limited

Head Office & Factory	Atlantic House, Oxleasow Road, East Moons Moat, Redditch, Worcestershire United Kingdom B98 0RE Telephone: +44 1527 460 460 Fax: +44 1527 460 461
Type of business	Importing and Distributing Seafood Products
Issued and paid-up share capital	1 share of common stock, Par value: 1 pound per share
Percentage of shares holding by CFRESH	51% (Seafresh Group (Holdings) Limited holds 100%)

4. Prochaete Innovations Limited

Head Office & Factory	Ocean House, Oxleasow Road, East Moons Moat, Redditch, Worcestershire United Kingdom B98 ORE Telephone: +44 1527 460 460
Type of business	Research and produce fish meal replacement product.
Issued and paid-up share capital	100 shares of common stock, Par value: 1 pound per share
Percentage of shares holding by CFRESH	42.85% (CFRESH holds 25% and Seafresh Group (Holdings) Limited holds 35%)

5. Belize Aquaculture Limited

Head Office & Factory	Mile 4, Placencia, Stann Creek District, Belize, Central America Telephone: + 501 521 2100 Fax: + 501 521 2190
Type of business	Fully integrated shrimp farming operation which start from hatchery, farming, and factory.
Issued and paid-up share capital	13,750,188 shares of common stock, Par value: 1 Belize dollar per share
Percentage of shares holding by CFRESH	25.50% (Seafresh Group (Holdings) Limited holds 50%)

6. Sea Farms, Inc

Head Office & Factory	2288 W Commodore Way, Seattle, WA 98199 United States Telephone: +1 206 403 1417 Fax: +1 206 432 9940
Type of business	Import and Distribution Seafood Products.
Issued and paid-up share capital	10,000 shares of common stock, Par value: 1 US dollar per share
Percentage of shares holding by CFRESH	58.15% (CFRESH holds 25% and Seafresh Group (Holdings) Limited holds 65%)

7. Manufacturing Systems Implementation Company Limited (MSI)

Head Office & Factory	12 th A Floor, Chartered Square Building, 152/25 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand Telephone: +66 2637 8453 Fax: +66 2637 8456
Type of business	Consultant and computer systems
Issued and paid-up share capital	50,000 shares of common stock, Paid value: 60 Baht per share
Percentage of shares holding by CFRESH	CFRESH holds 100%

8. Seafresh IHQ Limited (SIHQ)

Head Office & Factory	152/25 Chartered Square Bldg., 31st Fl., North Sathon Rd, Silom, Bangrak, Bangkok 10500 Telephone: +66 2637 8888 Fax: +66 2637 8801-2
Type of business	Management, technical support and treasury services to Companies in the Group
Issued and paid-up share capital	180,000,000 shares of common stock, Paid value: 5 Baht per share
Percentage of shares holding by CFRESH	CFRESH holds 100%

9. Sea Farms Nutrition Limited

Head Office & Factory	Atlantic House, Oxleasow Road, East Moons Moat, Redditch, Worcestershire United Kingdom B98 0RE Telephone: +44 1527 460 460 Fax: +44 1527 460 461
Type of business	Produce and sell animals feed and nutrition
Issued and paid-up share capital	10,000 shares of common stock, Par value: 1 pound per share
Percentage of shares holding by CFRESH	55.6% (Seafresh Group (Holdings) Limited holds 60% SIHQ holds 25%)

Other Reference

Auditor

PricewaterhouseCoopers ABAS Limited
15th Fl, Bangkok City Tower,
179/74-80., South Sathorn Road., Bangkok
10120
Telephone: +66 2344 1000
Fax: +66 2286 5050

Share Register

Thailand Securities Depository Company Limited
93, the Stock Exchange of Thailand Bldg.,
Ratchadapisek Rd., Dindaeng, Dindaeng, Bangkok
10400
Telephone: +66 2009 9000
Fax: +66 2009 9991

4.3 Other Important Information

Investors can find more information from company's annual statement (module 56-1) as listed on The Securities and Exchange Commission of Thailand's website or www.sec.or.th.

5. Shareholders

Major Shareholders

Major Shareholders (at 14th March 2016)

	Shareholders	Stock amount	%
1.	Chia-apar Group	200,322,700	43.21%
2.	Mrs. Tassanee Youngmeevithya	106,200,000	22.91%
3.	Thai N.V.D.R. Co.,Ltd	22,809,250	4.92%
4.	Mr. Chatchai Tangsricharoenporn	15,548,500	3.35%
5.	Mrs.Wijarinee Harikul	5,080,000	1.10%
6.	Mr. Pew Apiratikul	3,600,000	0.78%
7.	Mr. Kritsanapan Supanrode	3,333,000	0.72%
8.	Mrs. Jarassri Phongpirodom	3,249,300	0.70%
9.	Mr. Vithit Phongpirodom	3,000,000	0.65%
10.	Mr. Narongrit Chiarawongvanit	2,593,800	0.56%

Remarks: Chia-apar Group consists of:

1. Mr. Narit Chia-apar
2. Mr. Chintat Chia-apar
3. Miss Chankate Chia-apar

Related persons consist:

1. Mrs. Tassanee Youngmeevithya
2. Mr. Narongrit Chiarawongvanit

Shareholders able to visit website for updating information via <http://www.seafresh.com/investor> before the annual meeting date.

Other Securities Issuance

1. Warrants

Year 2015 the company has allocated warrants (ESOP No.3) to the directors and employees 22,145,000 total amount of warrants is 22,145,000 units at 0 Baht per unit with a 4-year. Duration and the exercise right of 12.00 Baht per unit which is higher than the market price at that time. Furthermore, neither director nor employee is allowed the allocation of over 5% of the total amount of warrants which is offered to the employees and board of directors.

2. Debentures

Type	: Name-registered, unsubordinated and unsecured without debenture holders' representative
Offering	: Institutional Investors and high net worth investor
Amount of offered Debentures	: Not exceeding 500,000. - Units
Value of offered Debentures	: Not exceeding 500,000,000. – Baht
Par Value	: 1,000. – Baht
Offering price per unit	: 1,000. – Baht
Interest rate	: 4.30% Fixed rate per annum
Term of debenture	: 5 years from the issuing date
Issuing date	: 27 May 2016
Maturity date	: 27 May 2021
Call redemption	: The Company ineligible to redeem debentures prior to the maturity date unless redemption defined in eligibility requirements and the debenture-holder ineligible to redeem the debentures prior to the maturity date.
Status of debenture	: The debentures are the company's indebtedness having the same status for every unit. The holders of the debentures have the right to receive payment not inferior to the right to receive payment of the ordinary and unsubordinated creditors of the company, whether presently or in the future except for the debts protected by law to have priority to receive payment.
Registrar of debenture	: Siam Commercial Bank Public Company Limited
Credit rating	: The Company rating is BBB (Stable) by TRIS Rating Company Limited effective date 26 April 2016. The Issuer shall annual review company rating throughout the term of debenture to comply with SEC.

6. Dividend Payment Policy

The dividend payment policy is not less than 40% of net income after corporate income taxes and all types of reserved fund as required by law. Nevertheless, the dividend payment policy may change, depending on performance, cash flow, investment plan, and economic outlook. Moreover, the Board of Directors' resolution approving dividend payment shall be proposed for final approval with shareholders' meeting.

The subsidiary company's policy is to make dividend payment of no less than 50% of the net profit after tax to the shareholders of the subsidiary company. Nevertheless, the dividend payment policy may change, depending on performance, cash flow, investment plan, and economic outlook. Moreover, dividend payment shall be proposed for final approval with subsidiary's shareholder meeting.

7. Management Structure

7.1 Board of Directors

Name	Position	Attendance/ No. of attendance
1. Mr. Narit Chia-apar	Chairman of the Board of Directors/ Chief Executive Officer	8/10
2. Mrs. Tassanee Youngmeevithya	Director/ Deputy Chief Executive Officer/ Chairman of Risk Management Committee/ Chairman of Corporate Governance Committee/ Member of Nomination and Remuneration Committee	10/10
3. Mr. Narongrit Chiarawongvanit	Director	10/10
4. Dr. Kamales Santivejkul	Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee	9/10
5. Dr. Sorachai Bhisalbutra	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	10/10
6. Dr. Worapong Leewattanakit	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	10/10
7. Mrs. Supanee Punnasri*	Independent Director	9/10
8. Mr. Chintat Chia-apar	Director/ Chief Overseas Business Officer	10/10

* Independent director with relevant business experiences.

1) Responsibility of the Board of Directors

1. Set up core policy for business practice and operative direction of the company.
2. Approval consideration of annual investment budget.
3. Approval consideration of loan and lending to subsidiary and joint venture.
4. In considering approval of related transaction, a majority vote of no less than three-fourths from the whole board of directors is required in accordance with the Stock Exchange of Thailand regulations concerning to the related transactions of registered companies.
5. Approval consideration of ad hoc dividend payment.
6. Manage company's operation in accordance to objective, regulation, and shareholders' vote with honesty, sincerity, and carefulness to protect the company's interest.

2) Roles and Duties of Chairman of the Board of Directors

1. Supervise Directors to attend their duties effectively.
2. Set meeting agendas together with Company Secretary.
3. Make sure that all Directors have got important information, which use to consider each meeting agenda in time.
4. Encourage Directors to discuss, question, and suggest in meeting.
5. Enhance relationship among directors, and relationship between the Board and Management.
6. Gain trust through effective communication with shareholders.

3) Ratio of director who represent shareholders

- Nil -

The Board of Directors comprise of 8 persons from 3 directors with executive role, 1 non-executive director, and 4 independent directors or 50% of the entire Board.

The board of directors has authority to consider who are authorized to sign along with the company's stamp.

In case of the board of directors has authorized others to manage the business routine on their behalf, such authorization must be in accordance with the meeting resolutions. Such authorization must consist of clear limitations on roles and responsibilities and the authorized persons are not able to approve items that are in conflict of interest between themselves and the company, proxy, or other subsidiaries.

4) Executive Board

Name	Position
Mr. Narit Chia-apar	Chairman of Executive Director
Mrs. Tassanee Youngmeevithya	Deputy Chairman of Executive Director
Mr. Chintat Chia-apar	Executive Director

The director who authorized to sign along with the company's stamp on behalf of the company is Mr. Narit Chia-apar, Chairman, signing with the company seal affixed or Mrs. Tassanee Youngmeevithya and Mr. Chintat Chia-apar signing with the company seal affixed, Only certifying true copies of documents of the Company or related to the Company, financial statements, commercial contracts, export or import documents, and employee contracts, one of directors signing with the company seal affixed can bind the Company.

5) Independent Director's Qualification

In the selection of independent director, the Board has set the following qualification guidelines and definition of "Independent" in complies with the SET and SEC regulations as follows:

1. Holding share not excess 1% of total voting rights capital of the company, subsidiary, affiliate or juristic person who may have a conflict of interest including the related persons of independent director.
2. Is not or never has been executive, employee, regular-paid consultant, controlling person of the company, subsidiary, affiliate, major shareholder, controlling person or juristic person who may have a conflict of interest. Except the qualified person who being of such position over 2 years before nominating.
3. Not being a lineage or legal registration family regarding with director, executive, major shareholder, controlling person, or expected the new nominating executive, or controlling person of company/subsidiaries.
4. No business relationship with the company, subsidiary, affiliate or juristic person who may have a conflict of interest including a relationship about professional services, business trading according to SEC regulations both present and within two years before nominating.
5. Not being a nominee of a major shareholder, or a related person of major shareholder.
6. Not operate business in the same nature of the company or subsidiary or not being a shareholder of the same nature of the company or being an executive director, employee regular-paid consultant of another company that has the same nature as the company.
7. Other characteristics that cause unable to express opinion independently.

6) The Board of Director's Performance Assessment

The Board of Directors has conducted performance assessment of the entire to accordance with the SET guideline which requires to be conducted on a yearly basis which divided by principle as follows:

6.1) The Board of Director's performance (as group) assessment by subject as follows:

1. Structure and Characteristics of the Board

2. Roles and Responsibilities of the Board
3. Board meetings attendance
4. The Board's performance of duties
5. Relationship with management
6. Self-development of Directors and executives development

6.2) The Board of Director's individual self-assessments by subject as follows:

1. Roles and responsibilities of the board
2. Board Meeting attendance
3. Duties of director
4. Relationship with the management
5. Self-development of directors and executives development

The result of Board of Director's performance assessment and self-assessment for the year 2016 is in the level of "Very Good". The Board intends to use this result to further improve their performance.

6.3) Chief Executive Officer annual performance assessment

The Board of Directors has conducted annual performance assessment of Chief Executive Officer to accordance with the SET guideline. The company has delivered assessment to the committee evaluation which includes assessment topics as follows:

1. Leadership
2. Strategies
3. Compliance to strategies
4. Planning and financial practices.
5. Relationship with Board of Directors
6. Relationship with externals
7. Management and relationships with employees
8. Succession
9. Product knowledge and services
10. Personal attribute

CEO performance for year 2016 was evaluated by 7 directors (excluding CEO). Overall in 10 topics considered an excellent.

6.4) Sub-committee annual performance assessment

The board also held annual evaluation of the Board of Directors for each set included the Audit Committee, Risk Management Committee, Corporate Governance Committee, and Nomination and Remuneration Committee. The performance evaluation result for each sub-committee overall is in very good criterion.

7.2 Executive Board

Name	Position
1. Mr. Narit Chia-apar	Chief Executive Officer
2. Mrs.Tassanee Youngmeevithya	Deputy Chief Executive Officer
3. Mr. Chintat Chia-apar	Chief Overseas Business Officer
4. Mr. Chaisit Chuenchuwit	Chief Financial Officer
5. Mr. Boonlert Foongvannaluck	Chief Commercial Officer
6. Mr. Pairoj Yangthong	Chief Operating Officer
7. Mrs.Phongsri Nittipho	Accounting Department Manager

1) The Responsibility of Executives

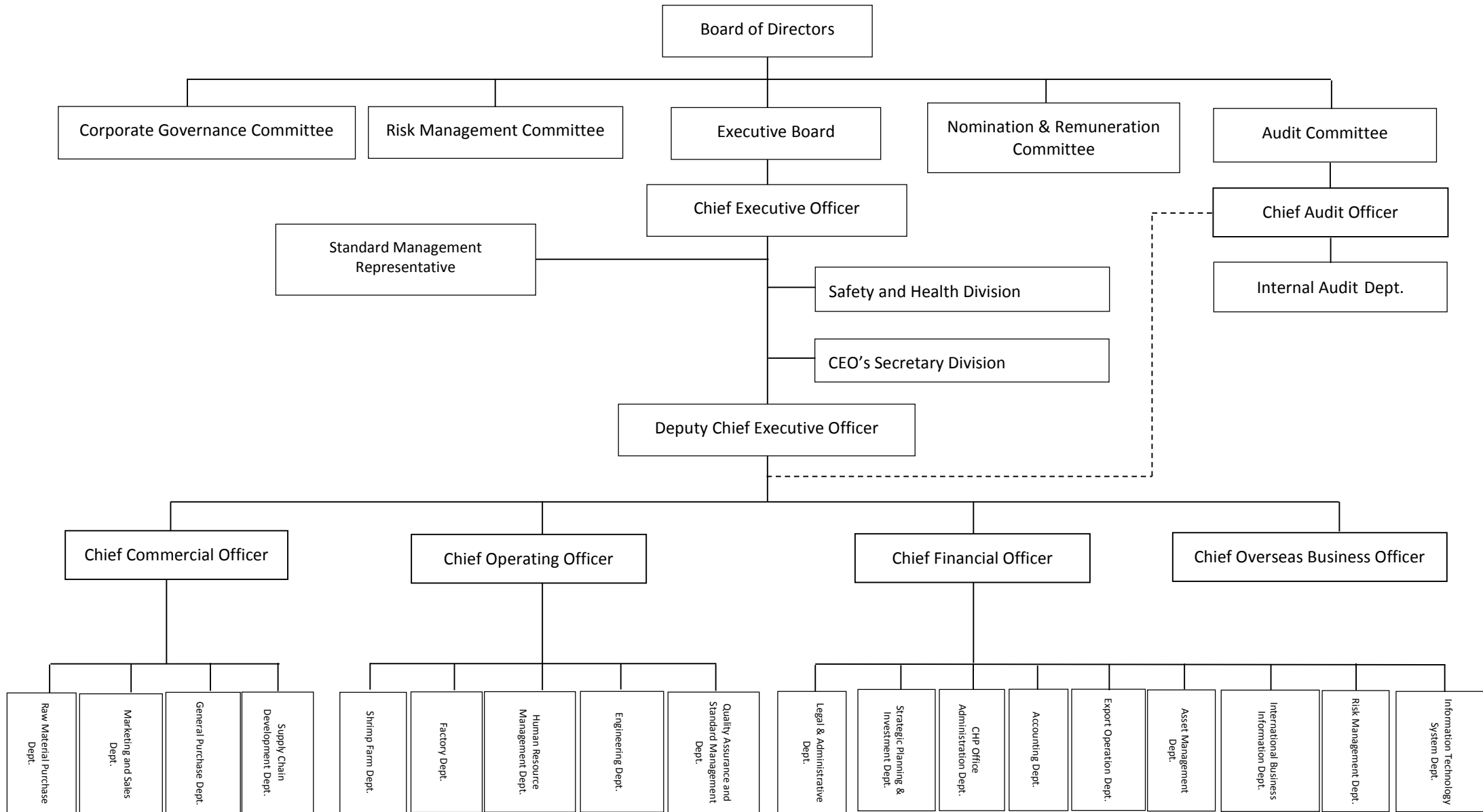
1. To determine general company's policy in order to coordinate with the board of directors.
2. To manage company's internal operations and to determine the general Company's management system.
3. To determine the structure of the company's administration to coordinate with the board of directors.
4. Plan and set up general company's projects.
5. To direct, coordinate, monitor, and assign; affiliated unit, position, responsibilities, and delegate authority, in consideration of appropriate and efficiency.
6. To determine objective in order to properly manage with high efficiency and following the company's policy.

2) Succession Plan

The Board of Directors realized the importance of company's human resource. For sustainable business, the company had proceeded as follows:

1. Company arranged training course for manager level and above to increase their potential such as Leadership in Action course and Good to Great Personality for Work Smart.
2. Company appropriated task to more challenge and job rotation for increase knowledge of employee which is important factor to in career growth.
3. Company considered remuneration and preferment by corporate KPI through Balanced Scorecard concept.

Organization Chart of Seafresh Industry Public Company Limited



Report on Securities Holding of Director and Executives						
Name	Position	Shareholding As on March 10, 2016		Change during year	Shareholding As on March 14, 2017	
		Shares	%	Shares	Shares	%
Mr.Narit Chia-apar	Chairman of the Board of Directors/ Chief Executive Officer	107,803,000	23.26	-	107,803,000	23.26
Mrs.Tassanee Youngmeevithya	Director/ Deputy Chief Executive Officer/ Chairman of Risk Management Committee/ Chairman of Corporate Governance Committee/ Member of Nomination and Remuneration Committee	106,200,000	22.91	-	106,200,000	22.91
Mr.Chintat Chia-apar	Director/ Chief Overseas Business Officer	67,053,500	14.47	-	67,053,500	14.47
Mr.Narongrit Chiarawongvanit	Director	3,128,200	0.68	-	3,128,200	0.68
Dr.Kamales Santivejkul	Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee	1,000,000	0.22	-	1,000,000	0.22
Dr.Sorachai Bhisalbutra	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	2,198,200	0.47	-	2,198,200	0.47
Dr.Worapong Leewattanakit	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	500,000	0.11	-	500,000	0.11
Mrs.Supanee Punnasri	Independent Director	841,900	0.18	-	841,900	0.18

Report on Securities Holding of Director and Executives (Continued)						
Name	Position	Shareholding As on March 10, 2016		Change during year	Shareholding As on March 14, 2017	
		Shares	%		Shares	%
Mr.Chaisit Chuenchuwit	Chief Financial Officer	-	-	-	-	-
Mr.Boonlert Foongvannaluck	Chief Commercial Officer	230,000	0.05	-	230,000	0.05
Mr.Pairoj Yangthong	Chief Operating Officer	69,000	0.01	-	69,000	0.01
Mrs.Phongsri Nittipho	Accounting Department Manager	5,000	0.001	-	5,000	0.001

Remark: Securities Holding is including the securities holding by own, spouse, and immature child

Director of Subsidiaries								
Name	Seafresh Group (Holdings) Limited	Blue Earth Foods Limited	Sea Farms Limited	Manufacturing System Implementation Limited	Sea Farms, Inc	Prochaete Innovations Limited	Seafresh IHQ Limited	Sea Farms Nutrition
1. Mr.Narit Chia-apar	X			X			X	
2. Mrs. Tassanee Youngmeevithya	I			II			II	
3. Mr. Lasse Bo Hansen	II	X	X		X	X		X
4. Mr. David Arthur Hall	I	I	I		I	I		
5. Mr. Phillip Albert Kent		II						
6. Mr.Chaisit Chuenchuwit		I	I		I			I
7. Mr.Chintat Chia-apar		I	I		I			I
8. Mr. Michael H Girton					II			
9. Mr. David Leroy Broberg					II			
10. Mr. Odd Geir Oddsen						II		II
11. Mr. David Stuart Mathers								II

Remark

X = President
II = Executive Director
I = Director

7.3 Company Secretary

The Board of Directors appointed Mr. Chaisit Chuenchuwit as a company secretary effective from 8th October 2010. The qualification of company secretary is shown in appendix 1 of Form 56-1 subject “company secretary”

7.4 Remuneration for Director and Management

1) Director Remuneration

The company complies with guidelines for Director’s remuneration as follows:

- Remuneration of directors has a reasonable level comparing to similar industry and appropriate with the assigned duties and responsibilities.
- Non-executive director will receive only a meeting allowance by the number of attendant. In case of they are assigned to be a director of sub-committee, they have the right to receive a meeting allowance by number of attendant.
- The executive director will not receive meeting allowance.

The Nomination and Remuneration Committee will primarily consider and pass a resolution to the Board of Directors for approval prior submit to shareholder meeting for approval later. The remuneration of Directors of the committee and sub-committee for year 2016 were approved by the shareholders in amount not exceeded BAHT 1,300,000.

2) Executive Remuneration

The board of director is responsible of considering the level of executive remuneration basing on the company’s performance and individual performance of each executive.

Details of remuneration paid in 2016 are as follows:

3) Monetary Remuneration

The directors’ remuneration in 2016 amounting to Baht 1,166,667 was for the meeting allowance for 5 independent directors as follows:

<u>Name</u>	<u>Position</u>	<u>Remuneration/year (Baht)</u>
1. Dr. Kamales Santivejkul	Independent Director	133,333
	Chairman of the Audit Committee	155,556
	Chairman of the Nomination and Remuneration Committee	11,111
2. Dr. Sorachai Bhisalbutra	Independent Director	144,444
	Audit Committee	155,556
	Member of Nomination and Remuneration Committee	11,111
3. Dr. Worapong Leewattanakit	Independent Director	144,444
	Audit Committee	155,556
	Member of Nomination and Remuneration Committee	11,111
4. Mrs. Supanee Punnasri	Independent Director	116,667
5. Mr. Narongrit Chiarawongvanit	Director	127,778

- None of the directors received any remuneration from being directorship of the subsidiary of the company.

- The total remuneration is 19.62 Million Baht which consists of salary and bonus.

Other Remunerations

In 2016, none of the Director and Management received any non-monetary remuneration.

7.5 Employee

Total employees 3,126 people, divided into production lines 2,632 people, management section 337 people and sales management 157 people.

For benefit and welfare, total remuneration (salary, bonus, allowances, and provident fund) is about 986.95 million baht. The Company and employees have jointly established a provident fund on 10 April, 2006 in accordance with the Provident Fund Act B.E.2530 and amended Securities and Stock Exchange Act B.E. 2535, and also other relevant laws as welfare for the employees, started the collection and contributions from payroll period of May 2006 onwards. In addition, there are benefits in areas such as health, accident, and life insurance, employee dormitories, fitness center, entertainments center, and training center within and outside the company, for improving and increasing the quality of work life.

The company's condition of hire, working environment, and other welfares are compiled under employment law and Thai labor standard. Due to the company follow the principle of justice, ethics, and transparency, the company was certified Thai Labor Standard TLS.8001-2003 Certification (Completion Level Superlative Phase). In 2016, the company was selected as 1 of 5 establishments maintaining Thai Labor Standard for 10 consecutive years.

Furthermore, the company also emphasizes in every recruiting processes considering by knowledgeable, competency, experience which suitable for required position. The employee was assessed follow the Key Performance Index (KPI) in Balanced Scorecard aspect for being promotion or salary consideration.

The company always emphasizes on safety, sanitation, and working environment for the employees. Executives are responsible for monitoring the safety, sanitation, and working environment and all employees have to strictly comply by the concerning law. The company sufficiently supports budget, time, person, and other resources to achieve a target and continual development such as training, practicing and other campaigns. The results were clearly seen by the Accident Frequency Rate (AFR.), it was only 0.89 time per 1 million man-hours decrease from last year was 1.71 times per 1 million man-hours. Furthermore company has been approved The Best Establishment for Safety, Sanitary, and Working Environment in National Level for the 5-9 consecutive years, and for Early Childhood Learning Development as well.

Moreover, the company has environmental, safety and health management. In addition the company has joined "Disease-free and Body Safety Workplace" project which assessment by government and assessment result more than 90%.

Company has policy in human resource development for all employees have been trained. For 2016, the average hours of employee training, both in-house and outsource training, is 17 hours per year; according to 6 achievements as follows:

- 1) To comply with law and regulation
- 2) To correspond with operation
- 3) To strengthen standard management
- 4) To enhance employee ability
- 5) To develop organization
- 6) Self Learning

In 2016, the company has training course for employee 94 courses for example Good Hygiene Practice, Introduction of Standard System and Work Safety, CSR-DIW, ASC (Aquaculture Stewardship Council) Shrimp COC Awareness, ISO 22000:2005 & PAS 220, Implement To Sustain Quality & Environmental Management System Version 2015, Integrated Internal Audit 9001:2015 & 14001:2015,

MSC (Marine Stewardship Council) Requirements, Advance Personnel Management (APM), Good to Great Personality for Work Smart, Improving labor rights and Working Conditions in the food Supply Chain, TAX Case Study, Hygiene Monitoring in Food Processing Plant, Good Labor Practice (GLP), Preparation for Changing of Standard, Industry regulation and Biofilm in Food Industry.

For quality assurance management, the company emphasize in food safety, sanitation in production, service employees and stakeholders, Conservation of Natural Resources, and Occupational Health to comply with international standards such as GMP, HACCP, ISO9001, ISO/IEC17025, ISO22000, BRC, IFS, BAP, HALAL, ISO14001, ISO50001 and OHSAS18001 etc.

In Human Rights and Fairly-Treated to employees' perspective, the company set priority to protect the human rights, which is fundamental of equitable of human rights including company's stakeholders or related persons or related organizations. The company operates without abuse of human right and permit employee to making complaints or suggestions. Furthermore, the company cares employee through employee caring team and employee representative committee.

8. Corporate Governance

8.1 The Principles of Corporate Governance

The Board of Directors recognizes the importance of corporate governance and code of best practices for directors of public company which comply with the Stock Exchange Thailand's guidance. Through these practices, we created the transparency system of internationally accepted professional management as guidelines for administrative and decision-making procedures and have them reviewed on a regular basis.

Board of directors has to comply with these principles of good corporate governance in 5 chapters as follows:

1) Rights of Shareholders

Board of Directors is in charge of the company with caring and responsibility of the shareholders' right and equitable treatment of the shareholder while ensuring benefit of shareholders. Company also encourages shareholders to use their own rights as follows:

- Right to trade or transfer shares.
- Right to share profit of the company.
- Right to appropriately and timely receive information of the company.
- Right to attend a shareholders' meeting and voting to appoint or relieve directors, appoint an external auditor and other issues that affect the company. Including prohibit to commit any violation or deprivation of the shareholders' rights.

2) Equitable Treatment of Shareholders

Boards of Directors have to ensure that shareholders are equally treated and protect their own fundamental rights as follows:

- Minor shareholders are given the opportunity to propose meeting agenda as well as highly qualified knowledgeable, capable and specialized in various areas as candidates for appointing as a director.
- In considering each meeting agenda, the company's officers will distribute the voting form to shareholders or their proxy in the case of disapproval or abstain.
- The secretary of the meeting will conduct the meeting as per agenda proposed in the meeting invitation letters and there shall be no additional agenda for consideration other than those stated in the letter.
- The company has set necessary measures in controlling abuse internal information for personal or other interests which affect the shareholders of the company.
- Require directors to disclose their related interest to all stakeholders.

3) Role of Stakeholders

Board of Directors is prohibited to deprive the rights of all stakeholders. However, the boards need to enhance collaboration between company and all stakeholders including set up the policies and the best practices for stakeholders in principles of business fairness.

4) Disclosure and Transparency

Board of Directors have to disclose the financial statements and other important information in correctly, completely, timely and transparency basis followed the Stock Exchange of Thailand and the Securities and Exchange Commission regulations through equally and reliability accessible channels. The company provides investor relations team to communicate with shareholders, investors and analysts.

5) Roles and responsibility of the Board of Directors.

The Board of Directors is responsible for corporate governance and taking care of shareholders benefits with honesty, careful, and independent from executives. The duties also include ensuring maximize Company's benefit, devoting their time to fully perform their responsibilities, setting a good Internal Control system to be able to cover all aspects and proper risk management, and preparing a Code of Conduct for suggesting executives and employees as guidelines for practice and monitoring.

Furthermore, the Board of Directors regularly reviewed and evaluated the practice of a policy guide. The results of the survey in Corporate Governance of Listed Companies Thailand year 2016, the company got the score as "very good" level that made the company achieved the top quartile of Market Capitalization between 3,000 – 9,999 Million Baht.

8.2 Sub-Committee

The Board of Directors has appointed 4 sub-committees to assist in the corporate governance of the company which are the Audit Committee, Risk Management Committee, Corporate Governance Committee, and Nomination and Remuneration Committee. The details are as follows:

1) Audit Committee

The Audit Committee, established on December 21, 1999 and serving period of each director is 2 years. The committee members are comprises of three independent directors which qualified with SEC regulation. The Audit Committee also held meetings and proposed reports to Board of the Directors on regular basis.

Name	Position	Attendance/ No. of attendance
1. Dr. Kamales Santivejkul	Chairman of Audit committee	13/13
2. Dr. Sorachai Bhisalbutra	Member of Audit committee	13/13
3. Dr. Worapong Leewattanakit	Member of Audit committee	13/13

Remark: Dr. Kamales Santivejkul is an Audit Committee member who has knowledge and experience in reviewing the financial statements.

Audit Committee's Qualifications

1. Audit Committee members should be appointed by the Board of Directors and/or shareholders meeting.
2. All Audit Committee members must be an independent director and fully qualified by the S.E.C regulations.
3. Not being a director appointed by the Board of the Directors to decide on the direction of the company, subsidiary, affiliated company, subsidiary in the same level, major shareholders or controlling person of the company.
4. Not being a director of the company, subsidiary, and affiliate in the same level of the company only for the case of listed company.
5. Fully knowledge and experience that is able to achieve an assigned audit tasks. The audit committee must be able to devote sufficient time to the operation of the Audit Committee.

Audit Committee Responsibility

1. To review the company's financial reporting process to ensure that it is accurate and adequate.
2. To review the company's internal control system, risk management system, and internal audit system to ensure that they are suitable and efficient, to determine an Internal Audit

- unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the company's practice to be in compliance with the securities laws and regulations of the Stock Exchange of Thailand and laws that related to the company's business.
 4. To consider, nominate, or change an independent person to be the company's auditor, and propose to person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
 5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand for the highest benefit of the company.
 6. To prepare, and to disclose in the company's annual report, Audit Committee's report which must be signed by the Audit Committee's Chairman and to be consisted of at least the following information.
 - (1) An opinion that accuracy, completeness and creditability to the company's financial report.
 - (2) An opinion on the adequacy of the company's internal control system and risk management system.
 - (3) An opinion on the compliance with the securities laws and regulations of the Stock Exchange of Thailand and the laws relating to the company's business.
 - (4) An opinion on the suitability of an Auditor.
 - (5) An opinion on the transactions that may lead to conflicts of interests.
 - (6) The number of the Audit Committee Meetings, and the attendance of such meeting by each committee member.
 - (7) An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
 - (8) Other transactions that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the Company's Board of Directors.
 7. Ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor within 30 days from the date they are notified by the external auditor.
 8. Review the Audit Committee Charter at least once a year and propose any necessary amendments;
 9. To perform any other acts as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

Performance of the Audit Committee over the past year

The Audit Committee's performance is referred in Audit Committee Report.

2) Risk Management Committee

- | | |
|---------------------------------|---|
| 1. Mrs. Tassanee Youngmeevithya | Chairman of the Risk Management Committee |
| 2. Mr. Chaisit Chuenchuwit | Member of the Risk Management Committee |
| 3. Mr. Krisda Manothirawat | Member and Secretary of the Risk Management Committee |

The company has established a Risk Management Committee in 2011. In 2016, the Committee held a regularly meeting of 6 times. All committee members attended at all times. Since all members are the top and middle level executives, none has received compensation for serving this Committee.

Duties and Responsibilities

1. Review and approve risk management policies and plans.
2. Supervise, monitor, and follow up the process of identifying and evaluating risks.
3. Evaluate and approve risk assessment and response plan.
4. Follow-up risk management implementation, improvement, and development.
5. Report operating results to the Board of Directors.
6. Communicate with the audit committee on significant risk.

Performance of the Risk Management Committee over the past year

The Risk Management Committee's performance is referred in Risk Management Committee Report.

3) Corporate Governance Committee

- | | |
|---------------------------------|--|
| 1. Mrs. Tassanee Youngmeevithya | Chairman of the Corporate Governance Committee |
| 2. Mr. Chaisit Chuenchuwit | Member of the Corporate Governance Committee |
| 3. Mr. Krisda Manothirawat | Member and Secretary of the Corporate Governance Committee |

The Company has established a Corporate Governance Committee in 2013. Three meetings were held in 2016 where all of the members attended. Since all members are the top and middle level executives, none has received compensation for serving this committee.

Duties and Responsibilities

1. Establish guidelines for all departments to develop relevant policies that correspond with good corporate governance business practices of the company.
2. Screen, deliberate, and affirm the company policies in accordance with good corporate governance practices.
3. Propose affirmative policies to the company board for approval.
4. Review the company policies at least once a year.
5. Report on actions taken in connection with all aspects of corporate governance to the audit committee.

Performance of the Corporate Governance Committee over the past year

The Corporate Governance Committee's performance is referred in Corporate Governance Committee Report.

4) Nomination and Remuneration Committee

- | | |
|---------------------------------|---|
| 1. Dr. Kamales Santivejkul | Chairman of the Nomination and Remuneration Committee |
| 2. Dr. Sorachai Bhisalbutra | Member of Nomination and Remuneration Committee |
| 3. Dr. Worapong Leewattanakit | Member of Nomination and Remuneration Committee |
| 4. Mrs. Tassanee Youngmeevithya | Member of Nomination and Remuneration Committee |

The Nomination and Remuneration Committee has 4 members comprises of 1 executive director and 3 independent directors or 75% of the committee. Furthermore, chairman of the committee is an independent director. In year 2016, there was one meeting, and all members attended the meeting.

Responsibility of Nomination and Remuneration Committee

1. Consider the appropriateness of structure and composition of the company's directors.
2. Configuration the appropriate qualification for directors and top level executives and set the recruiting criteria.
3. Review the qualification and evaluate performance of the director who retiring by rotation and top level executives.
4. Set the procedure and process in order to prepare qualified personnel to be directors and top level executives.
5. Set the criteria and review the structure of remuneration of director and top level executives by presenting to the Board of the Directors for approve. Afterwards, the Board of the Directors present to the shareholders for approves.
6. Set the regulation and condition for selling shares to directors and top level executives when the company has issued new shares to the directors and employees.
7. Clarify all questions regarding remuneration of director in the shareholders' meeting.
8. Create performance report to present to board of director annually.

Performance of the Nomination and Remuneration Committee over the past year

The Nomination and Remuneration Committee's performance is referred in Nomination and Remuneration Committee Report.

8.3 Nomination of Directors and Top Executives management

1) Selection of Independent Director Criteria

For the selection of independent directors, nomination and remuneration committee act as a leader to recruit qualified candidates in accordance with the Board of directors instruction which consistent with the regulations of the SET and the SEC and then propose to the board of directors and / or shareholders for consideration and approval.

2) Nomination of Directors

To appoint the new director, nomination and remuneration committee which consists 3 independent directors of 4 directors are responsible for the selection and screening individual person who are qualified under the regulations of the company, adhere to the policy's tenure as director, and accord with company's operational strategies.

The company also considers the rights of minor shareholders to appoint the director and given the opportunity to propose the highly qualified knowledgeable, capable and specialized in various areas as candidates for directorship in advance through E-mail address at investor@seafresh.com or through Fax no. +662 637 8801. The Company has established guidelines and practices in the nomination of directors including the consideration of the committee at <http://www.seafresh.com/investor>. The company also published a letter to the shareholders through the stock exchange at least 3 months before the end of the financial year. However, in the yearly 2016, there had been no shareholders recommended any directorship candidates.

Up next, The Nomination and Remuneration Committee will propose the qualified persons for being directors. In order to gain professional directors and Board Diversity, the Nomination and Remuneration Committee will consider the selection from structure, size, and element of the Board of the Directors such as technical, specialty, gender, and etc. The number of proposed persons by the Nomination and Remuneration Committee will be equal to number of retired directors by rotation and give their suggestions to the Board of the Directors for opinions before proposing to the Annual General Meeting of Shareholders.

After the selection, the Company will present to the Annual General Meeting of Shareholders meeting following procedures and methods as below:

1. Each shareholder has the same number of voting right as the number of share held.

2. Each shareholder can exercise all of its voting right as described one (1) in order to elect an individual or a group as the company director but it cannot split the voting right unequally among individuals.
3. The person received the highest voting respectively would be elected as Director equal to the number of director required. In the case that the vote is the same for two or more people, the Chairman will make decision.
4. At each Annual General Meeting of Shareholders, the Director stays in the position the longest will be retired by rotation in the ratio of 1:3. However, The Director, who was retired by rotation, can be reelected as director again.
5. Beside the retirement according to the term, the director may out of the position when:
 - 5.1 Died
 - 5.2 Resign
 - 5.3 Not qualify according to the Article 68 of Public Company Act 1992
 - 5.4 The shareholder meeting can remove any directors before end of term with the vote not less than three fourth of the shareholder present at the meeting and the required total share of the vote should not be less than 50% of the holding share of shareholder present at the meeting.

3) Top Executive Management Nomination

For the Chief Executive Officer nomination, Executive Board will be prescreen who qualified with knowledge, skills, experience to benefit company's operation, well understanding of the business, and able to manage for achieve the given objectives and targets, then present to the Nomination and Remuneration committee for approval then present to the Board of the Directors for consideration and approval.

8.4 Subsidiaries and Affiliate Operation Control

The Board of the Director has a mechanism to control, manage, and monitor the operation of all subsidiaries and affiliate to maintain benefits of the company capital expenditure. The company assigned representative to be the directors in the company at least in a percentage of shareholding. The representative has to be approved from the Board of the Directors.

Authorized and responsibility scope of company's representative.

- Participation in the importance business operation policy.
- Control and oversee subsidiaries to disclose financial statements, performance, transactions between the company and related persons, acquisition or disposition of assets, or any other importance transaction of the company in according to the rules of the company.
- Consider and set up an internal control system and other mechanism for properly and appropriated controlling subsidiary.

8.5 Measures for Control of Internal Information

The company has set necessary measures in controlling internal information for prevention of abuse for personal interests as follows:

- Directors and executives must immediately report of any changes of company's securities held after each of the transaction in the Board of the Directors meeting.
- Directors and executives, who gain access to inside information, must refrain from the company's securities trading within one month before the disclosure of the financial statement to the public.

- Violation in abuse of company's inside information for personal interests will be imposed with severe punishment such as termination of directorship or employment.

8.6 Audit Fee

1) Audit Fee

The company and subsidiaries paid an annual audit fee as follows:

- An audit fee in the past financial year total 2.30 million Baht for the company and domestic subsidiaries.
- An audit fee for overseas subsidiaries in the previous year was Baht 4.78 million.

2) Non-Audit Fee

Company and subsidiaries paid for other services fee to an audit firm which the company auditor belonging to or related firm with the company auditor or audit firm of Baht 2.17 million. There are also some accrued expenses for incomplete services of Baht 1.28 million.

8.7 Other Issues in Good Corporate Governance.

The company has implemented the good corporate governance for the listed company since 2007. Furthermore, the company always develops and practice in accordance with this principle in these 5 topics as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Roles and Responsibility of Board of Directors

1) Rights of Shareholders

The company's policy was made basing on the shareholders' rights in promoting shareholders to exercise their rights as owners in controlling the company through selection of board of directors to work for them. The shareholders also have the rights in making decisions on important changes of the company.

In the General Shareholders' Meeting, the company recognizes the exercise of rights in voting in the meeting for decision making by shareholders on important issues. Invitation letters for meetings and supporting documents are made with complete information on meeting agenda including the board of directors' opinion on each agenda. There are also complete and accurate minutes of meeting for shareholders' inspection. The company has also appointed Thailand Securities Depository Company Limited to send meeting invitation letters to the shareholders 21 days in advance before the meeting date.

Shareholders can also visit the company's website for online meeting details 30 days before the meeting date at <http://www.seafresh.com/investor>. In addition, shareholders can also make enquiries or ask questions in advance at our E-mail address at investor@seafresh.com.

The meeting will be conducted in a transparent manner under the chairmanship of the Chairman by inviting all shareholders for questions and suggestions for each agenda proposed for consideration. All comments and suggestions will be recorded in the minutes of shareholders' meeting which will be posted 7 days after the meeting at <http://www.seafresh.com/investor>. Besides, the company brought technology to improve the speed and accuracy of the meeting for instance, registered attendees, counting the vote, and showing the result. Besides, Thai Investors Association evaluated the quality of the Annual General Meeting of

Shareholders of the Company and awarded the Company with Investors' Choice Awards, which only be given to the company with 5 consecutive years of 100 full score (Excellent Level).

2) Equitable Treatment of Shareholders

As part of the equitable treatment of shareholders, each is given the opportunity to authorize his/her representative to the meeting with proxy. The shareholders can also appoint others or independent directors to attend the meeting through the use of proxy by specifying approve, disapprove or abstain for each agenda as following criteria.

2.1) Shareholders are given the opportunity to propose meeting agenda through E-mail address at investor@seafresh.com or through Fax no. +66 2637 8801. The company has published the criteria and procedures in proposing meeting agenda and directors' appointment and consideration guidelines at <http://www.seafresh.com/investor> as well as the issuance of newsletter to shareholders through the SET online system at least 3 month in advance before end of the financial year. As for the Annual Shareholders' Meeting 2016, there had been no shareholders proposing any meeting agenda or recommending any directorship candidates.

2.2) In considering each meeting agenda, the company's officers will distribute the voting form to shareholders or their proxy in the case of disapproval or abstain. The secretary of the meeting will explain the voting procedures before the consideration of meeting agenda. During the directors' election agenda and shareholders are given the opportunity to select directors individually.

2.3) The secretary of the meeting will conduct the meeting as per agenda proposed in the meeting invitation letters and there shall be no additional agenda for consideration other than those stated in the letter.

3) Role of Stakeholders

In realizing the importance of the rights of all related stakeholders which include employees, customers, suppliers, financial institution, shareholders, competitors, social, community, and environmental impact, the Board of Directors has set a policy to promote the co-operation between the company and stakeholders as follows:

Employee

Please see in Management Structure topic under sub-topic Employee.

Customers

The company has emphasized on producing high quality products with international standard and safety to support its selling policy in creating customers' highest satisfaction. The company also has conducted Customers' Satisfaction Survey as the core company's KPI in order to develop and improve the products' quality and services to the utmost. Furthermore, customers' trade secret has also been kept confidential and well aware among employees concerned.

Suppliers

As stated in the company's policy, all staff must deal with the company's suppliers (i.e. subcontractor, general supplier, raw material supplier) with strict conditions and agreement made in buying products or services with utmost honesty and transparency. Moreover, the company needs to ensure that suppliers run the business with environmental friendly and concern sustainable business. The company set the team to select supplier and need certify that they run the business by concerning to environment and following the government law, including, follow up on the regular basic. Moreover, the

company will comply with condition or agreement which is dealt with suppliers, who also are trade creditors.

Financial Institution

The company makes sure to strictly comply with all terms of any agreement such as capital management condition, guarantee (if any). It enters into in a responsible and transparent manner. The company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors. In the event that the company is unable to meet any of the criteria it agreed to, it will make immediate notification to that particular creditor to allow for a course of action to be taken to rectify the situation.

Shareholders

The company has recognized that shareholders are true owners of the company and having their rights in company; so, company has set up policy that complied with Corporate Governance through the Rights of Shareholders and Equitable Treatment of Shareholders.

Competitors

With Business Ethic policy, the company will not deal business with dishonesty or destruction to its competitors. The company has never had any argument cases with its competitors.

Community and Impact on Environment

The company has clearly spelled out in its policy to conserve community and social environment including promoting efficient resources usage as follows:

- Production process and residual raw materials must not have adverse impact on environment.
- Excess raw materials from production are disposed by scrap resale.
- Waste from production process must goes through waste water treatment system under the supervision of Office of Provincial Industry.
- Develop ISO9001 quality management system and ISO14001 environmental management.
- Awareness of environment impact, environmental protection.
- Performance of employees and good practice of the communities.

Furthermore, in 2016 the company held a seminar for employee in the topic of ISO9001:2015 and ISO14001: 2015 Environmental Management to raise knowledge and can be applied for the maximize benefit of the Company.

Intellectual Property and Copyright

The company has set a policy to be concentrated in not violate other intellectual property and copyright. For example all employees have to sign on an agreement of computer and intellectual property violation. The company set the policy to specify an information technology system and procedures for software infringement or absurd software.

Anti-Corruption

Please find in Social Responsibility topic: Anti-corruption Management

Notification of Complaint

The committee has provided a channel for stakeholders to make a complaint which may cause any damage to the company through E-mail Address: cg@seafresh.com. Company's Chairman of the Corporate Governance committee will send the issue to the audit committee for investigation. The company has a policy to protect who send comments or suggestions and retention with confidential.

4) Disclosure and Transparency

The Board of Directors has recognized the importance of information disclosure which impact on investors' and stakeholders' decision making and thus ensured that all information disclosed both on financial information or general information must be transparent and complete. The company has disseminated all related information in Thai and English via both the Stock Exchange of Thailand and the Company's website. Investors may visit the company's website for information and company's activities at www.seafresh.com/investor or contact us via E-mail Address at: investor@seafresh.com.

Investor Relations

The company has a team responsible for the investor relation. Investors may contact Mr. Nitiphol Chartviriyamnoey, Investment and Investor Relation manager for enquiries at telephone no. +66 (2) 637-8888 ext. 501 or E-mail: investor@seafresh.com in order for investors to receive investment information.

The company also arranges Analyst Meetings in order of company's information disclosure by Executives. In year 2016, there were 4 Analyst Meetings held by the company (Once per quarter). Moreover, the company had joined Roadshow program for meeting with investors 1 time in year 2016.

Interest Disclosure

The committees specify the company director and executives must reveal their own interest and other related person to the committee. Those related interest director or executives with the company will unable to make a decision in this related transaction.

Securities Holding of Director and Management Team Disclosure

The company shows the securities holding of director and executives in an annual report and set the policy to all directors and executives to clarify their securities holding within 3 days since the transaction date. The company secretary will coordinate to submit the report to the SET and SEC. In addition, the company also invites the directors and executives show their change in securities holding in Board of Directors meeting.

5) Roles and Responsibility of Board of Directors

5.1) Roles and Responsibility of Board of Directors

The Board of Directors takes participation in the setup of the company's core policy, vision, strategy, and objectives; then reviewed and approved company's vision in past year. The Board's responsibility also are controlling and monitoring the management team to ensure that their performance is in line with the policy and successfully meet with the company's strategies for the utmost benefit of the company and the shareholders as a whole, considers establishing the clear roles and responsibility for Board of Directors, Executives, Audit Committee, Corporate Governance Committee, Risk Management Committee, and Nomination and Remuneration Committee as per details in the Management section. In addition, the Board monitors the responsibility of the Executive officers to ensure that the business is efficiently managed in the same direction and in line with the policy as well as setting up the operational and investment budgets for the business operations.

Details on responsibility of Board of Directors and Executives are shown on the Management Structure section on Authorization of the Board of Directors and Executives Board.

5.2) The Principles of Good Corporate Governance

The Board of Directors recognizes the importance of corporate governance and sets up the code of best practices for directors of public company which comply with the Stock Exchange Thailand's guidance; then announces to all staffs in order to follow these guideline. Through these practices, we

created the transparency system of internationally accepted professional management as guidelines for administrative and decision-making procedures and have them reviewed on a regular basis. Furthermore, the committees usually review the policy and make performance assessment.

5.3) Business Ethics

The Board has set and announced guidelines of business ethics for directors, management, and employees to follow and ensure that they are well aware of, understand to pursue their duties and responsibilities with honesty and transparency and abide to laws, and regulatory ethics. The Board would monitor this guidance on a regular basis. In addition, the company has disclosed a code of conduct in the company's website at <http://www.seafresh.com/investor>.

5.4) Conflict of Interests

The company has established policies and approval procedures for any transactions of conflict of interest or relating activities. Strict practice according to the SET's regulations will be followed and considered to ensure persons related to such conflict of interests have not involvement in any of the company's decision making. The company has clearly disclosed the information in the financial statements, see note to Financial Statements.

5.5) Internal Controlling System and Risk Management System

The company recognizes the importance of internal controlling system of all levels. Therefore, we have clearly established written responsibilities and duties of management and all other employees as well as setting up the budget limit for approval of procurement requests, procurement orders, and other expenses. We created the checked and balanced system and control the utilization of the Company's assets to the maximum benefit. The company also set solid financial control system and risk management system including preventive measures.

The Internal Audit Department has been established to conduct internal auditing of the company's operation systems to ensure full compliance to the company's legal and regulatory requirements. The internal audit department is obligated to report its finding directly to the audit committees.

The committee had evaluated the internal control system through questioning the Management. The evaluation assessment showed that the company's internal control system is divided into five perspectives, organization and environment, risk management, administrative management, information and communication system, and traceability system. The Committee had the opinion that the company had sufficient internal control system.

5.6) Board of Directors' Meetings

Due to Company Article of Association, the Board of Directors meeting shall be arranged with more than half members must attend the meeting. However, the Board of Directors has considered that the meeting shall be held with more than two-third of all Directors.

The meetings have been scheduled annually as tentative time schedule but editable due to time and events. The meeting documents and invitation are sent to member of the Board at least 7 days before meeting by Company Secretary. Normally, the meeting takes about 3 hours. The Chairman has allocated sufficient time to executives present and explains significant matters the committee commented independently. Directors are also invited to ask for more information in order for consideration within scope of company's policies or regulations.

The independent directors are able to arrange a meeting among them as necessary for discuss of issues about the deal without management in attendance, and report the result of the meeting to the Chairman. However, in year 2016, there is no meeting among independent directors.

5.7) Director and Executive Development

The company's directors have attended the training courses organized by the Thai Institute of Directors (IOD) as follows:

<u>Name</u>	<u>Courses</u>
1. Mr. Narit Chia-apar	Director Certification Program (DCP)
2. Mrs. Tassanee Youngmeevithya	Director Certification Program (DCP)
3. Dr. Kamales Santivejkul	Director Certification Program (DCP)
4. Mr. Narongrit Chiarawongvanit	Director Accreditation Program (DAP)
5. Dr. Sorachai Bhisalbutra	Director Accreditation Program (DAP)
6. Dr. Worapong Leewattanakit	Director Accreditation Program (DAP)
7. Mrs. Supanee Punnasri	Director Accreditation Program (DAP)
8. Mr. Chintat Chia-apar	Director Accreditation Program (DAP)

The Board of Directors has assigned the Management of the company to prepare for the directors necessary documentations that are useful in performing the directors' duty as well as details of business and its operating direction as guidelines to each new director.

The Board of Directors also encouraged broadening their knowledge in the performance of continuous activity, for example, in 2016 Mr. Chintat Chia-apar attended the courses, i.e. Leadership in Action, and Good to Great Personality for Work Smart.

There is guideline for orientation of the new director. Moreover, there are director handbook, documents and information which are beneficial to the director. The corporate secretary will assist a liaison matters.

5.8) Director's qualification policies

The company considers policies as qualification of Directors as follows:

1. To limit a number of listed-company that company's director can take position as director to 3 companies at the same time.
2. Prohibit to Director (including Chairman of the Board of Directors) participated as shareholder or director in other corporates which are in the same field and being competitors to the company. Exception, director has proposed to AGM before appointment approval.

9. Social Responsibility

9.1 Policy Overview

9.2 Operation and Report Preparation.

9.3 CSR Impact from Business Operation.

9.4 Activities for Social and Environment Benefit (CSR after process)

9.1 – 9.4 Refer to the company website www.seafresh.com/investor under Sustainability report topic.

9.5 Anti-Corruption Management

The company has measure issued to prevent involvement in corruption as follows:

1. Company has implemented anti-corruption policy. The guidelines were written on the company's ethics which approved by the Board of Directors. Furthermore, policy description and actions those related to the prevention of corruption has been disclosed on the company website www.seafresh.com/investor under corporate governance subject.
2. Company has a risk from corruption assessment process and set guidelines to monitor and evaluate performance from anti-corruption policy.
3. The company communicated to directors, management and staff for implementing all legally processes. Besides, the company also offers training in ethics for employees to know about the policies and practices in anti-corruption.
4. The company has been acknowledged as member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and has coordinated along with regulations and guidelines. Moreover, the company also invited suppliers to joined CAC in order to encourage and expand ecosystem of clean business community that without monopoly and bribery.
5. Company provides channel to report in case of found infraction or corruption and has procedure to secure the reporter.

The company provides the guidelines for monitoring and evaluating the implementation of guidelines to prevent the involvement of corruption as follows:

1. The company set up Internal Audit Department to oversee the internal control system, risk management and governance to provide recommendations continuously by conducting audit in accordance with the annual audit plan approved by the Audit Committee and report significant results of the audit with recommendations to the Audit Committee.
2. In case of inspections or complaints, if there is any evidence with a reasonable cause to believe that there exists a transaction or abuse that may have a significant impact on the Company's financial position or operations, including an offense or breach of laws or suspicious abuse in financial reports or internal control system, the Audit Committee will report the findings to the Board of Directors for correction and improvement within a period of time deemed appropriate by the Audit Committee.

10. Internal Control and Risk Management

10.1 The Board of Directors Opinion Summarize

In the Board of Directors meeting No. 2/2017 on 27th February 2017 the committee has assessed the internal control evaluation report of the audit committee. The evaluation summarized that the internal control systems evaluation in 5 elements are internal control, risk Assessment, operational control, information system & data communication and monitoring system. The committees consider that the company has appropriate internal control. The company has optimal allocation of manpower to correspond with operation effectively and internal control system is sufficient to monitor operation of subsidiaries, including asset protection of the Group from illegal use by director, transactions with conflict or connected person. The internal control among other topics the committee considered that it is sufficient and appropriated.

10.2 The Audit Committee opinion which is different from The Board of Directors opinion

-Nil-

10.3 Head of Internal Audit Information

In the meeting No. 8/2015 on 11th August 2015, the audit committees have appointed Ms. Yaowalax Tangsanguannuch to the position of Internal Audit Manager since 1st September 2015 due to her experience and qualification in Accounting and Finance.

For the consideration, approval, appointment, transfer and dismissal or incumbent managers within the company must approve by the audit committee with qualifications of the head of internal audit appears in information statement 56-1 appendix 3.

11. Related Transaction

Name and Relationship	Transaction	Value (Million Baht)		Necessity and reasonableness and the Board of Directors opinion
		Year 2015	Year 2016	
Chartered Squared Holding Company Limited Mr.Narit Chia-apar, Ms. Tassanee Yongmееvithya and Mr.Chintat Chia-apar, as Directors, and Chia-apar group, as Shareholders, held 100% of shares.	Office rental and service	8.61	8.57	The Company and subsidiaries lease office space from Chartered Square Holding Company Limited for utilize sales office, liaise with customer, document control center for financial, business package procurement. The Company and subsidiaries lease space on 12 th A floor, and 31 st floor. The office rental and service charges 714,752 Baht per month. Chartered Square Holding Company Limited which charged thought with rates of other customers. The latest contract is 30 months from 1 st July 2014 – 31 st December 2016. The Audit Committee has concluded that transaction is appropriate. The company needs to utilize the office for sell products and perform other related function. The price for lease and service are general as charged same rate with other customer.
Belize Aquaculture Limited, the joint venture which 50% of shares holding by SGH, CFRESH 's subsidiary	Lending	495.80	439.46	SGH has lent with 8% of interest rate and the maturity date within 3 rd September 2017. The lending is one of the conditions for joint venture which approved by the CFRESH board No. 4/2012 on 19 th April 2012. The board's opinion was that the transaction was reasonable, because CFRESH can extend the market into US and EU which can create the value to CFRESH and its shareholders.

Related Party Transaction Policy

The related party transactions which have already been occurred and will be occurred in the future have been the normal business transactions. There is no any conflict interest. The audit committees consider and give opinion about appropriateness of the deal and disclose strictly complied with SEC and the stock exchange of Thailand's regulations.

12. Key Financial Information

Consolidated Financial Statements (Thousand Baht)	31 December		
	2016	2015	2014
Total Assets	5,001,147	5,264,342	4,229,610
Total Liabilities	2,754,795	3,032,342	2,545,633
Total shareholders' equity	2,246,352	2,232,001	1,683,977
Sales	7,578,893	7,806,477	8,379,078
Total revenue	7,618,534	7,889,509	8,503,705
Earnings Before Interest and Taxes	585,489	597,637	556,201
Profit attributable to equity holders of the company	257,809	458,577	409,572
Allowance for decline value of inventories	26,531	80,322	41,162

Financial Ratio	31 December		
	2016	2015	2014
<u>Liquidity Ratio</u>			
Current Ratio	1.78	1.49	1.39
Quick Ratio	0.62	0.41	0.54
Cash flow from operation to current liabilities	0.23	-0.10	0.11
Accounts Receivable Turnover Ratio	9.05	11.64	12.34
Days Sales Outstanding	40	31	29
Inventory Turnover Ratio	2.98	3.70	6.06
Days Inventory Held	121	97	59
Accounts Payable Turnover Ratio	15.46	14.01	13.80
Days Accounts Payable Outstanding	23	26	26
Cash Cycle	137	103	63
<u>Profitability Ratio</u>			
Gross Margin Ratio	14.36%	13.93%	12.08%
Operating Income Ratio	6.53%	8.11%	6.25%
Non-operating Income Ratio	0.00%	0.00%	0.00%
Cash from Operation to Operating Income	98.96%	-32.85%	39.29%
Profit Margin Ratio	5.15%	6.42%	5.45%
Earning per Shareholders' Equity	17.53%	25.89%	31.85%
<u>Efficiency Ratio</u>			
Return of Assets	7.65%	10.68%	11.50%
Return of Fixed Assets	47.43%	58.50%	55.61%
Total Asset Turnover Ratio	1.48	1.66	2.11
<u>Financial Policy Ratio</u>			
Debt-Equity Ratio	1.23	1.36	1.51
Interest Coverage Ratio	7.08	-1.35	5.11
Fund Flow Coverage	0.32	-0.46	0.36
Payout Ratio	197.55%	60.46%	N/A

13. Management Discussion of Financial Position and Performance Analysis

13.1 Overview

Seafresh Industry Public Company Limited and subsidiaries earned revenue from sales in year 2016 total 7,586.84 million Baht which decreased 230.53 million Baht or 2.95% from the previous year. As a result, even though the sales revenue of the UK subsidiaries was increased in term of Pound Sterling, the currency was depreciated about 9% from the previous year. Therefore, the revenue was decreased when converted into Baht. However, the gross profit margin of the company and its subsidiaries company increased from 13.93% to 14.36%

From the consolidated financial statements for the year 2016, the company reported net profit attributable to the company of THB 257.81 million, compared to the previous year which reported net profit of THB 458.58 million. The main reason were that gross profit margin from only the company decreased from 15.24% to 7.63% as following reasons:

1. The raw material was raised after the company received order from customers.
2. The Pound Sterling was depreciated about 9% from the previous year.

The revenue structure, market condition and competition refer in core business matter.

For more information and other event, the Company recognized deferred tax assets on losses carried forward of Baht 14 million. The Company recognized deferred tax assets arising from tax losses carried forwards to extent it is probable that future taxable profits will allow it to be covered. In addition, some of the Company's business units have corporate income tax privileges, so using the appropriate income tax rate is important as this affects the calculation of deferred tax assets. The Company's management gave significant consideration of the profitability to utilize tax loss in the future by assessing the current forecasts for future taxable profit. Based on management's assessment having the prudent consideration. However, the auditors have reviewed that the Company recognized deferred tax assets on losses carried forward at the acceptable amount. The detail is in financial statement note no 23.1.

13.2 Operation Result and Profit Ability

1) Sales

Seafresh Industry Public Company Limited and subsidiaries had total sales revenue 7,586.84 million Baht in year 2016 that decreased 230.53 million Baht or 2.95% compared with the previous year. As a result, the currency was depreciated about 9% from the previous year. Even though the sales revenue of the UK subsidiaries was increased in term of Pound Sterling

The other income of the company and subsidiaries in year 2016 as 31.69 million Baht decreased 40.44 million Baht or 56.07% from the previous year. The main reason was interest income decreased about 34.23 million Baht, mostly because the subsidy has not recognized the interest income from loans to the joint venture.

2) Cost and selling and administrative expenses

Gross profit margin of the company and subsidiaries increased from 13.93% to 14.36%. Even though gross profit margin from only the company decreased from 15.24% to 7.63%. However the subsidiaries have cost effective management which leading to gross profit margin of group increased from the previous year

The selling and administrative expenses were 625.75 million Baht or increased 12.64% from the previous year. The main reason was the subsidiary set allowance for doubtful debts 54.32 million Baht from loans to the joint venture.

3) Net Profit

In consolidated financial statements, the net profit attributable to the company in year 2016 was 257.81 million Baht that decreased 200.77 million Baht from net profit in 2015 was 458.58 million Baht. The main reasons of decreasing profit were the raw material was raised after the company received order from customers and Pound Sterling was depreciated about 9% from the previous year as above mentioned.

4) Return on equity and dividend payment

The return on equity was 17.53% in 2016 that decreased from 25.89% in the 2015. The net profit of the company and subsidiaries were reported 392.43 million Baht which decreased 114.44 million baht from the previous year.

For dividend payment, The Board of Directors as February 27th, 2017 approved the dividend payment for the year 2016 from the retained earnings at Baht 0.28 per share (Total amount 129.79 million Baht or 197.55% of net profit in 2016). This payment conformed to dividend policy from its net profit of not less than 40% (According separate financial statement). The Board of Directors deemed appropriate to propose to the Annual General meeting of Shareholders No. 1/2017 on April 27th, 2017.

13.3 Asset Management

1) Assets class

The company and subsidiaries have total assets 5,001.15 million Baht that decreased 263.19 million Baht or 5.26% compared with year 2015. The main reason was cash and cash equivalents decreased amount 287.53 million Baht.

2) Account Receivables

The company and subsidiaries have 1,042.49 million Baht of trade accounts receivables on December 31st, 2016 which increased by 445.95 million Baht from the previous year. The accrued receivables are mostly not yet due for payment and receivables overdue more than 12 months are only 17.24 million Baht. The company has set an allowance for doubtful accounts amount 17.24 million Baht. The allowance for doubtful accounts is considered from debt collection experience and current status of accrued receivables at the balance sheet date.

3) Inventories

The Group of companies' finished goods as at December 31st, 2016 reported 2,043.15 million Baht which decreased 393.89 million Baht or 16.16% from the previous year. Because the group was able to sold finish goods to customers at reasonable price. Then, the group could reverse allowance for diminution in value of inventories to be revenue of 45.57 million Baht. The current inventories of the group are aging between 1-18 months. The management of the group tried to sell the inventories aging more than 1 year at the reasonable price as much as possible. In addition, the group has emphasized on the efficiency of inventory management, the optimal level of stock and ability to serve the customers' need promptly. Besides, group had set aside provisions for diminution in the values of their inventories. The management believes that such provisions are adequate since the group's inventory storage procedures meet high standards.

4) Investment

As at December 31st, 2016, the Company's investment in joint ventures reported nil, because joint venture has loss.

5) Other significant Assets

Land, plants and equipment as at December 31st, 2016 reported 1,100.21 million Baht while as at December 31st, 2015 reported 1,117.60 million Baht which decreased 17.39 million Baht because depreciation amount 133.47 million Baht and decreased from currency transaction differences amount 94.75 million Baht. Although the group has purchase assets amount 212.00 million Baht.

13.4 Liquidity and Capital adequacy

1) Cash flow

The Company and our subsidiaries' cash flows from operating activities were positive 489.91 million Baht, while negative 208.10 million Baht in the previous year. The main reason was inventories decreased 450.48 million Baht from the previous year. The cash flow from investment was negative 219.03 million Baht because the group paid for purchasing fixed assets 217.18 million Baht. The cash flow from financing activities was negative 524.72 million Baht because the group decreased borrowing overdraft and short term loan from financial institutions by 495.70 million Baht and payment long term loan to financial institutions by 462.72 million Baht. Even though, the Company received cash from issuing bond amount 497.94 million Baht.

2) Liquidity ratio

In year 2016, the company and subsidiaries' liquidity ratio was 1.78 times which increased from 1.49 times in year 2015 according to the quick ratio was 0.62 times increased from 0.41 times in year 2015. The cause was the group decreased borrowing overdraft and short term loan from financial institutions by 495.70 million Baht.

3) Debt services coverage

The long-term loan agreement of the Company has 3 - 7 period years and term of payment was every 3 months. The loan agreement of its subsidiaries has 4 - 15 period years and term of payment was every month. The collateral of subsidiaries' loan are land, building and equipment of their assets. The company and our subsidiaries' repayment to financial institution are normal.

As at December 31st, 2016 the Company and subsidiaries have the finance lease liabilities and current portion long-term debts as 239.53 million Baht.

4) Capital Expenditures

In the year 2016, the Company and subsidiaries' have invested in fixed assets amount 212.00 million Baht which the main investment construction in process 152.47 million Baht, machine and factory equipment 22.31 million Baht and vehicles 22.16 million Baht.

5) Source of Fund and Capital Structure

The company and subsidiaries' debt to equity ratio was 1.23 times, decreased from 1.36 times in the previous year. Because the group decreased borrowing overdraft and short term loan from financial institutions by 495.70 million Baht. The Company had proposed to issue and offer unsubordinated and unsecured bond totaling 500 million Baht. The par value is equal to offering price at 1,000 Baht per unit. The bond is 5 year-term and bearing interest at the fixed rate of 4.30% per annum. Interest is repayable every 6 months. The bond is rated at BBB (Stable) by TRIS Rating Company Limited.

As at 31 December 2016, the Group has unutilized short-term credit facilities amounting to 1,917 million Baht.

6) Liabilities Commitment and Obligations off-balance sheet Management.

As at December 31st, 2016, the Company has capital commitments in respect of purchases of machines and equipment amounting to 1.80 million Baht.

13.5 Factor that may affect with business operation in the future

Please refer in risk factor matter.

STATEMENT OF THE RESPONSIBILITY OF BOARD OF DIRECTORS TO FINANCIAL REPORT

The Company's Board of Directors is responsible for reporting the Company's financial statements. The financial statements were prepared in accordance with Thai accounting standards and Thai financial reporting standards. The company has used the appropriate and consistency accounting policies to ensure that the information has been recorded correctly and completely, and be adequate to protect Company assets and prevent any misallocated items in the financial statement.

The Board of Directors appointed an Audit Committee, which comprises three Non-Executive Directors, has been responsible for quality of the financial reports as well as to ensure the internal control system is the most appropriate and effective. The Board of Directors believes that the Company's internal control system is capable of assuring a reliable financial statement, as of December 31st, 2016.

A handwritten signature in black ink, consisting of a large, stylized 'N' and 'C' followed by 'Apar', with a horizontal line extending to the right.

(Mr. Narit Chia-apar)
Chief Executive Officer

AUDIT COMMITTEE REPORT

To: The Shareholders of Seafresh Industry Public Company Limited

The Audit Committee of Seafresh Industry PCL consists of three independent directors, having the full qualifications according to the regulations and best practice guidelines for Audit Committee of the Stock Exchange of Thailand. The current, Audit Committee for the Company comprises of Dr.Kamales Santivejkul as the Chairman of Audit Committee, Dr.Sorachai Bhisalbutra and Dr.Worapong Leewattanakit as Audit Committee members, whereby the head of internal audit department serves as the Secretary of the Audit Committee.

The Audit Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors, in line with Regulation of the Stock Exchange of Thailand. In the year 2016, the Audit Committee has performed per such regulations which can be summarized as follows:

1. Review the quarterly and annual financial statements

To consider and review financial statements of the Company by enquired and meeting with the management and the external auditor clarifications, concerning the correctness and completeness of the financial statements and the adequacy of information disclosure. The Audit Committee agreed with the external auditors that the financial statements present fairly in accordance with Thai Financial Reporting Standards.

2. Review the operation information, internal control system and risk management system

To evaluate the sufficiency, appropriateness and effectiveness of the internal control system to reach the specified objective, by considered the internal audit report according to the approved internal audit plan that covered important working system of the company and found no significant deficiency, appropriate safeguarding assets, complete and reliable information disclosure. In addition, the Audit Committee had opinion that the Company had internal control system that was adequate, appropriate and efficient.

3. Review compliance with the Securities and Exchange Acts, and the Stock Exchange of Thailand's regulations and laws relating to the Company's business

In the Audit Committee's opinion, the Company's operations were in compliance with the relevant laws and regulations and no significant issues.

4. Consider the selection, nomination, and remuneration of external auditors

The Audit Committee considered the selection, nomination, and annual remuneration of external auditors in order to propose to the Board of Directors for approval in the Shareholders' meeting for the year 2017, which the processes taken into consideration were the qualifications, independence, and the appropriate remuneration, the Audit Committee nominated Grant Thornton Company Limited. as the auditors of the Company and subsidiaries for the year 2017 as follows:

1. Somckid Tiatragul	Certified Public Accountant Registration No.2785
2. Kanyanat Sriratchachaval	Certified Public Accountant Registration No.6549
3. Teerasak Chuasrisakul	Certified Public Accountant Registration No.6624

In addition, the Audit Committee has the opinions regarding the external auditors as follows:

- The external auditors performed their duties with knowledge, professional competency and also had independency in performing their duties.
- The proposed remuneration of the Company external auditors was appropriate, for the year 2017 is not exceeding to Baht 2,350,000.-.
- There was compliance with Regulation of the Office of the Securities and Exchange Commission.
- The external auditors had no relation with the Company and subsidiaries.

5. Review and give opinion to connected transactions or transactions with potential conflict of interests, and information disclosure of such transactions

In addition, the Company complied with Regulation of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. In external auditors' opinion, the significant trading

transactions with the connected persons were disclosed and also presented in the financial statements and notes to financial statements. The Audit Committee agreed with them and regarded that such transactions were reasonable, optimal beneficial to the business of the Company and disclosed accurately and completely.

6. Review the corporate governance report

The Audit Committee reviewed the good corporate governance report for the listed company as in accordance with the guidelines of Stock Exchange of Thailand.

In the Audit Committee's opinion, in the year 2016, the Company complied with the guidelines of Stock Exchange of Thailand for the principles of good corporate governance appropriately and also disclosed in this annual report.

7. Audit Committee Meeting

The Audit Committee held monthly meeting before the Board of Directors Meeting in order that the Audit Committee would acknowledge the Board of Directors for results from audit committee meeting and recommendations. In the year 2016, Audit Committee held 12 regular meeting and one extraordinary meeting.

8. Audit Committee Charter

Reviewed and revised the Audit Committee Charter to compile more details relating to composition, qualifications, term of director and meeting, which was approved by the Board of Directors on January 23, 2017

Upon consideration of the above issues, the Company's Audit Committee is of the opinion that the Company's financial statements were prepared in accordance with generally accepted accounting principles and adequate disclosure of connected transactions and that the Company conducted its business in compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and related laws. It is further deemed that the internal audit functions, internal control systems, and suitable risk management are effective in ensuring that the Company's financial information is complete, correct and reliable with sufficient disclosure.

On behalf of the Audit Committee
Seafresh Industry PCL



(Dr.Kamales Santivejkul)
Chairman of the Audit Committee

RISK MANAGEMENT COMMITTEE REPORT

To: The Shareholders of Seafresh Industry Public Company Limited

Enterprise Risk Management is one of the key features of Seafresh Industry Public Company Limited's business policy. It is an important process that builds confidence among executives and stakeholders by ensuring that significant events, both internal and external, which may have a significant impact on the Company's achievement of its objectives and vision, have been evaluated and managed by involved parties throughout the organization to an acceptable level.

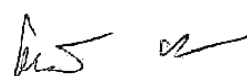
The Risk Management Committee has been set up since 2011 to oversee the organization's risk management process in an efficient and effective manner in accordance with international standards. The Risk Management Committee members in 2016 were screened and appointed by the Company's Board of Directors in 2015. It comprised director, top executive, and risk management executive. All members possessed knowledge, capability, and experience in the company.

In 2016, the Risk Management Committee held a total of 6 meetings with the attendance record as follows:

- | | |
|---------------------------------|--|
| 1. Mrs. Tassanee Youngmeevithya | Director and Deputy CEO
Chairman of the Risk Management Committee
Attended 6/6 meetings |
| 2. Mr. Chaisit Chuenchuwit | Chief Financial Officer
Member of the Risk Management Committee
Attended 6/6 meetings |
| 3. Mr. Krisda Manothirawat | Risk Management Department Manager
Member and Secretary of the Risk Management Committee
Attended 6/6 meetings |

The Risk Management Committee duties in 2016:

1. Create a risk management culture that aligns with the company's business plan. Risk management is a mandatory key performance indicators (KPIs) of all company's departments to be evaluated.
2. Establish guidelines, control, and monitor the risk management of all departments, both at the operational and organizational levels, in accordance with the current situation. Risk coverage areas include strategic risk, financial risk, operational risk, and regulatory compliance risk.
3. Establish "Risk Management" Quality System Procedure in accordance with the requirements of ISO9001: 2015.
4. Assign management to join the Business Continuity Management Project supported by Department of Primary Industries and Mines.
5. Develop an electronic input and evaluating system for risk management process, including risk assessment, risk response plans, risk monitoring, and report.
6. Report on risk management progress and results, as well as key issues to the Audit Committee in 3 meetings.



(Mrs. Tassanee Youngmeevithya)
Chairman of the Risk Management Committee

CORPORATE GOVERNANCE COMMITTEE REPORT

To: The Shareholders of Seafresh Industry Public Company Limited

The Corporate Governance Committee has been set up since 2012 to set the policy and governance guidelines to ensure that the Company's operation is carried out in a manner that is acceptable to the shareholders, complies with the law, and in accordance with the Company's Articles of Association. All committee members are free to express their opinions with a common intention to ensure that the Company's operations are efficient, accurate, transparent and fair.

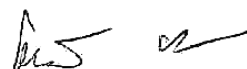
The Corporate Governance Committee members in 2016 were screened and appointed by the Company's Board of Directors in 2015. It comprises directors, top executives, and risk management executives. All members have the knowledge, ethics, and experience in the company for not less than 10 years.

In 2016, the Corporate Governance Committee held a total of 3 meetings with the attendance record as follows:

- | | |
|---------------------------------|---|
| 1. Mrs. Tassanee Youngmeevithya | Director and Deputy CEO
Chairman of the Corporate Governance Committee
Attended 3/3 meetings |
| 2. Mr. Chaisit Chuenchuwit | Chief Financial Officer
Member of the Corporate Governance Committee
Attended 3/3 meetings |
| 3. Mr. Krisda Manothirawat | Risk Management Department Manager
Member and Secretary of the Corporate Governance Committee
Attended 3/3 meetings |

The Corporate Governance Committee duties in 2016:

1. Review and amend the Company's policies in total of 36 policies.
2. Amend the requirements concerning the roles and responsibilities of the Board of Directors.
3. Review the violation of employees' code of conduct. There was no suspect violation report or any serious violation found last year.
4. Certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption by the Thai Institute of Directors on 22 January 2016.
5. Invite suppliers to join the Thailand's Private Sector Collective Action Coalition against Corruption. Encourage fraudulent reporting to the board via channel provided. Add vendor evaluating criteria to cover those who join an anti-corruption network.
6. Initiate a review of the Code of Conduct to reflect current circumstances, including an additional and more explicit content of anti-money laundering.



(Mrs. Tassanee Youngmeevithya)
Chairman of the Corporate Governance Committee

NOMINATION AND REMUNERATION COMMITTEE REPORT

To: The Shareholders of Seafresh Industry Public Company Limited

The Nomination and Remuneration Committee of Seafresh Industry PCL (“Company”) has 4 members which comprises of 1 executive director and 3 independent directors or 75% of the committee. Furthermore, chairman of the committee is an independent director. The Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors. In 2016, the company has been held the meeting once a year and all members attended the meeting. The significant results can be summarized as follows:

1. Consider the proposal of appointing new directors and replacing retired directors to the Board of Directors and Shareholders

Given shareholders the opportunity to propose the highly qualified knowledgeable, capable and specialized in various areas as candidates for directorship in advance before Annual General Meeting of Shareholders. The company published a letter to the shareholders through the stock exchange at least 3 months before the end of the financial year. The Company also has established guidelines and practices in the nomination of directors including the consideration of the committee at Company’s website. However, in the yearly 2016, there was not shareholders recommended any directorship candidates.

Then, the Nomination and Remuneration Committee proposed a suitably qualified person to get the professional and diversified (Board Diversity) director by considering the structure, size and composition of the Board in various fields, i.e. technical, expertise and gender. The amount offer is equal to the amount of the full term director and offer recommendations to the Board of Directors for seek the approval from the board. After that, a suitably qualified person will be presented to the general meeting of shareholders for appoint following guidelines.

2. Consider the proposal of Directors’ Remuneration in year 2016

Considered Remuneration of Directors and Sub Directors before proposed to Board of Directors and Shareholders in Annual General Meeting for approval. The Remuneration had been considered through company’s guideline and performance including compared to similar industry which directors’ compensation is appropriate with the assigned duties and responsibilities.

On behalf of the Nomination and Remuneration Committee
Seafresh Industry PCL



(Dr.Kamales Santivejkul)
Chairman of the Nomination and Remuneration Committee

Independent Auditor's Report

To the shareholders of Seafresh Industry Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Seafresh Industry Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 and Company 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 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 period. 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 matter	How my audit addressed the key audit matter
<p>Unrecognised deferred tax assets on losses carried forward</p> <p>As described in note 23.1, the Company recognised deferred tax assets on losses carried forward of Baht 14 million. There was unrecognised deferred tax assets of Baht 50 million in respect of its unused cumulative tax losses of Baht 250 million. The Company recognised deferred tax assets arising from tax losses carried forwards to extent it is probable that future taxable profits will allow it to be covered. In addition, some of the Company's business units have corporate income tax privileges, so using the appropriate income tax rate is important as this affects the calculation of deferred tax assets. The Company's management gave significant consideration of the profitability to utilise tax loss in the future by assessing the current forecasts for future taxable profit. Based on management's assessment having the prudent consideration, management concluded that tax loss carried forward were not necessary to be recognised as deferred tax assets in these financial statements.</p> <p>The level at which deferred tax assets are recognised on cumulative tax losses requires some judgement, particularly in relation to the assessment of the reliability of forecasting the Company's future taxable profitability. This matter was an area of focus for the audit because they depend to a large extent on estimates and assumptions made by the Company's management and is subject to uncertainties. The key management assumptions used in forecasting are business growth rates and timing of loss carried forward utilisation.</p>	<p>I evaluated the Company's forecasts and budgeting process. I also discussed the Company's business strategies with management and how they reflected this in the Company's forecasts and budgeting.</p> <p>I examined the taxable profitability forecasts supporting the recognition of deferred tax assets. I assessed the reasonableness of those forecasts and the evidence supporting management's underlying assumptions by comparing them with the approved budgets, considering the accuracy of the prior year's budget and comparing expected growth rates to relevant market expectations.</p> <p>Based upon the procedures performed, I found that the Company recognised deferred tax assets on losses carried forward at the acceptable amount.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements

and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the 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 consolidated and separate 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group and 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 the directors either intend to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and 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 TSAs, I exercise professional judgment and maintain professional scepticism 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated 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.

PricewaterhouseCoopers ABAS Ltd.

Sukhumaporn Wong-ariyaporn

Certified Public Accountant (Thailand) No. 4843

Bangkok

27 February 2017

Seafresh Industry Public Company Limited
Statement of Financial Position
As at 31 December 2016

		(Unit : Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
Notes					
Assets					
Current assets					
Cash and cash equivalents	8	92,682,434	380,217,107	56,270,200	194,052,742
Trade accounts receivable - net	9	1,042,492,433	596,542,842	505,023,713	647,512,230
Other accounts receivable		34,103	80,423	8,786,183	15,936,289
Short-term loans to related parties	7	-	-	-	1,200,264,085
Short-term interest receivable - related parties	7	-	90,589,297	-	84,675,016
Inventories - net	10	2,043,149,988	2,437,035,053	773,964,021	944,704,393
Biological assets		3,138,747	-	3,138,747	-
Refundable value added tax		23,292,238	27,263,478	4,445,492	2,400,847
Forward exchange contracts receivable - net	11.1	-	12,074,316	605,056	-
Other current assets	12	46,320,348	61,550,555	8,442,947	18,124,926
Total current assets		3,251,110,291	3,605,353,071	1,360,676,359	3,107,670,528
Non-current assets					
Restricted deposits with bank	13	15,000,000	15,250,000	15,000,000	15,000,000
Long-term loans to related party	7	439,461,448	495,795,909	-	-
Long-term interest receivable - related party	7	89,439,141	-	-	-
Investments in subsidiaries	14	-	-	903,882,828	6,382,839
Investment in joint venture	15	-	-	-	-
Property, plant and equipment - net	16	1,100,210,742	1,117,600,702	648,444,639	556,489,959
Intangible assets - net	17	11,843,768	12,129,563	5,000,761	6,748,351
Deferred tax assets	23.1	14,000,000	14,000,000	14,000,000	14,000,000
Asset under derivative for hedging of bond	11.3	73,970,307	-	73,970,307	-
Other non-current assets		6,111,590	4,213,031	3,203,396	3,610,010
Total non-current assets		1,750,036,996	1,658,989,205	1,663,501,931	602,231,159
Total assets		5,001,147,287	5,264,342,276	3,024,178,290	3,709,901,687

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Financial Position
As at 31 December 2016

		(Unit : Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Notes		2016	2015	2016	2015
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	967,785,357	1,463,480,977	368,389,833	1,002,349,345
Trade accounts payable		376,868,003	462,787,937	24,241,533	7,374,268
Other accounts payable		14,916,082	25,625,685	11,247,501	11,962,817
Accounts payable for purchase of fixed assets		6,162,637	11,336,952	6,162,637	11,336,952
Accrued expenses	19	110,352,996	111,323,050	26,630,493	38,599,915
Current portion of long-term loans					
from financial institutions	20	238,637,671	268,322,416	188,705,000	262,383,528
Current portion of liabilities under derivative					
for hedging of long-term loans	11.4	14,015,745	14,671,982	14,015,745	14,671,982
Current portion of finance lease liabilities		894,099	2,253,353	-	-
Short-term loans from related party	7	-	-	25,000,000	-
Accrued income tax		73,479,037	26,811,341	-	-
Forward exchange contracts payable - net	11.2	1,700,671	-	-	189,268
Other current liabilities		22,294,318	25,130,784	3,384,142	6,627,041
Total current liabilities		1,827,106,616	2,411,744,477	667,776,884	1,355,495,116
Non-current liabilities					
Long-term loans from financial institutions - net					
	20	343,295,044	523,812,193	151,002,500	448,497,724
Bond - net	21	498,728,587	-	498,728,587	-
Liabilities under derivative					
for hedging of long-term loans	11.4	6,723,147	21,976,605	6,723,147	21,976,605
Finance lease liabilities - net		2,000,317	908,436	-	-
Employee benefit obligations	22	47,657,864	32,050,958	46,050,384	32,050,958
Deferred tax liabilities	23.1	28,674,751	36,932,717	-	-
Other non-current liabilities		608,910	4,916,384	608,910	4,916,385
Total non-current liabilities		927,688,620	620,597,293	703,113,528	507,441,672
Total liabilities		2,754,795,236	3,032,341,770	1,370,890,412	1,862,936,788

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Financial Position
As at 31 December 2016

		(Unit : Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Notes		2016	2015	2016	2015
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Short-term loans from related party	7	-	-	25,000,000	-
Accrued income tax		73,479,037	26,811,341	-	-
Forward exchange contracts payable - net	11.2	1,700,671	-	-	189,268
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Bond - net	21	498,728,587	-	498,728,587	-
Liabilities under derivative					
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Employee benefit obligations	22	47,657,864	32,050,958	46,050,384	32,050,958
Deferred tax liabilities	23.1	28,674,751	36,932,717	-	-
Other non-current liabilities		608,910	4,916,384	608,910	4,916,385
Total non-current liabilities		927,688,620	620,597,293	703,113,528	507,441,672
Total liabilities		2,754,795,236	3,032,341,770	1,370,890,412	1,862,936,788

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Financial Position
As at 31 December 2016

		(Unit : Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Notes		2016	2015	2016	2015
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
		485,694,600 ordinary shares with			
		a par value of Baht 1 per share			
28		485,694,600	485,694,600	485,694,600	485,694,600
Issued and paid-up share capital					
		463,549,600 ordinary shares,			
		paid-up of par Baht 1 each			
28		463,549,600	463,549,600	463,549,600	463,549,600
		Premium on share capital			
		799,228,000	799,228,000	799,228,000	799,228,000
		Premium on treasury stock			
		12,902,865	12,902,865	12,902,865	12,902,865
		Surplus on investment under common control			
		2,198,133	2,198,133	-	-
Retained earnings					
		Appropriated for legal reserve			
29		48,569,460	48,569,460	48,569,460	48,569,460
		Unappropriated			
		731,011,661	732,580,120	329,037,953	522,714,974
		Other components of shareholders' equity			
		(53,014,026)	2,011,324	-	-
Total parent's equity		2,004,445,693	2,061,039,502	1,653,287,878	1,846,964,899
Non-controlling interests		241,906,358	170,961,004	-	-
Total equity		2,246,352,051	2,232,000,506	1,653,287,878	1,846,964,899
Total liabilities and equity		5,001,147,287	5,264,342,276	3,024,178,290	3,709,901,687

The accompanying notes are an integral part of these consolidated and separate financial statements.

(Unit : Baht)					
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Notes		2016	2015	2016	2015
Revenues					
Revenue from sales		7,578,892,812	7,806,476,960	3,047,297,317	2,822,080,454
Revenue from services		7,952,082	10,898,836	-	-
Other income	24	31,689,048	72,132,880	135,897,825	198,151,382
Total revenues		7,618,533,942	7,889,508,676	3,183,195,142	3,020,231,836
Expenses					
Cost of sales		(6,490,856,285)	(6,719,142,695)	(2,814,826,424)	(2,391,941,469)
Cost of services		(6,686,898)	(7,603,873)	-	-
Selling expenses		(302,118,619)	(294,572,744)	(144,922,167)	(140,985,302)
Administrative expenses		(323,632,903)	(260,940,267)	(112,016,234)	(91,638,173)
Gain on exchange rates - net		90,249,554	89,944,363	10,275,680	62,456,432
Finance costs		(90,410,062)	(63,734,010)	(56,005,311)	(50,421,566)
Total expenses		(7,123,455,213)	(7,256,049,226)	(3,117,494,456)	(2,612,530,078)
Profit before loss sharing from investment					
in joint venture and income tax		495,078,729	633,459,450	65,700,686	407,701,758
Loss sharing from investment in joint venture	15	-	(99,556,432)	-	-
Profit before income tax		495,078,729	533,903,018	65,700,686	407,701,758
Income tax	23.2	(102,644,839)	(27,032,694)	-	14,000,000
Net profit for the year		392,433,890	506,870,324	65,700,686	421,701,758
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of post-employee benefit obligations	22	(4,509,577)	-	(4,509,577)	-
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of financial statements		(107,892,843)	45,997,500	-	-
Other comprehensive income for the year		(112,402,420)	45,997,500	(4,509,577)	-
Total comprehensive income for the year		280,031,470	552,867,824	61,191,109	421,701,758

The accompanying notes are an integral part of these consolidated and separate financial statements

Seafresh Industry Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

(Unit : Baht)				
Note	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Net profit attributable to:				
Owners of the parent	257,809,248	458,576,673	65,700,686	421,701,758
Non-controlling interests	134,624,642	48,293,651	-	-
	<u>392,433,890</u>	<u>506,870,324</u>	<u>65,700,686</u>	<u>421,701,758</u>
Comprehensive income attributable to:				
Owners of the parent	198,274,321	482,035,398	61,191,109	421,701,758
Non-controlling interests	81,757,149	70,832,426	-	-
	<u>280,031,470</u>	<u>552,867,824</u>	<u>61,191,109</u>	<u>421,701,758</u>
Earnings per share	27			
Basic earnings per share	0.56	0.99	0.14	0.91
Diluted earnings per share	0.56	0.99	0.14	0.91

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

(Unit : Baht)

Consolidated financial statements										
Equity attributable to the Company's shareholders										
							Other components of equity			
					Retained earnings		Other comprehensive income	Total equity		
Issued		Premium on	Premium on	Surplus on			Exchange differences on	attributable to		
and paid up		share capital	treasury stock	investment under	Legal		translation of financial	parent's		
Note	share capital	share capital		common control	reserve	Unappropriated	statements	equity	Non-controlling	Total
									interests	equity
Opening balance - 1 January 2015	463,549,600	799,228,000	12,902,865	2,198,133	46,669,400	275,903,507	(21,447,401)	1,579,004,104	104,972,743	1,683,976,847
Transfer to legal reserve	-	-	-	-	1,900,060	(1,900,060)	-	-	-	
Dividend paid by subsidiary	-	-	-	-	-	-	-	-	(4,844,169)	(4,844,169)
Total comprehensive income for the year	-	-	-	-	-	458,576,673	23,458,725	482,035,398	70,832,426	552,867,824
Increase in non-controlling interests										
in subsidiaies	-	-	-	-	-	-	-	-	4	4
Closing balance - 31 December 2015	463,549,600	799,228,000	12,902,865	2,198,133	48,569,460	732,580,120	2,011,324	2,061,039,502	170,961,004	2,232,000,506
Dividend paid	30	-	-	-	-	(254,868,130)	-	(254,868,130)	-	(254,868,130)
Dividend paid by subsidiary		-	-	-	-	-	-	-	(11,015,996)	(11,015,996)
Total comprehensive income for the year		-	-	-	-	253,299,671	(55,025,350)	198,274,321	81,757,149	280,031,470
Increase in non-controlling interests										
in subsidiaries		-	-	-	-	-	-	-	204,201	204,201
Closing balance - 31 December 2016		463,549,600	799,228,000	12,902,865	2,198,133	48,569,460	731,011,661	(53,014,026)	2,004,445,693	241,906,358
										2,246,352,051

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

(Unit : Baht)

		Separate financial statements					
		Issued			Retained earnings		
		and paid-up	Premium on	Premium on	Legal		Total
Note		share capital	share capital	treasury stock	reserve	Unappropriated	equity
Opening balance - 1 January 2015							
		463,549,600	799,228,000	12,902,865	46,669,400	102,913,276	1,425,263,141
Transfer to legal reserve		-	-	-	1,900,060	(1,900,060)	-
Total comprehensive income for the year		-	-	-	-	421,701,758	421,701,758
Closing balance - 31 December 2015							
		463,549,600	799,228,000	12,902,865	48,569,460	522,714,974	1,846,964,899
Dividend paid	30	-	-	-	-	(254,868,130)	(254,868,130)
Total comprehensive income for the year		-	-	-	-	61,191,109	61,191,109
Closing balance - 31 December 2016							
		463,549,600	799,228,000	12,902,865	48,569,460	329,037,953	1,653,287,878

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

(Unit : Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
	Notes	2016	2015	2016	2015
Cash flows from operating activities					
Net profit before income tax		495,078,729	533,903,018	65,700,686	407,701,758
Adjustments for:					
Depreciation and amortisation expenses	16, 17	139,943,392	140,728,663	78,016,494	75,597,624
Provision for declining in value of inventories (reversal)		(45,565,219)	(37,131,344)	(10,000,000)	8,200,000
Reversal of provision for impairment		-	(14,455,388)	-	(14,455,388)
Amortised financing fees	21	789,190	-	789,190	-
Gain on sales of fixed assets	24	(4,039,416)	(718,609)	(4,038,619)	(718,609)
Written off equipment	16	1,101,292	216,514	1,101,292	115,394
Allowance for doubtful debts (reversal)		53,559,456	(1,585,487)	(760,000)	-
Loss sharing from investment in joint venture	15	-	99,556,432	-	-
Unrealised (gain) loss on derivative instruments		(76,105,015)	13,997,855	(90,674,325)	12,149,459
Unrealised (gain) loss on foreign exchange rates		(30,276,638)	(19,952,261)	18,617,389	(47,468,042)
Employee benefit obligations		12,051,129	4,268,637	10,443,649	4,268,637
Dividend received	24	-	-	(11,029,393)	(5,044,598)
Interest income		(567,719)	(34,795,767)	(27,031,409)	(85,693,200)
Interest expenses		90,117,760	63,460,770	55,825,832	50,148,327
		636,086,941	747,493,033	86,960,786	404,801,362
Changes in operating working capital					
(Increase) Decrease in trade and other receivables		(446,027,100)	130,258,408	164,694,674	69,069,737
(Increase) Decrease in inventories		450,478,778	(964,242,417)	180,740,372	(470,113,161)
Increase in biological assets		(3,138,747)	-	(3,138,747)	-
(Increase) Decrease in other current assets		19,405,681	(18,205,875)	7,637,333	(5,643,763)
(Increase) Decrease in other non-current assets		(1,898,559)	309,922	406,614	(5,856)
Increase (Decrease) in trade and other payables		(98,552,035)	(54,107,764)	3,491,019	(6,886,480)
Increase (Decrease) in other current liabilities		(2,836,466)	10,893,354	(3,242,899)	3,633,026
Increase (Decrease) in other non-current liabilities		(4,842,134)	900,428	(4,842,134)	628,983
Employee benefit paid		(953,800)	(2,619,000)	(953,800)	(2,619,000)
Cash flows receipts from (payments for) operations		547,722,559	(149,319,911)	431,753,218	(7,135,152)
Income tax paid		(57,813,411)	(58,778,195)	-	-
Net cash receipts from (payments for) operating activities					
		489,909,148	(208,098,106)	431,753,218	(7,135,152)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Seafresh Industry Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

(Unit : Baht)					
		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
	Notes	2016	2015	2016	2015
Cash flows from investing activities					
(Increase) Decrease in restricted deposits with bank		250,000	(250,000)	-	285,032
Proceeds from short-term loans from related parties	7	-	-	1,208,264,085	9,843,840
Payment for short-term loans to related parties	7	-	-	(8,000,000)	(189,390,000)
Payment for investment in subsidiary	14	-	-	(897,499,989)	(2,499,996)
Purchases of fixed assets		(217,176,636)	(142,601,767)	(174,333,530)	(68,745,803)
Purchases of intangible assets	17	(6,783,223)	(4,019,000)	(233,500)	(4,000,000)
Proceeds from sales of fixed assets		4,107,259	1,532,710	4,106,458	1,532,710
Proceeds from deposit with financial institution		-	20,000,000	-	20,000,000
Dividend received	24	-	-	11,029,393	5,044,598
Interest income		567,675	2,373,971	111,706,425	43,264,511
Net cash receipts from (payments for) investing activities		(219,034,925)	(122,964,086)	255,039,342	(184,665,108)
Cash flows from financing activities					
Interest expenses		(86,314,145)	(59,377,605)	(55,112,349)	(50,108,271)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		(495,695,620)	529,520,629	(633,959,511)	344,649,345
Increase (decrease) in finance lease liabilities		(267,373)	658,625	-	-
Proceeds from short-term loans from related parties	7	-	-	25,000,000	-
Proceeds from long-term loans	20	287,687,980	200,000,000	-	200,000,000
Payment for long-term loans	20	(462,720,363)	(239,696,662)	(370,419,852)	(231,202,992)
Proceeds from issuing of share capital		11	4	-	-
Proceeds from issuing of bond - net	21	497,939,397	-	497,939,397	-
Dividend paid	30	(254,333,470)	-	(254,333,470)	-
Dividend paid to non-controlling interests		(11,015,996)	(4,844,169)	-	-
Net cash receipts from (payments for) financing activities		(524,719,579)	426,260,822	(790,885,785)	263,338,082
Net increase (decrease) in cash and cash equivalents		(253,845,356)	95,198,630	(104,093,225)	71,537,822
Cash and cash equivalents - opening balances		380,217,107	261,757,572	194,052,742	99,254,015
Effect on exchange gain (loss) at the end of year		(33,689,317)	23,260,905	(33,689,317)	23,260,905
Cash and cash equivalents - closing balances		92,682,434	380,217,107	56,270,200	194,052,742

The accompanying notes are an integral part of these consolidated and separate financial statements.

SEAFRESH INDUSTRY PUBLIC SEPARATE LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 General information

Seafresh Industry Public Company Limited ('the Company') is a public company limited which is incorporated and domiciled in Thailand. It is listed on the Stock Exchange of Thailand. The addresses of the Company and branches' registered office are as follows:

Head office: 402 Moo 8, Chumphon - Paknam Road, Paknam, Muangchumphon, Chumphon 86120.

2 Branches: 152/25, Chartered Square Building, 31st Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500 and 52 Moo 2, Thung Kha, Muangchumphon, Chumphon 86100 .

The Company is principally engaged in manufacturing and distribution of frozen shrimp.

For reporting purposes, the Company and its subsidiaries are referred to as 'the Group'.

The Group and nature of business are:

Subsidiaries	Nature of business	Country of incorporation	Percentage of Shareholding (Direct and indirect holding) (%)	
			2016	2015
Seafresh Group (Holdings) Limited (SGH)	Investment in companies engaged in seafood processing and other related business in Europe	England	51.00	51.00
Sea Farms Limited (100% held by SGH)	Import and distribution of seafood	England	51.00	51.00
Blue Earth Foods Limited (25% held by the Company and 75% held by SGH)	Sourcing, producing and distribution of processed seafood	England	63.25	63.25
Sea Farms, Inc. (25% held by the Company and 65% held by SGH)	Import and distribution of seafood	United States of America	58.15	58.15
Prochaete Innovation Limited (25% held by the Company and 35% held by SGH)	Research and development of fish meal substitution	England	42.85	42.85
Sea Farms Nutrition Limited (60% held by SGH and 25% held by SIHQ)	Produce and sell animals feed and nutrition	England	55.60	-
Manufacturing Systems Implementation Company Limited	Consulting and installation of computer system	Thailand	100.00	100.00
Seafresh IHQ Company Limited (SIHQ)	Provide managerial, technical support and financial management services to companies in the Group	Thailand	100.00	100.00
Joint venture				
Belize Aquaculture Limited (50% held by SGH)	Shrimp farm	Belize	50.00	50.00

2 Accounting policies

The principle accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards and revised financial reporting standards

2.2.1 New financial reporting standards and revised financial reporting standards are effective on 1 January 2016.

TFRS 8 (revised 2015), 'Operating segments: it requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TAS 16 (revised 2015), 'Property, plant and equipment: it clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 24 (revised 2015), 'Related party disclosures: it includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 41, 'Agriculture': it requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

The above standards do not have a material impact on the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

Revised financial reporting standard, which has significant changes and is relevant to the Group:

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016). While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

The management is considering the policy choices.

2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries and joint venture

a) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

b) Joint arrangement

Investment in joint arrangement is classified as either joint operation or joint venture depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangement and determined it to be joint venture. Joint venture is accounted for using the equity method.

Under the equity method of accounting, interests in joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the group and its joint venture is eliminated to the extent of the group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statement, investment in joint venture is accounted for at cost less impairment.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

2 Accounting policies (Cont'd)

2.8 Biological assets

Biological assets comprise shrimps in the ponds. They are measured at cost less impairment losses due to the short period of growing to harvesting approximately 3 months. Cost of biological assets includes all costs incurred from the purchase costs and farm costs.

2.9 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items including an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located, when the entity has the obligation to do so.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is recognised. All other repairs and maintenance are charged to income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other asset is calculated on the straight line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings	20 - 50 years
Building improvements	5 - 10 years
Factory machines and equipment	3 - 10 years
Office suppliers and equipment	3 - 10 years
Vehicle	5 - 10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are included in statements of income.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are recognised as expenses.

2.10 Intangible assets

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

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

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

Computer software	3 years
Relationship with customers	3 years

2 Accounting policies (Cont'd)

2.11 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Leases - where a Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 Accounting policies (Cont'd)

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rates of 3% and 5%, respectively, of their basic salaries. The fund, will pay to employees upon termination in accordance with the fund rules. The Group contribution to the fund are recognised as expense in profit or loss as incurred.

Retirement benefits schemes

The Group has obligations in respect of the severance payments they must make to employees upon retirement under the labor law. The Group treats these severance payment obligations as a defined benefit plan.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2 Accounting policies (Cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; the amount has been reliably estimated. Restructuring provisions comprise lease, lease termination penalties and employee termination payment. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are recorded at contract date, the Group record receivables and payables from forward contracts using the exchange rates prevailing at the dates of the transactions. Premiums or discounts are amortized on a straight-line basis over the contract periods. At the end of the period, receivables and payables are translated using closing exchange rates and the net position profit or loss is recorded as income or loss with corresponding debit or credit in the statement of financial position.

Interest rate swap and cross currency swap contracts

The Group's assets and liabilities arising from interest rate swap and cross currency swap contracts are using the exchange rates prevailing at the dates of the transactions. At the end of the period, assets and liabilities are translated using closing exchange rates and interest rate in the swap contracts. The net position profit or loss is recorded as income or loss with corresponding debit or credit in the statement of financial position.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.19 Premium on treasury stock

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock. Losses on disposal of treasury stock are determined by reference to the carrying amount and are presented in premium on treasury stock and retained earnings, consecutively.

2 Accounting policies (Cont'd)

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from factoring is recognised on an accrual basis.

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

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

Export subsidies received from the Ministry of Finance in the form of tax coupon are recognised when the Company obtains written notification of approval of the tax coupon.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's board of directors who makes strategic decisions.

2.23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3 Financial risk management

The Group has financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group has exposure to credit risk primarily with respect to trade and other receivable and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses since most of the credit granting are covered with contracts and guarantees. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, and other receivables as stated in the statement of financial position.

3 Financial risk management (Cont'd)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to bank overdrafts, short-term and long-term loans. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

The Group sometimes borrow at fixed and floating rates and use interest rate swaps as cash flow hedges of future interest payments because the Group assesses that the changes in interest rate will not significantly affect to the Group's operation.

Foreign exchange risk

The Company has exposure to foreign currency risk from trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange and currency swap contracts when it considers appropriate. Generally, the forward and currency swap contracts mature within one year.

Some of financial assets and liabilities have forward foreign currency contracts and derivatives as Note 11.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an amount of committed credit facilities and also issue of bond in the financial market, the Group treasury aims at maintaining flexibility in funding by keeping committed credit facilities available for the operating and investing purpose of the Group in future.

4 Fair value estimation

The carrying amounts of the financial assets and financial liabilities approximate their fair values, except long-term loans from financial institutions and Bond with interest charged at the fixed rates and derivatives. Long-term loans from financial institutions with interest charged at the floating rates have the carrying amount approximate the fair value.

The Group discloses fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly that is, as prices or indirectly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group discloses fair values of financial instruments in the following notes.

Long-term loans from financial institution with fixed interest rates	: Note 20
Bond with fixed interest	: Note 21
Derivatives	: Note 11.5

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

6 Critical accounting estimates, assumptions and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Plant and equipment and intangible assets

Management determines the estimated useful lives and residual values of the Group's plant and equipment and intangible assets. The management reviews the calculations of depreciation and amortisation expenses where the estimated useful life and residual value differ from the previous estimation or there is written-off for technically obsolete or non-used assets by sales or abandon.

(b) Retirement benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

(c) Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgements by the management, which includes the estimated collection losses on receivables, based on the Group's collection experience together with a review of the financial position of the debtors. The management reviews these estimates and assumptions on a regular basis.

(d) Allowance for obsolete, slow-moving and defective inventories

The Group provides allowances for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowances are based on consideration of inventory turnover and deterioration of each category.

(e) Deferred tax assets

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The management has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognised.

7 Transactions with related parties

As at 31 December 2016, the major shareholder of the Company is Chia-Apar family, who owns 66.68% of the Company's share capital.

The Company has significant business transactions with its related parties (related in term of common shareholders and/or management). Such transactions have been complied with the terms and conditions as determined by the Company and related parties.

The relationship between the Company and related parties is summarised below:

Names	Relationship
Seafresh Group (Holdings) Limited (SGH)	Subsidiary
Sea Farms Limited	Subsidiary of SGH
Blue Earth Foods Limited	Subsidiary of SGH
Sea Farms, Inc.	Subsidiary of SGH
Prochaete Innovation Limited	Subsidiary of SGH
Sea Farms Nutrition Limited	Subsidiary of SGH
Manufacturing System Implementation Company Limited	Subsidiary
Seafresh IHQ Company Limited	Subsidiary
Belize Aquaculture Limited	Joint Venture of SGH
Chartered Square Holding Company Limited	Common director
Thai K Boiler Company Limited	Common director
Transactions	Pricing policy
Sales of goods	Cost plus margin
Purchase of goods	Cost plus margin
Interest income	2.6% and 8% per annum
Other income	Cost plus margin
Interest on credit sale	1% per month
Service income	Cost plus margin
Office rental and service	Cost plus margin
Interest expense - Short term loan	0.8% - 0.9% per annum

Significant related parties transactions for the year ended 31 December 2016 and 2015 are as follows:

Transactions with related parties	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
<u>Subsidiaries</u>				
Sales of goods	-	-	1,538,029	1,391,089
Interest income	-	-	26,535	85,020
Other income (Interest on credit sale)	-	-	66,462	70,801
Service income	-	-	-	1,560
Dividend income	-	-	11,029	5,045
Service fee	-	-	9,081	945
Purchase of intangible assets	-	-	-	4,000
Purchase of fixed assets	-	-	-	1,696
Office rental and service	-	-	5,927	-
Interest expense	-	-	362	-
<u>Joint venture</u>				
Purchase of goods	16,763	542,413	16,763	15,310
Sales of goods	-	72,858	-	-
Interest income	-	33,623	-	-
Other income (Interest on credit sale)	-	21	-	21

7 Transactions with related parties

Significant related parties transactions for the year ended 31 December 2016 and 2015 are as follows: (Cont'd)

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
Transactions with related parties	2016	2015	2016	2015
<u>Related parties</u>				
Sales of goods	660	-	-	-
Other income	88	-	-	-
Service income	536	247	-	-
Office rental and service	8,570	8,612	-	7,918
Service and spare part	908	1,349	898	1,349
<u>Key management personnel compensation</u>				
Short-term employee benefits	56,453	51,641	19,619	19,647
Post employment benefits	383	-	383	-

Significant related parties balances as at 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Trade accounts receivable				
Subsidiaries	-	-	461,132	595,890
Joint venture	227,227	79,204	34	-
Total	227,227	79,204	461,166	595,890
Other accounts receivable				
Subsidiaries	-	-	445	-
Trading interest receivables				
Subsidiaries	-	-	8,752	15,856
Total other receivables	-	-	9,197	15,856
Interest receivables				
Short-term				
Subsidiaries	-	-	-	84,675
Joint venture	-	90,589	-	-
Total	-	90,589	-	84,675
Long-term				
Joint venture	89,439	-	-	-
Trade accounts payable				
Joint venture	9,386	7,454	5,186	-
Other accounts payable				
Subsidiary	-	-	108	-
Related parties	256	110	106	110
Total	256	110	214	110

7 Transactions with related parties (Cont'd)

Short-term loans to subsidiaries

The balances of short-term loans to subsidiaries and the movement during the year are as follows:

					(Unit : Thousand Baht)				
					Separate financial statements				
Borrower	Interest rate (% per annum)	Currency	Principle	Maturity date	31 December 2015	Increase	Decrease	Unrealised gain (loss) on exchange rates	31 December 2016
Seafresh Group (Holdings) Limited	8	Thousand US dollar	12,292	2 April 2016 - 2 July 2016	441,577	-	(441,577)	-	-
Seafresh IHQ Company Limited	3.79	Thousand Pound-sterling	14,295	14 April 2016	758,687	-	(758,687)	-	-
	2.60	Thousand Baht	2,500	7 July 2016	-	2,500	(2,500)	-	-
	2.60	Thousand Baht	5,500	At call	-	5,500	(5,500)	-	-
					1,200,264	8,000	(1,208,264)	-	-

7 Transactions with related parties (Cont'd)

Long-term loans to joint venture

The balances of long-term loans to joint venture and the movement during the year are as follows:

Borrower	Interest rate (% per annum)	Currency	Principle	Maturity date	Consolidated financial statements						(Unit : Thousand Baht)
					31 December 2015	Increase	Decrease	Unrealised gain on exchange rates	Currency translation differences	Allowance for doubtful debts	31 December 2016
Belize Aquaculture Limited	8	Thousand US dollar	13,966	2 January 2017 - 3 September 2017	495,796	-	-	81,440	(83,455)	(54,320)	439,461

Short-term loans are classified as long-term loans due to the lender has an intention to extend the period of loan repayment to more than one year.

The subsidiary has not recognised interest income from long-term loans to joint venture since 1 January 2016 until loans are settled by the joint venture.

Short-term loans from related party

The balance of short-term loans from subsidiary and the movement during the year is as follows:

Lender	Interest rate (% per annum)	Currency	Principle	Maturity date	Separate financial statements				(Unit : Thousand Baht)
					31 December 2015	Increase	Decrease	31 December 2016	
Seafresh IHQ Company Limited	0.80	Thousand Baht	220,000	At call	-	220,000	(220,000)	-	
Seafresh IHQ Company Limited	0.90	Thousand Baht	25,000	At call	-	25,000	-	25,000	
					-	245,000	(220,000)	25,000	

8 Cash and cash equivalents

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Cash on hand	118	124	90	90
Deposits held at call with banks	92,564	380,093	56,180	193,963
Total	92,682	380,217	56,270	194,053

The average interest rate on deposits held at call with banks was ranged between 0.04% to 0.90% per annum (2015: 0.10% to 0.40% per annum).

9 Trade accounts receivable - net

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Trade accounts receivable - third parties	832,505	535,339	61,098	69,622
<u>Less</u> Allowance for doubtful accounts	(17,240)	(18,000)	(17,240)	(18,000)
Trade accounts receivable - net	815,265	517,339	43,858	51,622
Trade accounts receivable - related parties	227,227	79,204	461,166	595,890
Trade accounts receivable - net	1,042,492	596,543	505,024	647,512

The aging analysis of trade accounts receivable is as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Not yet due	720,099	432,779	342,176	352,615
than 3 months	309,952	80,198	162,847	276,736
3 - 6 months	12,388	31,080	5	16,821
6 - 12 months	23	51,146	-	-
Over 12 months	17,270	19,340	17,236	19,340
	1,059,732	614,543	522,264	665,512
<u>Less</u> Allowance for doubtful accounts	(17,240)	(18,000)	(17,240)	(18,000)
Trade accounts receivable - net	1,042,492	596,543	505,024	647,512

10 Inventories - net

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Finished goods	1,987,477	2,364,800	753,328	925,226
Work in process	11	1,697	11	217
Goods in transit	5,213	22,409	5,213	22,409
Raw materials and packaging	75,884	128,451	22,316	14,852
Chemical and others	1,096	-	1,096	-
Total	2,069,681	2,517,357	781,964	962,704
<u>Less</u> Allowance for declining in value of inventories	(26,531)	(80,322)	(8,000)	(18,000)
Inventories - net	<u>2,043,150</u>	<u>2,437,035</u>	<u>773,964</u>	<u>944,704</u>

11 Assets and liabilities from derivative instruments

Assets and liabilities from derivative instruments which were recognised in the financial statements are as follows:

11.1 Forward exchange contracts receivable - net

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Forward exchange contract	-	13,436	1,645	-
Deferred discount	-	(1,362)	(1,040)	-
Net	<u>-</u>	<u>12,074</u>	<u>605</u>	<u>-</u>

11.2 Forward exchange contracts payable - net

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Forward exchange contract	6,108	-	-	(23)
Deferred discount	(4,407)	-	-	212
Net	<u>1,701</u>	<u>-</u>	<u>-</u>	<u>189</u>

11.3 Asset under derivative for hedging of bond

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Cross currency swap	<u>73,970</u>	<u>-</u>	<u>73,970</u>	<u>-</u>

11 Assets and liabilities from derivative instruments (Cont'd)

Assets and liabilities from derivative instruments which were recognised in the financial statements are as follows:
(Cont'd)

11.4 Liabilities under derivative for hedging of long-term loans

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Current portion				
Cross currency swap	14,016	14,672	14,016	14,672
Portion due more than one year				
Interest rate swap	1	83	1	83
Cross currency swap	6,722	21,894	6,722	21,894
Total	6,723	21,977	6,723	21,977

11.5 Net fair values of derivative financial instruments

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Contracts with positive fair values:				
Forward exchange contracts receivable	16,116	15,215	669	-
Forward exchange contracts payable	-	-	-	255
Asset under derivative for hedging of bond				
- Cross currency swap	70,767	-	70,767	-
Total	86,883	15,215	71,436	255
Contracts with negative fair values:				
Forward exchange contracts receivable	-	618	-	618
Forward exchange contracts payable	20,087	-	-	-
Liabilities under derivative for hedging of long-term loans				
- Interest rate swap	38	1,056	38	1,056
- Cross currency swap	21,230	37,821	21,230	37,821
Total	41,355	39,495	21,268	39,495

The fair values of derivatives are calculated using the rates quoted by the financial institution used by the Group which are based on market conditions existing at 31 December 2016. The fair values are within level 2 of the fair value hierarchy.

12 Other current assets

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Prepaid expense	38,134	38,787	1,779	12,902
Office suppliers	3,915	2,765	3,915	2,765
Advance payment	822	971	805	971
Tax coupon	1,563	928	1,563	928
Other	1,887	18,100	381	559
Total	46,321	61,551	8,443	18,125

13 Restricted deposits with bank

Restricted deposits with bank represent fixed deposit 3 month and fixed deposit 12 month that the company pledged to issue bank guarantee for the overdraft and short-term loans facilities.

14 Investments in subsidiaries

		Separate financial statements							
		Paid-up capital		Percentage of shareholding direct (%)		Percentage of shareholding direct and indirect (%)		At Cost (Thousand Baht)	
	Currency of investments	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Seafresh Group (Holdings) Limited	GBP	10,000	10,000	51.00	51.00	51.00	51.00	248	248
Sea Farms Limited	GBP	1	1	-	-	51.00	51.00	-	-
Blue Earth Foods Limited	GBP	3,000	3,000	25.00	25.00	63.25	63.25	36	36
Sea Farms, Inc.	USD	10,000	10,000	25.00	25.00	58.15	58.15	77	77
Prochaete Innovation Limited	GBP	100	100	25.00	25.00	42.85	42.85	1	1
Sea Farms Nutrition Limited	GBP	10,000	-	-	-	55.60	-	-	-
Manufacturing Systems Implementation Company Limited	Thousand Baht	3,000	3,000	100.00	100.00	100.00	100.00	3,521	3,521
Seafresh IHQ Company Limited	Thousand Baht	900,000	2,500	100.00	100.00	100.00	100.00	900,000	2,500
Total								903,883	6,383

- (1) The proportion of the voting rights in the subsidiary undertakings held directly by the parent company does not differ from the proportion of ordinary shares held except for Prochaete Innovation Limited. The Company has interest only 42.85% but included such subsidiary in the consolidated financial statements because the Company has power to govern the financial and operating policies of this subsidiary through board of director representatives holding voting rights more than 50%.
- (2) On 13 January 2016, Seafresh IHQ Company Limited (SIHQ) increased share capital from 2 million shares to 180 million shares or Baht 10 million to Baht 900 million. The Company invested in all ordinary shares increased of 178 million shares with a par value of Baht 5 per share. The Company has fully paid share subscription.
- (3) On 19 September 2016, Sea Farms Nutrition Limited was established and registered in England (10,000 shares at GBP 1 per share). Shareholders are Seafresh Group (Holdings) Limited and Seafresh IHQ Company Limited holding 60% and 25%, respectively.

14 Investments in subsidiaries (Cont'd)

The total non-controlling interests as at 31 December 2016 of is Baht 241.91 million (2015: Baht 170.96 million) of which Baht 227.85 million (2015: Baht 148.96 million) is of Sea Farms Limited which is considered as material non-controlling interests. Set out below are the summarised financial information for aforementioned subsidiary.

Summarised statement of financial position as at 31 December 2016 and 2015:

	(Unit: Million Baht)	
	Sea Farms Limited	
	31 December 2016	31 December 2015
<u>Assets</u>		
Current assets	1,791	1,991
Non-current assets	11	16
Total net assets	1,802	2,007
<u>Liabilities</u>		
Current liabilities	1,165	1,137
Non-current liabilities	172	566
Total net liabilities	1,337	1,703
Net assets	465	304

Summarised statement of comprehensive income for the year ended 31 December 2016 and 2015

	(Unit: Million Baht)	
	Sea Farms Limited	
	For the year ended 31 December	
	2016	2015
Revenue	3,980	3,677
Profit before income tax	357	209
Income tax expense	73	39
Post-tax profit	284	169
Other comprehensive income	-	-
Total comprehensive income	284	169
Total comprehensive income allocated to non-controlling interests	139	83
Dividends paid to non-controlling interests	11	5

The information above is the amount before inter-company eliminations.

15 Investment in joint venture

	Paid-up capital	Consolidated financial statements					
		Percentage of investment (%)		Equity method (Thousand Baht)		At cost (Thousand Baht)	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Belize Aquaculture Limited	BZD 13.75 million	50.00	50.00	-	-	9,663	9,663

The Group has no contingent liabilities relating to the Group's interest in the joint venture.

Movements in the Group's investment in joint venture are as follows:

	(Unit : Thousand Baht)	
	Consolidated financial statements	
	For the year ended 31 December	
	2016	2015
Opening balance	-	95,374
Share of loss from investment under the equity method	-	(99,556)
Currency translation differences	-	4,182
Ending balance	-	-

Summary of financial information of joint venture

	(Unit : Thousand Baht)	
	31 December 2016	31 December 2015
	2016	2015
Cash and cash equivalents	7,967	4,295
Trade accounts receivable and other receivables	12,874	6,173
Inventories	36,812	52,366
Property, plant and equipment	362,695	369,391
Other non-current asset	1,314	1,587
Total assets	421,662	433,812
Trade accounts payable and other payable	234,041	184,672
Loans	265,464	272,475
Total liabilities	499,505	457,147
Net assets	(77,843)	(23,335)

	(Unit : Thousand Baht)	
	For the year ended 31 December	
	2016	2015
Revenue	121,304	334,057
Cost of goods sold	(77,853)	(278,331)
Selling and administrative expenses	(97,770)	(178,154)
Loss before income tax	(54,319)	(122,428)
Income tax	-	-
Net loss for the year	(54,319)	(122,428)

As at 31 December 2016, the Group has not recognized excess losses over investment in joint venture amount of Baht 77.8 million (2015: Baht 23.3 million) in these financial statements due to the Group has no any commitments on the negative net assets.

16 Property, plant and equipment - net

(Unit : Thousand Baht)

Consolidated financial statements							
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	Total
As at 1 January 2015							
Cost	163,580	915,797	758,022	126,703	85,734	61,756	2,111,592
<u>Less</u> Accumulated depreciation	-	(504,622)	(403,954)	(73,664)	(48,146)	-	(1,030,386)
Provision for impairment	-	(14,455)	-	-	-	-	(14,455)
Net book value	163,580	396,720	354,068	53,039	37,588	61,756	1,066,751
For the year ended 31 December 2015							
Opening - net book value	163,580	396,720	354,068	53,039	37,588	61,756	1,066,751
Additions	5,727	8,491	47,013	25,741	6,338	53,632	146,942
Transfer	-	48,643	29,543	359	4,511	(83,056)	-
Disposals - net	-	-	(215)	-	(599)	-	(814)
Write off - net	-	(29)	(80)	(107)	-	-	(216)
Depreciation	-	(33,993)	(74,035)	(16,038)	(8,338)	-	(132,404)
Reversal of impairment of fixed assets	-	14,455	-	-	-	-	14,455
Currency transaction differences	2,766	10,813	7,458	1,832	18	-	22,887
Closing - net book value	172,073	445,100	363,752	64,826	39,518	32,332	1,117,601
As at 31 December 2015							
Cost	172,073	967,619	831,039	152,313	93,040	32,332	2,248,416
<u>Less</u> Accumulated depreciation	-	(522,519)	(467,287)	(87,487)	(53,522)	-	(1,130,815)
Net book value	172,073	445,100	363,752	64,826	39,518	32,332	1,117,601

16 Property, plant and equipment - net (Cont'd)

(Unit : Thousand Baht)

Consolidated financial statements							
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	Total
For the year ended 31 December 2016							
Opening - net book value	172,073	445,100	363,752	64,826	39,518	32,332	1,117,601
Additions	-	1,799	22,313	13,259	22,158	152,473	212,002
Transfer	-	76,774	70,096	1,172	10,719	(158,761)	-
Disposals - net	-	-	-	-	(68)	-	(68)
Write off - net	-	(107)	(966)	(4)	(24)	-	(1,101)
Depreciation	-	(30,796)	(73,782)	(15,226)	(13,667)	-	(133,471)
Currency transaction differences	(12,138)	(43,150)	(30,956)	(8,753)	245	-	(94,752)
Closing - net book value	159,935	449,620	350,457	55,274	58,881	26,044	1,100,211
As at 31 December 2016							
Cost	159,935	989,043	858,450	147,299	106,847	26,044	2,287,618
<u>Less</u> Accumulated depreciation	-	(539,423)	(507,993)	(92,025)	(47,966)	-	(1,187,407)
Net book value	159,935	449,620	350,457	55,274	58,881	26,044	1,100,211

Certain land and buildings and mortgaged as collateral for long-term loans from financial institutions as explained in Note 20.

16 Property, plant and equipment - net (Cont'd)

(Unit : Thousand Baht)

	Separate financial statements						Total
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	
As at 31 January 2015							
Cost	103,479	652,086	477,280	51,296	85,138	61,756	1,431,035
<u>Less</u> Accumulated depreciation	-	(478,173)	(303,059)	(43,831)	(48,010)	-	(873,073)
Provision for impairment	-	(14,455)	-	-	-	-	(14,455)
Net book value	103,479	159,458	174,221	7,465	37,128	61,756	543,507
For the year ended 31 December 2015							
Opening - net book value	103,479	159,458	174,221	7,465	37,128	61,756	543,507
Additions	-	5,073	2,737	5,306	6,338	53,632	73,086
Transfer	-	48,643	29,543	359	4,511	(83,056)	-
Disposals - net	-	-	(215)	-	(599)	-	(814)
Write off - net	-	(29)	(80)	(6)	-	-	(115)
Depreciation	-	(28,808)	(33,670)	(2,967)	(8,185)	-	(73,630)
Reversal of impairment of fixed assets	-	14,455	-	-	-	-	14,455
Closing - net book value	103,479	198,792	172,536	10,157	39,193	32,332	556,489
As at 31 December 2015							
Cost	103,479	688,356	493,102	54,562	92,417	32,332	1,464,248
<u>Less</u> Accumulated depreciation	-	(489,564)	(320,566)	(44,405)	(53,224)	-	(907,759)
Net book value	103,479	198,792	172,536	10,157	39,193	32,332	556,489

16 Property, plant and equipment - net (Cont'd)

(Unit : Thousand Baht)

	Separate financial statements						Total
	Land	Buildings, and improvement	Machine, and factory equipment	Office fixtures and supplies	Vehicles	Construction in progress	
For the year ended 31 December 2016							
Opening - net book value	103,479	198,792	172,536	10,157	39,193	32,332	556,489
Additions	-	1,520	3,523	3,122	8,522	152,473	169,160
Transfer	-	76,774	70,096	1,172	10,719	(158,761)	-
Disposals - net	-	-	-	-	(68)	-	(68)
Write off - net	-	(107)	(966)	(4)	(24)	-	(1,101)
Depreciation	-	(25,269)	(37,210)	(3,730)	(9,827)	-	(76,036)
Closing - net book value	103,479	251,710	207,979	10,717	48,515	26,044	648,444
As at 31 December 2016							
Cost	103,479	758,918	561,525	56,526	92,698	26,044	1,599,190
<u>Less</u> Accumulated depreciation	-	(507,208)	(353,546)	(45,809)	(44,183)	-	(950,746)
Net book value	103,479	251,710	207,979	10,717	48,515	26,044	648,444

17 Intangible assets - net

(Unit : Thousand Baht)			
Consolidated financial statements			
	Customer relationship	Computer software	Total
As at 1 January 2015			
Cost	24,041	31,128	55,169
<u>Less</u> Accumulated amortisation	(24,041)	(15,086)	(39,127)
Net book value	-	16,042	16,042
For the year ended 31 December 2015			
Opening - net book value	-	16,042	16,042
Additions	-	4,019	4,019
Amortisation	-	(8,324)	(8,324)
Currency transaction differences	-	393	393
Closing - net book value	-	12,130	12,130
As at 31 December 2015			
Cost	25,147	36,002	61,149
<u>Less</u> Accumulated amortisation	(25,147)	(23,872)	(49,019)
Net book value	-	12,130	12,130
For the year ended 31 December 2016			
Opening - net book value	-	12,130	12,130
Additions	-	6,783	6,783
Amortisation	-	(6,473)	(6,473)
Currency transaction differences	-	(596)	(596)
Closing - net book value	-	11,844	11,844
As at 31 December 2016			
Cost	20,697	39,348	60,045
<u>Less</u> Accumulated amortisation	(20,697)	(27,504)	(48,201)
Net book value	-	11,844	11,844

17 Intangible assets - net (Cont'd)

	(Unit : Thousand Baht)
	Separate financial statements
	Computer software
As at 1 January 2015	
Cost	12,561
<u>Less</u> Accumulated amortisation	<u>(7,845)</u>
Net book value	<u>4,716</u>
For the year ended 31 December 2015	
Opening - net book value	4,716
Additions	4,000
Amortisation	<u>(1,968)</u>
Closing - net book value	<u>6,748</u>
As at 31 December 2015	
Cost	16,561
<u>Less</u> Accumulated amortisation	<u>(9,813)</u>
Net book value	<u>6,748</u>
For the year ended 31 December 2016	
Opening - net book value	6,748
Additions	234
Amortisation	<u>(1,981)</u>
Closing - net book value	<u>5,001</u>
As at 31 December 2016	
Cost	16,795
<u>Less</u> Accumulated amortisation	<u>(11,794)</u>
Net book value	<u>5,001</u>

18 Bank overdrafts and short-term loans from financial institutions

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Bank overdrafts	1,702	89	1,590	89
Short-term loans from financial institutions	966,083	1,463,392	366,800	1,002,260
Total	<u>967,785</u>	<u>1,463,481</u>	<u>368,390</u>	<u>1,002,349</u>

Bank overdrafts and short - term loans facilities bear interest rates at 2.0% to 2.8% and are collateralised by bank deposits of the Group as mentioned in Note 13.

As at 31 December 2016, the Group has unutilised short-term credit facilities amounting to Baht 1,917 million (2015 : Baht 1,428 million).

19 Accrued expenses

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Accrued salary and bonus	26,610	33,140	13,102	27,388
Accrued consulting expense	2,500	1,166	1,303	1,150
Accrued utilities expense	5,230	5,547	5,230	5,547
Accrued transportation and warehouse expense	9,803	7,025	1,211	56
Accrued promotional expense	11,242	4,702	15	-
Accrued product development	562	9,074	562	-
Others	54,406	50,669	5,207	4,459
Total	110,353	111,323	26,630	38,600

20 Long-term loans from financial institutions

Loans	Principals	Term (years)	Maturity	Repayment	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
					31 December 2016	31 December 2015	31 December 2016	31 December 2015
1	GBP 1.8 million	15	February 2028	Monthly installments of GBP 13,229	-	81,253	-	-
2	USD 10 million	7	October 2018	3 Months installments of USD 0.39 million	-	164,592	-	164,592
3	USD 10 million	5	April 2018	3 Months installments of USD 0.5 million	108,008	181,269	108,008	181,269
4	Baht 300 million	5	March 2018	Quarterly installments of Baht 15 million	75,000	135,000	75,000	135,000
5	Baht 100 million	3	April 2017	3 Months installments of Baht 8.33 million	16,700	50,020	16,700	50,020
6	Baht 200 million	5	July 2020	Quarterly installments of Baht 10 million	140,000	180,000	140,000	180,000
7	GBP 3 million	4	July 2020	Monthly installments of GBP 62,500	116,020	-	-	-
8	GBP 2.2 million	5	July 2021	Monthly installments of GBP 18,313	92,994	-	-	-
9	GBP 0.8 million	5	July 2021	Monthly installments of GBP 13,680	33,211	-	-	-
Total					581,933	792,134	339,708	710,881
<u>Less</u> Current portion					<u>(238,638)</u>	<u>(268,322)</u>	<u>(188,705)</u>	<u>(262,383)</u>
Portion due more than one year					<u>343,295</u>	<u>523,812</u>	<u>151,003</u>	<u>448,498</u>

The Company's loans bear interest rate at 4% to LIBOR plus 3.15% per annum and the subsidiaries' loans bear interest rate at 2.5% to 4.0% above base rate per annum. The Group must comply with the covenants in the contracts.

The subsidiaries' loans are collateralised by mortgaged land with building and assets of subsidiaries.

20 Long-term loans from financial institutions (Cont'd)

Movements in long-term loans are summarised below:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Opening balance	792,134	795,049	710,881	712,123
<u>Add</u> Additional loans	287,688	200,000	-	200,000
Interest payable	2,856	2,945	-	-
<u>Less</u> Repayments	(462,720)	(239,697)	(370,420)	(231,203)
Unrealised (gain) loss from exchange rate	(753)	29,961	(753)	29,961
Currency translation differences	(37,272)	3,876	-	-
Ending balance	581,933	792,134	339,708	710,881

The interest rate exposure on the borrowings is as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Loans				
- at fixed rates	16,700	50,020	16,700	50,020
- at floating rates	565,233	742,114	323,008	660,861
Total	581,933	792,134	339,708	710,881

The carrying amounts and fair values of certain long-term loans are as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Book Value	581,933	792,134	339,708	710,881
Fair Value	581,933	792,301	339,708	711,048

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The fair values of long-term loans from financial institutions which bear fixed interest rate are based on discounted cash flows using a discount rate based upon the market borrowing rate which has credit rating similar to the Group's borrowing and are within level 2 of the fair value hierarchy in Note 4.

20 Long-term loans from financial institutions (Cont'd)

Maturity of long-term loans is as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Between 1 and 2 years	379,573	536,645	279,708	524,767
Between 2 years and 5 years	202,360	203,930	60,000	186,114
Over 5 years	-	51,559	-	-
	<u>581,933</u>	<u>792,134</u>	<u>339,708</u>	<u>710,881</u>

21 Bond - net

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Bond	500,000	-	500,000	-
<u>Less</u> Finance costs	<u>(1,271)</u>	<u>-</u>	<u>(1,271)</u>	<u>-</u>
Bond - net	<u>498,729</u>	<u>-</u>	<u>498,729</u>	<u>-</u>

Movements in bond is summarised below:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Opening balance	-	-	-	-
Issue of bond	500,000	-	500,000	-
Financing costs on issue of bond	(2,061)	-	(2,061)	-
Amortised financing fees	790	-	790	-
Ending balance	498,729	-	498,729	-

During the period from 24 to 26 May 2016, the Company had proposed to issue and offer unsubordinated and unsecured bond totalling Baht 500 million. The par value is equal to offering price at Baht 1,000 per unit. The bond is 5 year-term and bearing interest at the fixed rate of 4.30% per annum. Interest is repayable every 6 months. The bond is rated at BBB (Stable) by TRIS Rating.

The Group disclosed fair values of bond which bear fixed interest rate as following:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Book Value	498,729	-	498,729	-
Fair Value	497,307	-	497,307	-

The fair value of bond which bear fixed interest rate is based on discounted cash flow using discount rate upon the bond rates at the date of the financial statements. The rates are interval from 3.54% to 4.42%. The fair value is within level 2 of the fair value hierarchy.

22 Employee benefits obligation

The reserve for employee benefits obligations, which is for compensations on employees' retirement, is as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Defined benefit obligation at beginning of year	32,051	30,401	32,051	30,401
Current service cost	10,870	2,934	10,386	2,934
Interest cost	1,181	1,335	1,145	1,335
Remeasurement of post - employment	4,510	-	4,510	-
Benefits paid during the year	(954)	(2,619)	(954)	(2,619)
Transfer to subsidiaries	-	-	(1,088)	-
Defined benefit obligation at ending of year	<u>47,658</u>	<u>32,051</u>	<u>46,050</u>	<u>32,051</u>

For the years ended 31 December 2016 and 2015, provision for employee benefit expenses included in the profit or loss is as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Current service cost	10,870	2,934	10,386	2,934
Interest Cost	1,181	1,335	1,145	1,335
Total expenses recognised in profit or loss	12,051	4,269	11,531	4,269

Assumptions to estimate the actuarial valuation date are as follows:

	Consolidated and Separate financial statements	
	31 December 2016	31 December 2015
Discount rate (% per year)	2.8	3.8
Inflation rate (% per year)	3.0	3.0
Future salary increase rate (Depending on age range) (% per year)	4.0 - 12.0	4.0 - 12.0

22 Employee benefits obligation (Cont'd)

Sensitivity analysis for each significant assumption disclosed:

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Discount rate	1%	1%	Decrease 8%	Decrease 9%	Increase 9%	Increase 10%
Salary growth rate	1%	1%	Increase 10%	Increase 14%	Decrease 9%	Decrease 12%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average duration of the defined benefit obligation is 13 year (2015:14 year)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

22 Employee benefits obligation (Cont'd)

Amounts under benefit obligations for the current year and previous two years are as follows:

	(Unit : Thousand Baht)	
	Obligation under employee benefit	
	Consolidated financial statements	Separate financial statements
2016	47,658	46,050
2015	32,051	32,051
2014	30,401	30,401

23 Income tax

Applicable tax rates for the Group are as follows:

	Tax rates (%)
Income tax under the Revenue Code of the Separate and subsidiary in Thailand	0, 10, 20
Corporate income tax in foreign countries	20

23.1 Deferred tax assets and tax liabilities

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	31 December 2016	31 December 2015
Deferred tax assets from		
Loss carry forward	14,000	14,000
Deferred tax liabilities from		
Difference from depreciation rate	(29,067)	(36,933)
Forward exchange contracts	392	-
Total	(28,675)	(36,933)
Net	(14,675)	(22,933)

23 Income tax (Cont'd)

23.1 Deferred tax assets and tax liabilities (Cont'd)

The change in deferred income tax assets and liabilities are as follows:

(Unit : Thousand Baht)					
Consolidated financial statements					
	31 December 2015	Statements of income	Other comprehensive income	Currency translation differences	31 December 2016
Deferred tax assets from					
Loss carry forward	14,000	-	-	-	14,000
Deferred tax liabilities from					
Difference from					
depreciation rate	(36,933)	1,444	-	6,422	(29,067)
Forward exchange contracts	-	392	-	-	392
Total	(36,933)	1,836	-	6,422	(28,675)
Net	(22,933)	1,836	-	6,422	(14,675)

(Unit : Thousand Baht)					
Consolidated financial statements					
	31 December 2014	Statements of income	Other comprehensive income	Currency translation differences	31 December 2015
Deferred tax assets from					
Loss carry forward	-	14,000	-	-	14,000
Deferred tax liabilities from					
Difference from depreciation rate	(24,293)	(11,293)	-	(1,347)	(36,933)
Forward exchange contracts	(4,233)	4,340	-	(107)	-
Fair value of land and buildings on business acquisition	(21,994)	22,549	-	(555)	-
Total	(50,520)	15,596	-	(2,009)	(36,933)
Net	(50,520)	29,596	-	(2,009)	(22,933)

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. Unrecognised deferred income tax assets of Baht 75 million (2015 : Baht 50 million) in respect of unused cumulative losses is Baht 373 million (2015 : Baht 250 million).

23 Income tax (Cont'd)

23.2 Income tax expenses recognised in the statements of income for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Current tax	103,037	25,436	-	-
Deferred tax				
Movement in temporary differences	(392)	1,597	-	(14,000)
Total	102,645	27,033	-	(14,000)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country is as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Profit before tax	495,079	533,903	65,701	407,702
Tax calculated at a tax rate of 20% (2015 : 20%)	99,016	106,010	13,140	81,540
Tax effect of:				
Income not subject to tax	(17,894)	(64,909)	(13,415)	(64,909)
Tax exemption revenue	(643)	(555)	(198)	(554)
Share of loss from joint venture	-	19,911	-	-
Impact of intercompany profit	9,142	6,148	-	-
Change in tax rate	(1,872)	(4,015)	-	-
Unrecognised temporary differences	(5,436)	(6,612)	(5,570)	(2,422)
Expenses not deductible for tax purpose	10,059	5,473	58	371
Utilisation of previously unrecognised tax losses	-	(14,026)	-	(14,026)
Tax losses for which no deferred income tax asset was recognised	-	(14,000)	-	(14,000)
Adjustment in respect of prior year	1,956	(7,376)	-	-
Unrecognised current year loss as deferred tax assets	8,317	984	5,985	-
Tax charged	102,645	27,033	-	(14,000)

24 Other income

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Interest income	568	34,796	27,031	85,693
Dividend received	-	-	11,029	5,045
Income from sale of by products	11,300	13,485	11,300	13,485
Export subsidies refund	-	1,599	-	1,599
Compensation from export duty	4,574	3,890	4,574	3,890
Interest income from credit sale	-	21	66,462	70,822
Income from sales of scrap	1,058	1,569	1,058	1,569
Gain on sales of equipment	4,039	719	4,039	719
Others	10,150	16,054	10,405	15,329
Total	31,689	72,133	135,898	198,151

25 Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the year ended 31 December			
	2016	2015	2016	2015
Salaries and wages and other employee benefits	986,954	981,692	465,968	481,747
Depreciation and amortisation expenses	139,943	140,729	78,016	75,598
Raw materials and consumable supplies used	5,128,294	6,513,170	2,129,207	2,345,620
Logistic expenses	148,233	179,174	53,352	49,575
Utilities expenses	108,083	115,383	73,086	77,302
Warehouse expenses	48,466	40,714	3,952	1,861
Maintenance expenses	49,384	51,929	27,183	27,393
Rental expenses from operating lease agreements	11,654	9,913	7,622	7,417
Changes in inventories of finished goods and work in process	154,539	(1,094,228)	171,938	(469,560)
Provision for declining in value of inventories (reversal)	(46,325)	37,131	(10,760)	8,200
Gain on exchange rate and derivative instruments	(90,250)	(89,944)	(10,276)	(62,456)

26 Operating segment

The Group presents the operating segments by geographical area. Segment information is presented in respect of the Group operating segments which are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the board of directors. The board of directors reviews the Group's internal reporting regularly in order to assess the performance and allocate resources. The board of directors measures the business based on a measure of segment profit before tax, which is derived on a basis that is consistent with the measurement of profit for the year in the consolidated statement of comprehensive income.

Operating segments are defined as components of the Group about which segment financial information is available by a segment basis that is evaluated regularly by the board of directors.

The information of operating segment for the years ended 31 December 2016 and 2015 is as follows:

	(Unit : Thousand Baht)							
	Consolidated financial statements							
	For the year ended 31 December							
	Overseas operation		Thailand operation		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from sales and services - third parties	6,064,232	6,371,886	1,522,613	1,445,490	-	-	7,586,845	7,817,376
Revenues from related parties	-	-	1,600,718	1,391,089	(1,600,718)	(1,391,089)	-	-
Total revenues from sale and service	6,064,232	6,371,886	3,123,331	2,836,579	(1,600,718)	(1,391,089)	7,586,845	7,817,376
Interest income	11	34,079	27,065	85,737	(26,508)	(85,020)	568	34,796
Interest expenses	165,468	169,025	55,464	50,148	(130,814)	(155,712)	90,118	63,461
Depreciation and amortisation expenses	61,847	65,059	78,096	75,670	-	-	139,943	140,729
Segment profit before income tax	414,252	146,771	89,407	410,084	(8,580)	(22,952)	495,079	533,903
Segment total assets	3,349,435	3,472,965	3,032,930	3,719,336	(1,381,218)	(1,927,959)	5,001,147	5,264,342
Increase (decrease) of non-current assets of segment	(74,772)	(68,370)	165,935	(882,767)	(115)	1,010,451	91,048	9,314
Segment total liabilities	2,768,891	3,072,883	1,354,448	1,870,392	(1,368,544)	(1,910,933)	2,754,795	3,032,342

27 Earnings per share

Earnings per share is calculated by dividing profit for the year attributable to shareholders of the Company, excluding other comprehensive income, with the sum of weighted average number of ordinary shares issued during the year.

Diluted earnings per share are calculated by dividing profit for the year attributable to shareholders of the Company, excluding other comprehensive income, with the sum of weighted average number of ordinary shares issued during the year and weighted average number of ordinary shares in the Company may be issued to converse diluted share into common stock. The calculation assumes that the conversion into ordinary shares occurs at the beginning of the year or on the date the potential ordinary shares.

The calculation of earnings per share, basic and diluted earnings per shares is as follows:

	Consolidated financial statements					
	Profit for the year (Thousand baht)		Weighted average common stock (Thousand shares)		Profit per share (Baht)	
	2016	2015	2016	2015	2016	2015
Basic earnings per share						
Profit attributable to equity holders of the parent company	257,810	458,577	463,550	463,550	0.56	0.99
Potential effect of dilutive ordinary shares						
Warrants	-	-	-	-	-	-
Diluted earnings per share						
Profit of ordinary shareholder assuming the exercise of warrants	257,810	458,577	463,550	463,550	0.56	0.99

27 Earnings per share (Cont'd)

The calculation of earnings per share, basic and diluted earnings per shares is as follows: (Cont'd)

	Separate financial statements					
	Profit for the year (Thousand baht)		Weighted average common stock (Thousand shares)		Profit per share (Baht)	
	2016	2015	2016	2015	2016	2015
Basic earnings per share						
Profit attributable to equity holders of the parent company	65,701	421,702	463,550	463,550	0.14	0.91
Potential effect of dilutive ordinary shares						
Warrants	-	-	-	-		
Diluted earnings per share						
Profit of ordinary shareholder assuming the exercise of warrants	65,701	421,702	463,550	463,550	0.14	0.91

28 Share capital

	Authorised share capital A par value of Baht 1 per share	(Unit : Thousand Baht) Issued and paid-up share capital paid-up of Baht 1 per share
Ordinary shares - Opening balance	485,695	463,550
Issue of ordinary shares	-	-
Ordinary shares - Ending balance	485,695	463,550

As at 31 December 2016, total authorised number of shares was 485.695 million shares, included 22.145 million warrants (ESOP warrants No. 3) with a par value of Baht 1 per share (2015: 485.695 million shares with a par value of Baht 1 per share). All 463.550 million shares were issued and fully paid-up with the share premium of Baht 799.228 million.

Warrants

On 2 July 2015, the Company issued 22,145,000 warrants (ESOP warrants No. 3), to subscribe to the Company's ordinary shares. These warrants will be allotted to the Company's directors and employees. The warrants have four-year exercise period with an expiry date on 2 July 2019. The exercise ratio is 1 warrant to 1 new ordinary share with a Baht 12 exercise price per share. The first exercise date is on 2 July 2016.

The exercise periods are:

- 1st month to 12th month, directors and employees have no right to buy common stocks.
- 13th month to 24th month, an individual can exercise up to one-third of the total warrants allocated to him.
- 25th month to 36th month, an individual can exercise up to the additional two-third of the total warrants allocated to him.
- 37th month to 48th month, any remaining warrants can be exercised.

The ESOP warrants have not yet listed on the Stock Exchange of Thailand.

29 Legal reserve

Legal reserve represents the reserve which the Company appropriated under the provisions of the Public Limited Companies Act B.E. 2535, which requires the Company to appropriate at least 5% of its net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve reaches 10% of the authorised share capital. This reserve is not available for dividend distribution.

30 Dividend paid

On 28 April 2016, the Annual General Shareholders meeting No. 1/2559 passed a resolution to approve the dividend payment of 0.55 Baht per share, totalling Baht 255 million. Dividend was paid on 17 May 2016.

31 Commitments and contingent liabilities

31.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 1 to 2.5 years. Future minimum lease payments required under these non-cancellable operating lease contracts are as follows:

	(Unit : Million Baht)	
	31 December 2016	31 December 2015
Within 1 year	16	5.3
Over 1 and up to 3 years	4	-

The subsidiaries have entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 1 to 5 years. Future minimum lease payments required under these non-cancellable operating lease contracts are as follows:

	(Unit : Thousand GBP)	
	31 December 2016	31 December 2015
Within 1 year	150	16
Over 1 and up to 5 years	263	153

31.2 Capital commitments

As at 31 December 2016, the Company has capital commitments in respect of purchases of machines and equipment amounting to Baht 1.8 million (2015: Baht 21 million).

31.3 Bank guarantees

	Consolidated and Separate financial statements	
	31 December 2016	31 December 2015
US Customs bond	USD 0.2 million	USD 0.4 million
Electricity guarantee	Baht 8.3 million	Baht 8.3 million
Purchase raw material	Baht 10 million	-
Import - export guarantee - Customs Dept.	Baht 1 million	Baht 1 million

The Company has been granted various promotional privileges by the Board of Investment under the Investment Promotion Act. B.E. 2520 Details of the promotion certificates are as follows:

Certificate No.	Certificate's date	The promoted business	Date of first earning operating income
1498/2543	23 August 2000	The manufacture of frozen seafood, and frozen processed and semi-processed seafood products.	7 July 2003
1739(3)/2550	4 June 2007	The manufacture of frozen processed or semi-processed products.	1 July 2011
1740(2)/2550	20 June 2007	The manufacture of frozen seafood products.	1 July 2011
1070(2)/2557	9 January 2014	The manufacture of frozen seafood products.	Not revenue in the present
1075(3)/2557	10 January 2014	The manufacture of semi-processed product and frozen product	Not revenue in the present

Subject to certain imposed conditions, the privileges granted under the Company's promotion certificates include the following:

- Permission to own land in order to carry on the promoted activities, as deemed appropriate by the Board of Investment.
- Exemption from import duty on machinery imported for use in production, as approved by the Board.
- Exemption from corporate income tax on net profit for a period of eight years commencing as from the date of first earning income from the promoted operation.(Exemption certificate no. 1740(2)/2550 and 1070(2)/2557 not exceed 100 percent of investment).
- Exemption from income tax on dividends paid from the profit of the promoted operation, for a period of eight years.
- Permission to deduct costs of installation or construction of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.
- Exemption of income tax on profits rate of fifty percent of the normal rate for a period of five years from the date of the expiration that tax-exempt under section c) (Only exemption of certificate no. 1498/2543).

The Company's operating revenues for the years ended 31 December 2016 and 2015 are below shown divided according to promoted and non-promoted operations as follows :

	Promoted business	(Unit : Thousand Baht) Non - promoted business	Total
2016			
Sales			
Domestic sales	9,449	6,260	15,709
Export sales	2,814,339	217,249	3,031,588
Total sales	2,823,788	223,509	3,047,297
2015			
Sales			
Domestic sales	15,984	5,089	21,073
Export sales	2,662,271	138,736	2,801,007
Total sales	2,678,255	143,825	2,822,080

33 Events after the reporting period

On 27 February 2017, the meeting of the Company's Board of Directors No. 2/2017 passed a resolution to propose the payment of a dividend of Baht 0.28 per share, or a total of Baht 130 million, to be paid within 17 May 2017 for approval by the Annual General Meeting of the Company's shareholders, which will be held on 28 April 2017.

34 Approval of the financial statements

The financial statements were authorised for issue by the Board of Directors on 27 February 2017.

Awards and Prestigious Prizes



SET Sustainability Awards 2016

The Best Sustainability Awards 2016

Market Capitalization of 3,000 - 10,000 Million Baht



Investors' Choice Awards

Consecutive Annual General Meeting

Full Score 2012-2016



ESG100 Awards

Environmental, Social and Governance

Certificate 2015-2016



Thai Labour Standard (TLS)

1 of 5 Organization Maintaining TLS

for 10 Consecutive Years



บริษัท ซีเฟรชอินดัสตรี จำกัด (มหาชน)

Seafresh Industry Public Company Limited



The Best



Shrimp



Company

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